

ANNUAL REPORT

Of

Company Name: Avra Water Cooperative, Inc.
11821 W. Picture Rocks Rd.

Mailing Address: Tucson AZ
85743

RECEIVED BY EMAIL
April 18, 2022 1:07 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: W-02126A
For the Year Ended: 8/31/2021

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: 3/19/2022

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Avra Water Cooperative, Inc.
 A Class Utility

For the Calendar Year Ended: 8/31/2021

Primary Address: 11821 W. Picture Rocks Road
 City: Tucson State: Arizona Zip Code: 85743

Telephone Number: (520) 682-7331

Date of Original Organization of Utility: 1/14/1976

Person to whom correspondence should be addressed concerning this report:

Name: Cathy Kuefler
 Telephone No. : (520) 682-7331
 Address: 11821 W. Picture Rocks Road
 City: Tucson State: Arizona Zip Code: 85743
 Email: Cathy@avrawater.com

On-Site Manager

Name: Cathy Kuefler
 Telephone No. : (520) 682-7331
 Address: 11821 W. Picture Rocks Road
 City: Tucson State: Arizona Zip Code: 85743
 Email: Cathy@avrawater.com

Attorney

Name: Marc Simon
 Telephone No. : (520) 882-1233
 Address: One South Church Avenue, Suite 1500
 City: Tucson State: Arizona Zip Code: 85701
 Email: msimon@swlaw.com

NA

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

NA

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

Ownership: Association--Cooperative

Counties Served: Pima

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. |
| | |

| 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 | \$8,685 | \$0 | \$0 | \$8,685 | \$0 | \$8,685 |
| 302 | Franchises | 0 | 0 | 0 | 0 | 0 | 0 |
| 303 | Land and Land Rights | 228,737 | 0 | 0 | 228,737 | 0 | 228,737 |
| 304 | Structures and Improvements | 648,465 | 29,653 | 0 | 678,118 | 307,967 | 370,151 |
| 305 | Collecting & Improving Reservoirs | 247,640 | 0 | 0 | 247,640 | 72,266 | 175,374 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0 |
| 307 | Wells and Springs | 3,451,545 | 317 | 0 | 3,451,862 | 1,589,514 | 1,862,348 |
| 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 | 1,091,795 | 17,384 | 0 | 1,109,179 | 1,049,691 | 59,488 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 320.1 | Water Treatment Plants | 37,862 | 0 | 0 | 37,862 | 3,118 | 34,744 |
| 320.2 | Solution Chemical Feeders | 62,135 | 0 | 0 | 62,135 | 49,671 | 12,464 |
| 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 | 2,687,359 | 0 | 0 | 2,687,359 | 1,158,058 | 1,529,301 |
| 330.2 | Pressure Tanks | 0 | 0 | 0 | 0 | 0 | 0 |
| 331 | Transmission and Distribution Mains | 7,410,334 | 13,162 | 0 | 7,423,496 | 3,447,769 | 3,975,727 |
| 333 | Services | 568,470 | 16,472 | 0 | 584,942 | 480,607 | 104,335 |
| 334 | Meters and Meter Installations | 1,023,597 | 34,074 | 0 | 1,057,671 | 709,581 | 348,090 |
| 335 | Hydrants | 50,423 | 3,985 | 0 | 54,408 | 14,339 | 40,069 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0 |
| 339 | Other Plant and Misc. Equipment | 109,622 | 20,000 | 0 | 129,622 | 93,562 | 36,060 |
| 340 | Office Furniture and Equipment | 243,178 | 2,223 | 0 | 245,401 | 217,896 | 27,505 |
| 340.1 | Computer & Software | 78,293 | 13,891 | 0 | 92,184 | 56,338 | 35,846 |
| 341 | Transportation Equipment | 221,022 | 9,822 | 0 | 230,844 | 198,237 | 32,607 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 343 | Tools, Shop and Garage Equipment | 170,888 | 942 | 0 | 171,830 | 126,551 | 45,279 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 345 | Power Operated Equipment | 92,862 | 0 | 0 | 92,862 | 16,248 | 76,614 |
| 346 | Communication Equipment | 237,394 | 2,849 | 0 | 240,243 | 87,743 | 152,500 |
| 347 | Miscellaneous Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 |
| | Totals | \$18,670,306 | \$164,774 | \$0 | \$18,835,080 | \$9,679,156 | \$9,155,924 |

