

ANNUAL REPORT

Of

Company Name: Arroyo Water Company, Inc.
PO Box 3077

Mailing Address: Payson AZ
85541

Docket No.: W-04286A
For the Year Ended: 12/31/2022

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: 4/19/2023

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Arroyo Water Company, Inc.
 A Class Utility

For the Calendar Year Ended: 12/31/2022

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: 1/1/1989

Person to whom correspondence should be addressed concerning this report:

Name: CHERYL IBBOTSON
 Telephone No. : 928-445-0551
 Address: 302 W. WILLIS STREET, STE 203
 City: PRESCOTT State: Arizona Zip Code: 86301
 Email: cherylibbotson@gmail.com

Owner

Name: MICHAEL ARMSTEAD
 Telephone No. : 928-951-4000
 Address: 211 SADDLE ROAD
 City: PAYSON State: Arizona Zip Code: 85541
 Email: ymepayson@msn.com

On-Site Manager

Name: DEAN SHAFFER
 Telephone No. : 928-978-2286
 Address: 605 W. ARABIAN WAY
 City: PAYSON State: Arizona Zip Code: 85541
 Email: 2swmllc@gmail.com

NA

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

NA

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

Ownership: "S" Corporation

Counties Served: Gila

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.

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.

Arroyo Water Company, Inc.
Annual Report
Utility Plant in Service (Water)
12/31/2022

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	\$40,000	\$50,000	\$0	\$90,000	\$45,000	\$45,000
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	9,600	0	0	9,600	9,600	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	10,000	0	0	10,000	10,000	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	10,000	0	0	10,000	9,400	600
311	Pumping Equipment	39,500	0	0	39,500	30,263	9,237
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	12,000	0	0	12,000	12,000	0
330.2	Pressure Tanks	3,000	0	0	3,000	3,000	0
331	Transmission and Distribution Mains	464,224	0	0	464,224	343,523	120,701
333	Services	80,397	0	0	80,397	71,128	9,269
334	Meters and Meter Installations	23,135	2,004	0	25,139	20,039	5,100
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	3,000	0	0	3,000	2,801	199
339	Other Plant and Misc. Equipment	1,550	0	0	1,550	1,550	0
340	Office Furniture and Equipment	1,500	0	0	1,500	1,500	0
340.1	Computer & Software	2,000	0	0	2,000	799	1,201
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	8,000	0	0	8,000	8,000	0
344	Laboratory Equipment	0	0	0	0	0	0
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
	Totals	\$707,906	\$52,004	\$0	\$759,910	\$568,603	\$191,307

Arroyo Water Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/2022

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	\$40,000	\$50,000	\$0	\$90,000	\$0	\$90,000	6.67%	\$6,000
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	9,600	0	0	9,600	0	9,600	3.33%	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	10,000	0	0	10,000	0	10,000	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	10,000	0	0	10,000	0	10,000	5.00%	500
311	Pumping Equipment	39,500	0	0	39,500	0	39,500	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	12,000	0	0	12,000	0	12,000	0.00%	0
330.2	Pressure Tanks	3,000	0	0	3,000	0	3,000	0.00%	0
331	Transmission and Distribution Mains	464,224	0	0	464,224	0	464,224	2.00%	9,284
333	Services	80,397	0	0	80,397	0	80,397	3.33%	3,781
334	Meters and Meter Installations	23,135	2,004	0	25,139	0	25,139	8.33%	387
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	3,000	0	0	3,000	0	3,000	6.67%	200
339	Other Plant and Misc. Equipment	1,550	0	0	1,550	0	1,550	0.00%	0
340	Office Furniture and Equipment	1,500	0	0	1,500	0	1,500	0.00%	0
340.1	Computer & Software	2,000	0	0	2,000	0	2,000	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	8,000	0	0	8,000	0	8,000	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
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
	Subtotal	\$707,906	\$52,004	\$0	\$759,910	\$0	\$759,910		\$20,152

Contribution(s) in Aid of Construction (Gross) \$0
Less: Non Amortizable Contribution(s) 0
Fully Amortized Contribution(s) 0
Amortizable Contribution(s) \$0
Times: Proposed Amortization Rate 2.65%
Amortization of CIAC \$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$20,152

