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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02258A
American Realty and Mortgage Co., Inc.
P.O. Box 232
Wittman AZ 85361

NOV 04 2005

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004

FOR COMMISSION USE

ANN04	04

COMPANY INFORMATION

Company Name (Business Name) American Realty & Mortgage Co., Inc.

Mailing Address P.O. Box 232
(Street)

Wittmann, Arizona 85361
(City) (State) (Zip)

623-388-2949 623-388-2413 602-885-4484
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

Local Office Mailing Address Same as above
(Street)

(City) (State) (Zip)

Same as above
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: Joseph W. Lee, Secretary/Treasurer
(Name) (Title)

32241 Center St, P.O. Box 640 Wittmann, AZ 85361
(Street) (City) (State) (Zip)

623-388-2949 623-388-2413 602-885-4484
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address jwlatty@hotmail.com

On Site Manager: N/A
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

☒ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

Statutory Agent: Joseph W. Lee, Attorney at Law
(Name)

P.O. Box 640-32241 Center St Wittmann, AZ 85361
(Street) (City) (State) (Zip)

623-388-2949 623-388-2413 602-885-4484
Telephone No. (Include Area Code) Fax No. (Include Area Code Pager/Cell No. (Include Area Code)

Attorney: Same as above
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ **Sole Proprietor (S)**
- ☒ **C Corporation (C) (Other than Association/Co-op)**
- ☐ **Partnership (P)**
- ☐ **Subchapter S Corporation (Z)**
- ☐ **Bankruptcy (B)**
- ☐ **Association/Co-op (A)**
- ☐ **Receivership (R)**
- ☐ **Limited Liability Company**
- ☐ **Other (Describe)**_____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**	☐ **COCHISE**	☐ **COCONINO**
☐ **GILA**	☐ **GRAHAM**	☐ **GREENLEE**
☐ **LA PAZ**	☐ **MARICOPA**	☐ **MOHAVE**
☐ **NAVAJO**	☐ **PIMA**	☒ **PINAL**
☐ **SANTA CRUZ**	☐ **YAVAPAI**	☐ **YUMA**
☐ **STATEWIDE**		

COMPANY NAME American Realty & Mortgage Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	500.00		
304	Structures and Improvements	29294.00	24446	4,840
307	Wells and Springs	2		
311	Pumping Equipment	2		
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	1		
331	Transmission and Distribution Mains 10 80/yr	10,100.00	7160	2,840
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment x Leased Wellsite			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	100.00		100
	TOTALS	39,994	31,606	7,780

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME American Realty & Mortgage Co., Inc

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	500	-0-	500
304	Structures and Improvements	29,294	24,446	4,840
307	Wells and Springs - sites	2		
311	Pumping Equipment - sites	2		
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	10,100	7,160	3949
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	100		100
	TOTALS	39994	31,606	8889

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME American Realty & Mortgage Co., Inc

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 164.00	$ 165.—
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	$ 164.00	$ 165 —
	FIXED ASSETS		
101	Utility Plant in Service	$ 39,994.00	$ 39,994
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	29,496.00	31,606
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	$ 10,498.00	$ 7,780
	TOTAL ASSETS	$ 10,662.00	$ 7,945

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME American Realty & Mortgage Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable + Fnd loe	$ 62,569.00	$ 68,826
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	$ 62,569.00	$ 68,826
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term 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	$ —	$
	TOTAL LIABILITIES	$ 62,569.00	$ 68,826
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 36,250.00	$ 36,250
211	Paid in Capital in Excess of Par Value	-65,735	
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$ -29,485	$
	TOTAL LIABILITIES AND CAPITAL	$ 70,569	$ 95,076