Avra Water Cooperative, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 8/31/2021

| 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 | \$8,685 | \$0 | \$0 | \$8,685 | \$8,685 | \$0 | 0.00% | \$0 |
| 302 | Franchises | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 303 | Land and Land Rights | 228,737 | 0 | 0 | 228,737 | 228,737 | 0 | 0.00% | 0 |
| 304 | Structures and Improvements | 648,465 | 29,653 | 0 | 678,118 | 147,505 | 530,613 | 3.33% | 17,176 |
| 305 | Collecting & Improving Reservoirs | 247,640 | 0 | 0 | 247,640 | 0 | 247,640 | 2.22% | 5,498 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 2.50% | 0 |
| 307 | Wells and Springs | 3,451,545 | 317 | 0 | 3,451,862 | 0 | 3,451,862 | 3.33% | 114,942 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 | 6.67% | 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 | 1,091,795 | 17,384 | 0 | 1,109,179 | 980,660 | 128,519 | 12.50% | 14,978 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 3.33% | 0 |
| 320.1 | Water Treatment Plants | 37,862 | 0 | 0 | 37,862 | 0 | 37,862 | 3.33% | 1,261 |
| 320.2 | Solution Chemical Feeders | 62,135 | 0 | 0 | 62,135 | 37,859 | 24,276 | 20.00% | 4,855 |
| 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 | 2.22% | 0 |
| 330.1 | Storage Tanks | 2,687,359 | 0 | 0 | 2,687,359 | 0 | 2,687,359 | 2.22% | 59,659 |
| 330.2 | Pressure Tanks | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | 0 |
| 331 | Transmission and Distribution Mains | 7,410,334 | 13,162 | 0 | 7,423,496 | 0 | 7,423,496 | 2.00% | 148,338 |
| 333 | Services | 568,470 | 16,472 | 0 | 584,942 | 414,999 | 169,943 | 3.33% | 5,385 |
| 334 | Meters and Meter Installations | 1,023,597 | 34,074 | 0 | 1,057,671 | 411,293 | 646,378 | 8.33% | 52,424 |
| 335 | Hydrants | 50,423 | 3,985 | 0 | 54,408 | 0 | 54,408 | 2.00% | 1,048 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0 | 6.67% | 0 |
| 339 | Other Plant and Misc. Equipment | 109,622 | 20,000 | 0 | 129,622 | 0 | 129,622 | 6.67% | 7,979 |
| 340 | Office Furniture and Equipment | 243,178 | 2,223 | 0 | 245,401 | 159,190 | 86,211 | 6.67% | 5,676 |
| 340.1 | Computer & Software | 78,293 | 13,891 | 0 | 92,184 | 23,099 | 69,085 | 20.00% | 12,428 |
| 341 | Transportation Equipment | 221,022 | 9,822 | 0 | 230,844 | 180,448 | 50,396 | 20.00% | 9,097 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 4.00% | 0 |
| 343 | Tools, Shop and Garage Equipment | 170,888 | 942 | 0 | 171,830 | 67,038 | 104,792 | 5.00% | 5,216 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 10.00% | 0 |
| 345 | Power Operated Equipment | 92,862 | 0 | 0 | 92,862 | 0 | 92,862 | 5.00% | 4,643 |
| 346 | Communication Equipment | 237,394 | 2,849 | 0 | 240,243 | 24,340 | 215,903 | 10.00% | 21,448 |
| 347 | Miscellaneous Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 10.00% | 0 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 10.00% | 0 |
| | Subtotal | \$18,670,306 | \$164,774 | \$0 | \$18,835,080 | \$2,683,853 | \$16,151,227 | | \$492,051 |

| | |
|--|-------------|
| Contribution(s) in Aid of Construction (Gross) | \$6,003,651 |
| Less: Non Amortizable Contribution(s) | 0 |
| Fully Amortized Contribution(s) | 23,510 |
| Amortizable Contribution(s) | \$5,980,141 |
| Times: Proposed Amortization Rate | 3.05% |
| Amortization of CIAC | \$182,186 |

| | |
|-----------------------------|------------------|
| Less: Amortization of CIAC | \$182,186 |
| DEPRECIATION EXPENSE | \$309,865 |



ULLMANN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

4647 N. 32nd Street, Suite 220 • Phoenix, AZ 85018
Phone (602) 224-0166 • Fax (602) 224-6062 • www.ullmanncpa.com

To the Board of Directors of
Avra Water Co-op, Inc.
Tucson, Arizona

Management is responsible for the accompanying financial statements of Avra Water Co-op, Inc. (a cooperative water utility corporation), which comprise the balance sheets as of August 31, 2021 and 2020, and the water comparative income statements for the years then ended included in the accompanying prescribed form in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Arizona Corporation Commission, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The supplementary information contained in pages 2-5 and 9-20 of the prescribed form is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information contained in pages 2, 4-5, 10, and 16-20 was subject to our compilation engagement. We have not audited or reviewed this supplementary information. The supplementary information contained in pages 3, 9, and 11-15 was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on any supplementary information.