Arroyo Water Company, Inc.
Annual Report
Balance Sheet Assets
12/31/2022

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$4,284	\$9,557
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		7,669	9,868
146	Notes Receivable from Associated Companies		7,300	7,300
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$19,253	\$26,725
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$707,906	\$759,910
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(548,451)	(568,603)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$159,455	\$191,307
	Total Assets		\$178,708	\$218,032

*Note these items feed automatically from AR3 UPIS Page 4

Arroyo Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$25,177	\$14,632
232	Notes Payable (Current Portion)			0
234	Notes Payable to Associated Companies		10,949	10,949
235	Customer Deposits		3,170	4,082
236	Accrued Taxes		27,985	24,727
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$67,281	\$54,390
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$18,167	\$18,167
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		16,492	31,099
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		\$16,492	\$31,099
	Total Liabilities		\$101,940	\$103,656
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		76,768	114,376
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$76,768	\$114,376
	Total Liabilities and Capital		\$178,708	\$218,032

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

Arroyo Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/2022

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$97,470	\$94,004
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	2,145	2,304
	Total Revenues	\$99,615	\$96,308
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	3,099	4,264
618	Chemicals		
620	Materials and Supplies	2,102	
620.1	Repairs and Maintenance	3,000	2,922
620.2	Office Supplies and Expense	3,310	3,361
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	8,126	7,597
633	Contractual Services - Legal		1,815
634	Contractual Services - Management Fees	32,100	34,900
635	Contractual Services - Water Testing	1,967	800
636	Contractual Services - Other	6,713	6,703
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment	450	1,063
650	Transportation Expenses	6,489	3,720
657	Insurance - General Liability	2,780	1,649
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	4,337	
675	Miscellaneous Expense	1,158	709
403	Depreciation Expense (From Schedule AR4)	20,152	18,761
408	Taxes Other Than Income		
408.11	Property Taxes	2,872	2,700
409	Income Taxes		
427.1	Customer Security Deposit Interest	46	23
	Total Operating Expenses	\$98,703	\$90,987
	Operating Income / (Loss)	\$913	\$5,321
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income	65	61
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(243)	(19)
	Total Other Income / (Expense)	(\$178)	\$42
	Net Income / (Loss)	\$735	\$5,363

Arroyo Water Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/2022

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0			1.0
Vice-president				0.0
Manager	1.0			1.0
Engineering Staff				0.0
System Operator(s)	1.0			1.0
Meter reader	1.0			1.0
Customer Service			2.0	2.0
Accounting			1.0	1.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	4.0	0.0	3.0	7.0

Arroyo Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/2022

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	n/a	n/a	n/a	n/a
Source of Loan	n/a	n/a	n/a	n/a
ACC Decision No.	n/a	n/a	n/a	n/a
Reason for Loan	n/a	n/a	n/a	n/a
Dollar Amt. Issued	n/a	n/a	n/a	n/a
Amount Outstanding	n/a	n/a	n/a	n/a
Date of Maturity	n/a	n/a	n/a	n/a
Interest Rate	n/a	n/a	n/a	n/a
Current Year Interest	n/a	n/a	n/a	n/a
Current Year Principal	n/a	n/a	n/a	n/a

Meter Deposit Balance at Test Year End:	\$31,099
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Meter Deposits Refunded During the Test Year:	\$1,298
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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.

Well and Water Usage

Name of the System: ARROYO WATER CO INC											
ADEQ Public Water System Number: AZ0404083											
ADWR PCC Number: 91-000151.0000											
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2011	Water level 2021	Meter Size (inches)	How measured:	Active
	53	90	61	9		1996				Metered	Yes
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A