COMPANY NAME American Realty & Mortgage Co, Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 4407.00	$ 2,545
460	Unmetered Water Revenue		
474	Other Water Revenues Turn on & off fees	40.00	
	TOTAL REVENUES	$ 4447.00	$ 2,545
	OPERATING EXPENSES		
601	Salaries and Wages Bookkeeping	$ 1,200.00	$ 1,094
610	Purchased Water Lease H-12 Well Site	2,400.00	2,400
615	Purchased Power APS	4,834.00	3,288
618	~~Chemicals~~ Bank fees	89.00	84
620	Repairs and Maintenance	3258.00	626
621	Office Supplies and Expense - Rent - overhead	5153.00	5049
630	Outside Services		
635	Water Testing	471.00	618
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense Legal & Sec/Tres. Fees	2,400.00	2,400
403	Depreciation Expense	29,496.00	31,606
408	Taxes Other Than Income sales/Environmental TAX	243.00	313
408.11	Property Taxes		
409	Income Tax	200.00	
	TOTAL OPERATING EXPENSES	$ 49744.00	$ 47,478.-
	OPERATING INCOME/(LOSS)	$ <45,297.00>	$ <44,933>
	OTHER [redacted]/(EXPENSE)		
419	Interest and Dividend Income	$	$ —
421	Non-Utility Income		—
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	15,568.00	21,824
	TOTAL OTHER I[redacted]E/(EXPENSE)	$ 15,568.00	$ -21,824
	NET INCOME/(LOSS)	$ <-60,865.00>	$ <-66757->

COMPANY NAME American Realty & Mortgage Co., Inc.

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 Amount Issued	$	$	$	$
Amount Outstanding	$	$	$	$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	$	$	$	$
Current Year Principle	$	$	$	$

N/A

Meter Deposit Balance at Test Year End $ _____

Meter Deposits Refunded During the Test Year $ _____

COMPANY NAME American Realty & Mortgage Co, Inc

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-803960	5			4"	3/4"	1963

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Leased Well & Equipment		200.00 per Month

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		-0-	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1		2
5,000	1		2

COMPANY NAME American Realty & Mortgage Co., Inc

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	Plastic	2,600' approx
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	
3/4	34
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

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

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

OTHER:

COMPANY NAME: American Realty & Mortgage Co., Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands) Mul 100,000
JANUARY		597160	597,160
FEBRUARY		9075	9,075
MARCH		84090	84,090
APRIL		—	—
MAY		—	—
JUNE		196292	196,292
JULY		135636	135,636
AUGUST		337611	337,611
SEPTEMBER		—	—
OCTOBER		—	—
NOVEMBER		—	—
DECEMBER		—	—
	TOTAL		

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (X) No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. <0.002 **mg/l**
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME American Realty & Mortgage Co Inc YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: $ -0-

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. No money!

COMPANY NAME American Realty & Mortgage Co, Inc YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported -0-
Estimated or Actual Federal Tax Liability -0-

State Taxable Income Reported -0-
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances: N.A

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Joseph W. Lee — SIGNATURE

11/3/04 — DATE

Joseph W. Lee — PRINTED NAME

Sec/Treas — TITLE

NOV 0 4 2005

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME): Maricopa

I, THE UNDERSIGNED — NAME (OWNER OR OFFICIAL) TITLE: Joseph W. Lee – Secretary / Treasurer

OF THE — COMPANY NAME: American Realty & Mortgage Co., Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

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 REQUIREMENT 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 CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)

$ 2721.–

(THE AMOUNT IN BOX ABOVE INCLUDES $ 177.– IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Joseph W. Lee Sec

SIGNATURE OF OWNER OR OFFICIAL

623-388-2949

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 **DAY OF**

OFFICIAL SEAL
LINDA SUE EASTWOOD
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Mar. 7, 2006

COUNTY NAME: MARICOPA

MONTH: November .20 05

Linda Eastwood

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 3-7-2006

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE

NOV 0 4 2005

INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Joseph W. Lee	TITLE Sec
COMPANY NAME American Realty & Mtg Co, Inc	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

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 40-401.01, 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 CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
$ 2721 —

(THE AMOUNT IN BOX AT LEFT INCLUDES $ $177 — IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**

Joseph W. Lee
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 7 DAY OF

(SEAL)

OFFICIAL SEAL
LINDA SUE EASTWOOD
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Mar. 7, 2006

NOTARY PUBLIC NAME LINDA EASTWOOD	
COUNTY NAME MARICOPA	
MONTH NOVEMBER	20 05

MY COMMISSION EXPIRES 3-7-2006

X Linda Eastwood
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**