This report is intended solely for the information and use of Avra Water Co-op, Inc. and the Arizona Corporation Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Ullmann & Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants

March 19, 2022

Avra Water Cooperative, Inc.
 Annual Report
 Balance Sheet Assets
 8/31/2021

| Balance Sheet Assets | | | | |
|----------------------|---|--|---|------------------------------------|
| | Assets | | Balance at Beginning of Year (9/1/2020) | Balance at End of Year (8/31/2021) |
| Account No. | Current and Accrued Assets | | | |
| 131 | Cash | | \$1,301,134 | \$1,509,110 |
| 134 | Working Funds | | 0 | 0 |
| 135 | Temporary Cash Investments | | 0 | 0 |
| 141 | Customer Accounts Receivable | | 213,637 | 179,400 |
| 146 | Notes Receivable from Associated Companies | | 0 | 0 |
| 151 | Plant Material and Supplies | | 77,016 | 101,021 |
| 162 | Prepayments | | 28,527 | 35,408 |
| 174 | Miscellaneous Current and Accrued Assets | | 0 | 0 |
| | Total Current and Accrued Assets | | \$1,620,314 | \$1,824,939 |
| Account No. | Fixed Assets | | | |
| 101 | Utility Plant in Service* | | \$18,670,306 | \$18,835,080 |
| 103 | Property Held for Future Use | | 0 | 0 |
| 105 | Construction Work in Progress | | 4,500 | 4,500 |
| 108 | Accumulated Depreciation (enter as negative)* | | (9,187,105) | (9,679,156) |
| 121 | Non-Utility Property | | 0 | 0 |
| 122 | Accumulated Depreciation - Non Utility | | 0 | 0 |
| | Total Fixed Assets | | \$9,487,701 | \$9,160,424 |
| | Total Assets | | \$11,108,015 | \$10,985,363 |

*Note these items feed automatically from AR3 UPIS Page 4

Avra Water Cooperative, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

| Balance Sheet Liabilities and Owners Equity | | | | |
|--|---|--|--|---|
| | Liabilities | | Balance at Beginning of Year (9/1/2020) | Balance at End of Year (8/31/2021) |
| Account No. | Current Liabilities | | | |
| 231 | Accounts Payable | | \$23,233 | \$23,549 |
| 232 | Notes Payable (Current Portion) | | 169,783 | 175,829 |
| 234 | Notes Payable to Associated Companies | | 0 | 0 |
| 235 | Customer Deposits | | 66,644 | 65,362 |
| 236 | Accrued Taxes | | 91,420 | 87,363 |
| 237 | Accrued Interest | | 0 | 0 |
| 242 | Miscellaneous Current and Accrued Liabilities | | 26,780 | 24,943 |
| | Total Current Liabilities | | \$377,860 | \$377,046 |
| | Long Term Debt | | | |
| 224 | Long Term Debt (Notes and Bonds) | | \$2,855,335 | \$2,679,465 |
| | Deferred Credits | | | |
| 251 | Unamortized Premium on Debt | | \$0 | \$0 |
| 252 | Advances in Aid of Construction | | 65,269 | 69,106 |
| 255 | Accumulated Deferred Investment Tax Credits | | 0 | 0 |
| 271 | Contributions in Aid of Construction | | 5,947,651 | 6,003,651 |
| 272 | Less: Amortization of Contributions | | (2,795,798) | (2,977,984) |
| 281 | Accumulated Deferred Income Tax | | 0 | 0 |
| | Total Deferred Credits | | \$3,217,122 | \$3,094,773 |
| | Total Liabilities | | \$6,450,317 | \$6,151,284 |
| | Capital Accounts | | | |
| 201 | Common Stock Issued | | \$0 | \$0 |
| 211 | Other Paid-In Capital | | 0 | 0 |
| 215 | Retained Earnings | | 4,657,698 | 4,834,079 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | 0 | 0 |
| | Total Capital | | \$4,657,698 | \$4,834,079 |
| | Total Liabilities and Capital | | \$11,108,015 | \$10,985,363 |