Name of system water delivered to:	NA
ADWR PCC Number:	#N/A
Source of water delivered to another system	NA
Name of system water received from:	NA
ADWR PCC Number:	#N/A
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 (kWh) ⁷
January	460,160.00	413,814.00				\$152	848
February	484,070.00	435,326.00				171	966
March	439,790.00	395,496.00				181	1,048
April	693,520.00	623,665.00				229	1,381
May	754,890.00	678,863.00				332	1,872
June	678,440.00	610,105.00				371	2,092
July	1,585,300.00	1,425,629.00				368	2,070
August	911,740.00	819,911.00				312	1,714
September	816,850.00	734,577.00				342	1,907
October	1,462,510.00	1,315,205.00				269	1,459
November	710,110.00	638,590.00				204	1,169
December	543,550.00	488,805.00				180	998
Totals	9,540,930.00	8,579,986.00	0.00	0.00	0.00	\$3,111	17,524

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

- 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:	ARROYO WATER CO INC		
ADEQ Public Water System Number:	AZ0404083		
ADWR PCC Number:	91-000151.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	2,000
3.00	PVC	6,200
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	192	29%	
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
PVC	100%	
NA		
NA		
NA		
NA		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5		1
5		1

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
11,000		1	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
2,500			

* 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:	CHAIN LINK FENCE AROUND WELL SITE
OTHER:	OPERATION COMPANY SUPPLIES EQUIPMENT & MATERIALS SUCH AS BACKHOE, TRENCHERS, GENERATORS ECT

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 ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)
- (b) If no historical flow data are available, use:

ERC	67
Method used:	(b)

Customer and Other Information	
Name of the System:	ARROYO WATER CO INC
ADEQ Public Water System Number:	AZ0404083
ADWR PCC Number:	91-000151.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	160				
February	160				
March	164				
April	164				
May	163				
June	162				
July	162				
August	162				
September	162				
October	161				
November	167				
December	173				

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 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.

DECISION NUMBERS 77458 & 77148

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

Arroyo Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2022

Utility Shutoffs / Disconnects	
Name of the System:	ARROYO WATER CO INC
ADEQ Public Water System Number:	AZ0404083
ADWR PCC Number:	91-000151.0000

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
Total	0	0	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.

Arroyo Water Company, Inc.
Annual Report
Property Taxes
12/31/2022

Property Taxes

Amount of actual property taxes paid during Calendar Year 2021 was

\$3,905

If no property taxes paid, explain why.

The amount of property taxes paid in 2022 (not 2021) was \$3,905.49 - which paid in full the delinquent amounts for years 2013, 2014, 2015 & 2016.

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): Yavapai
Name (owner or official) title: MICHAEL ARMSTEAD
Company name: Arroyo Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/2022

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 NOT CURRENT AND PAID IN FULL.

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

Michael Armstead
signature of owner/official

928-951-4000
telephone no.

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

THIS

19th

DAY OF

Yavapai
(county name)
April 2023
(month) and (year)

MY COMMISSION EXPIRES

3/12/25
(date)

Felicia Robinson
(signature of notary public)



Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Yavapai
Name (owner or official) title: MICHAEL ARMSTEAD
Company name: Arroyo Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/2022

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 (\$)

\$104,030

(The amount in the box above includes

\$6,474 in sales taxes billed or collected)

Michael Armstead

signature of owner/official

928-951-4000

telephone no.

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

THIS

19th

DAY OF

Yavapai (county name)
April 2023 (month) and (year)

MY COMMISSION EXPIRES

3/12/2025
(date)



Felicia Robinson
(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): Yavapai
Name (owner or official) title: MICHAEL ARMSTEAD
Company name: Arroyo Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/2022

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 (\$)

\$104,030
(The amount in the box above includes
\$6,474 in sales taxes
billed or collected)

Michael Armstead
signature of owner/official

928-951-4000
telephone no.

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

Yavapai
(county name)

THIS 19th DAY OF April 2023
(month) and (year)

MY COMMISSION EXPIRES 3/12/25
(date)



Felicia Robinson
(signature of notary public)

Arroyo Water Company, Inc.
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/2022

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): Yavapai
Name (owner or official) title: MICHAEL ARMSTEAD
Company name: Arroyo Water Company, Inc.

FOR THE YEAR ENDING: 12/31/2022

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.

Michael Armstead
signature of owner/official

928-951-4000
telephone no.

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

Yavapai
(county name)

THIS 19th

DAY OF April 2023
(month) and (year)

MY COMMISSION EXPIRES

3/12/2025
(date)

Felicia Robinson
(signature of notary public)