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

| Water Comparative Income Statement | | | |
|---|--|---|--------------------------------------|
| Account No. | Calendar Year | Current Year 09/01/2020 - 08/31/2021 | Last Year 09/01/2019 - 08/31/2020 |
| | Operating Revenue | | |
| 461 | Metered Water Revenue | \$1,712,939 | \$1,658,566 |
| 460 | Unmetered Water Revenue | 0 | 0 |
| 462 | Fire Protection Revenue | 0 | 0 |
| 469 | Guaranteed Revenues (Surcharges) | 0 | 0 |
| 471 | Miscellaneous Service Revenues | 0 | 0 |
| 474 | Other Water Revenue | 36,571 | 36,911 |
| | Total Revenues | \$1,749,510 | \$1,695,477 |
| | Operating Expenses | | |
| 601 | Salaries and Wages | \$440,498 | \$426,293 |
| 604 | Employee Pensions and Benefits | 0 | 0 |
| 610 | Purchased Water | 0 | 0 |
| 615 | Purchased Power | 107,151 | 111,404 |
| 618 | Chemicals | 11,575 | 6,052 |
| 620 | Materials and Supplies | 49,020 | 26,734 |
| 620.1 | Repairs and Maintenance | 0 | 0 |
| 620.2 | Office Supplies and Expense | 0 | 0 |
| 630 | Contractual Services | 0 | 0 |
| 631 | Contractual Services - Engineering | 0 | 0 |
| 632 | Contractual Services - Accounting | 40,010 | 38,780 |
| 633 | Contractual Services - Legal | 5,584 | 3,071 |
| 634 | Contractual Services - Management Fees | 0 | 0 |
| 635 | Contractual Services - Water Testing | 5,714 | 9,665 |
| 636 | Contractual Services - Other | 135,541 | 116,414 |
| 640 | Rents | 0 | 0 |
| 641 | Rental of Building/Real Property | 1,012 | 1,012 |
| 642 | Rental of Equipment | 5,109 | 5,390 |
| 650 | Transportation Expenses | 29,827 | 34,878 |
| 657 | Insurance - General Liability | 39,940 | 35,602 |
| 657.1 | Insurance - Health and Life | 103,678 | 95,752 |
| 665 | Regulatory Commission Expense - Rate | 0 | 0 |
| 670 | Bad Debt Expense | (2,098) | 6,755 |
| 675 | Miscellaneous Expense | 31,280 | 36,209 |
| 403 | Depreciation Expense (From Schedule AR4) | 309,865 | 299,409 |
| 408 | Taxes Other Than Income | 37,425 | 35,177 |
| 408.11 | Property Taxes | 101,143 | 101,794 |
| 409 | Income Taxes | 0 | 0 |
| 427.1 | Customer Security Deposit Interest | 431 | 2,092 |
| | Total Operating Expenses | \$1,452,705 | \$1,392,483 |
| | Operating Income / (Loss) | \$296,805 | \$302,994 |
| | Other Income / (Expense) | | |
| 419 | Interest and Dividend Income | \$1,929 | \$6,542 |
| 421 | Non-Utility Income | 9,952 | 0 |
| 426 | Miscellaneous Non-Utility (Expense) | 0 | 0 |
| 427 | Interest (Expense) | (132,305) | (138,560) |
| | Total Other Income / (Expense) | (\$120,424) | (\$132,018) |
| | Net Income / (Loss) | \$176,381 | \$170,976 |

Full time equivalent employees

| | Direct Company | Allocated | Outside service | Total |
|----------------------|----------------|------------|-----------------|------------|
| President | | | | 0.0 |
| Vice-president | | | | 0.0 |
| Manager | 2.0 | | | 2.0 |
| Engineering Staff | | | | 0.0 |
| System Operator(s) | 4.0 | | | 4.0 |
| Meter reader | | | | 0.0 |
| Customer Service | 1.0 | | | 1.0 |
| Accounting | | | | 0.0 |
| Business Office | | | | 0.0 |
| Rates Department | | | | 0.0 |
| Administrative Staff | 1.0 | | | 1.0 |
| Other | | | | 0.0 |
| Total | 8.0 | 0.0 | 0.0 | 8.0 |

Supplemental Financial Data (Long-Term Debt)

| | Loan #1 | Loan #2 | Loan #3 | Loan #4 |
|------------------------|-----------------|--------------------|-------------------|------------------|
| Date Issued | Various | Various | Various | 6/28/2020 |
| Source of Loan | WIFA | USDA/Rural Housing | USDA/Rural Housin | Jim Click Nissan |
| ACC Decision No. | 64008 | 64008 & 67159 | 67159 | NA |
| Reason for Loan | Capital Improv. | Capital Improv. | Capital Improv. | Transportation |
| Dollar Amt. Issued | \$1,946,750 | \$1,669,250 | \$1,683,750 | \$29,492 |
| Amount Outstanding | \$115,723 | \$1,359,000 | \$1,363,873 | \$20,276 |
| Date of Maturity | 12/1/2023 | 6/10/2046 | 8/20/2046 | 6/28/2024 |
| Interest Rate | 3.21% | 4.50% | 4.38% | 0.00% |
| Current Year Interest | \$9,888 | \$61,942 | \$60,475 | \$0 |
| Current Year Principal | \$102,792 | \$29,078 | \$30,724 | \$7,373 |

| | |
|---|----------|
| Meter Deposit Balance at Test Year End: | \$22,298 |
|---|----------|

| | |
|---|---------|
| Meter Deposits Refunded During the Test Year: | \$2,566 |
|---|---------|

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 (Continued) |
|--|

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

| | |
|-----------------------------|--|
| TREATMENT EQUIPMENT: | Accu-Tab chlorination unit at one POE site (Garcia) and a chlorination unit at another well site (#4). |
|-----------------------------|--|

| | |
|--------------------|--|
| STRUCTURES: | Two small storage sheds 10 x 12 in size. Two used 40' trailers that have been converted into storage sheds. A 75x25 utility awning and 40x40 steel workshop. |
|--------------------|--|

| | |
|---------------|-----|
| 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 | 2,031 |
| Method used: | (b) |

| Customer and Other Information | |
|----------------------------------|------------------|
| Name of the System: | AVRA WATER CO-OP |
| ADEQ Public Water System Number: | AZ0410006 |
| ADWR PCC Number: | 91-000414.0000 |

| Month | Number of Customers | | | | Other Non-Residential |
|-----------|---------------------|--------------|------------|-----------------|-----------------------|
| | Single-Family | Multi-Family | Commercial | Turf/Irrigation | |
| January | 2,607 | | 7 | | 10 |
| February | 2,611 | | 7 | | 10 |
| March | 2,618 | | 7 | | 10 |
| April | 2,616 | | 7 | | 10 |
| May | 2,616 | | 7 | | 10 |
| June | 2,623 | | 7 | | 10 |
| July | 2,617 | | 7 | | 10 |
| August | 2,611 | | 7 | | 10 |
| September | 2,624 | | 7 | | 10 |
| October | 2,620 | | 7 | | 10 |
| November | 2,618 | | 7 | | 10 |
| December | 2,623 | | 7 | | 10 |

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.

We are currently working on tying in lines to eliminate dead ends and lowering main lines.

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

Avra Water Cooperative, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

| Utility Shutoffs / Disconnects | | |
|----------------------------------|------------------|----------------|
| Name of the System: | AVRA WATER CO-OP | |
| ADEQ Public Water System Number: | | AZ0410006 |
| ADWR PCC Number: | | 91-000414.0000 |

| Month | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | Other |
|--------------|--|-------------------------------------|----------|
| January | 0 | 23 | |
| February | 0 | 12 | |
| March | 0 | 53 | |
| April | 0 | 47 | |
| May | 0 | 32 | |
| June | 0 | 30 | |
| July | 0 | 19 | |
| August | 0 | 0 | |
| September | 0 | 4 | |
| October | 0 | 33 | |
| November | 0 | 3 | |
| December | 0 | 2 | |
| Total | 0 | 258 | 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 2021 was | \$101,371 |

| |
|--|
| 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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Pima
Name (owner or official) title: Cathy Kuefler, Administrative Manager
Company name: Avra Water Cooperative, Inc.

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

FOR THE YEAR ENDING: 12/31/2021

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.

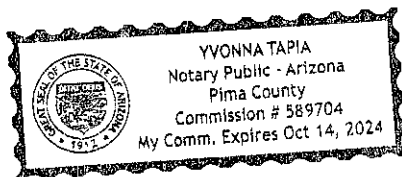
Cathy Kuefler
signature of owner/official

(520) 682-7331
telephone no.

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

THIS 13th DAY OF Pima
(month) and (year)

MY COMMISSION EXPIRES Oct 14, 2024
(date)



Yvonna Tapia
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Cathy Kuefler, Administrative Manager
Company name: Avra Water Cooperative, Inc.

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

FOR THE YEAR ENDING: 12/31/2021

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.

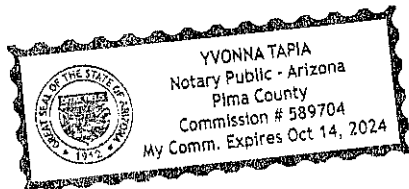
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$1,830,450
(The amount in the box above includes
\$105,838 in sales taxes
billed or collected)

Cathy Kuefler
signature of owner/official
(520) 682-7331
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima
THIS 13th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES Oct 14, 2024
(date)



Yvonna Tapia
(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): Pima
Name (owner or official) title: Cathy Kuefler, Administrative Manager
Company name: Avra Water Cooperative, Inc.

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

FOR THE YEAR ENDING: 12/31/2021

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 (\$)

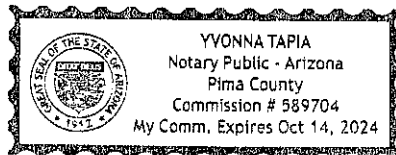
\$1,790,188
(The amount in the box above includes
\$103,510 in sales taxes
billed or collected)

Cathy Kuefler
signature of owner/official
(520) 682-7331
telephone no.

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

THIS 13th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES Oct 14, 2024
(date)



Yvonna Tapia
(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

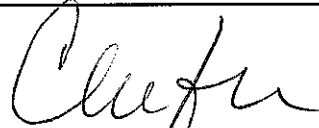
State of Arizona I, the undersigned of the
(state name)

County of (county name): Pima
Name (owner or official) title: Cathy Kuefler, Administrative Manager
Company name: Avra Water Cooperative, Inc.

FOR THE YEAR ENDING: 8/31/2021

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.



signature of owner/official

(520) 682-7331

telephone no.

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

Pima

(county name)

THIS

13th

DAY OF

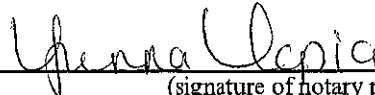
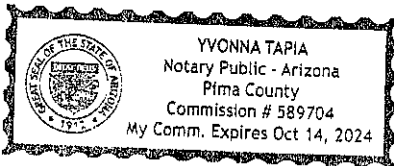
April 2022

(month) and (year)

MY COMMISSION EXPIRES

Oct 14 2024

(date)



(signature of notary public)



ULLMANN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

4647 N. 32nd Street, Suite 220 • Phoenix, AZ 85018
Phone (602) 224-0166 • Fax (602) 224-6062 • www.ullmanncpa.com

March 22, 2022

Ms. Cathy Kuefler
Avra Water Co-op, Inc.
11821 West Picture Rocks Road
Tucson, Arizona 85743

Dear Cathy:

Enclosed is Avra Water Co-op, Inc.'s Property Tax Form for the Arizona Department of Revenue due April 1, 2022. **PLEASE SIGN AND NOTARIZE TAB 7 PRIOR TO FILING THE REPORT.**

Also enclosed is the Annual Report to the Arizona Corporation Commission Utilities Division due April 15, 2022. We have completed the data on pages 2, 4 through 8, 10, and 16 through 20, and included our accountants' compilation report. **PLEASE COMPLETE THE FOLLOWING PRIOR TO FILING:**

- 1. COMPLETE PAGES 3, 9, AND 11 THROUGH 15. IF YOU NEED A COPY OF THE EXCEL FILE TO COMPLETE THESE PAGES PLEASE LET US KNOW.**
- 2. ATTACH COPIES OF PROPERTY TAX BILLS STAMPED PAID IN FULL OR COPIES OF CANCELLED CHECKS FOR PROPERTY TAX PAYMENTS DURING THE CALENDAR YEAR 2021.**
- 3. SIGN AND NOTARIZE PAGES 17 THROUGH 20.**

Please call Katherine Flores or me if you have any questions.

Truly yours,

Heather Gordon
Certified Public Accountant