

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-01431A
For the Year Ended:

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:
Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Valle Verde Water Company
A Class Utility

For the Calendar Year Ended: 12/31/22

Primary Address:

PO BOX 85160		
City: TUCSON	State: ARIZONA	Zip Code: 85754

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.	
NA	

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.	
NA	

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	125	0	0	125	125	0
303	Land and Land Rights	86,093	0	0	86,093	0	86,093
304	Structures and Improvements	520,149	6,936	0	527,085	507,867	19,218
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	625,364	6,990	0	632,354	413,477	218,877
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	523,350	8,486	0	531,836	469,185	62,651
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	494,917	0	0	494,917	176,101	318,816
320.2	Solution Chemical Feeders	345	0	0	345	345	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	609,135	0	0	609,135	352,641	256,494
330.2	Pressure Tanks	82,346	0	0	82,346	70,858	11,488
331	Transmission and Distribution Mains	1,722,748	2,661	0	1,725,409	776,358	949,051
333	Services	122,587	0	0	122,587	70,624	51,963
334	Meters and Meter Installations	239,492	0	0	239,492	163,302	76,190
335	Hydrants	85,697	4,700	0	90,397	40,719	49,678
336	Backflow Prevention Devices	10,498	0	0	10,498	3,852	6,646
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	16,552	0	0	16,552	16,552	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	25,904	0	0	25,904	23,884	2,020
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	13,597	1,566	0	15,163	12,543	2,620
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	44,869	0	0	44,869	44,869	0
346	Communication Equipment	4,668	0	0	4,668	1,401	3,267
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	160,436	4,549	0	164,985	143,087	21,898
	Totals	\$5,388,872	\$35,888	\$0	\$5,424,760	\$3,287,790	\$2,136,970

Valle Verde Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/22

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	125	0	0	125	125	0	0.00%	0
303	Land and Land Rights	86,093	0	0	86,093	86,093	0	0.00%	0
304	Structures and Improvements	520,149	6,936	0	527,085	503,304	23,781	3.33%	676
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	625,364	6,990	0	632,354	0	632,354	3.33%	20,941
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	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	523,350	8,486	0	531,836	417,934	113,902	12.50%	13,707
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	494,917	0	0	494,917	4,533	490,384	3.33%	16,330
320.2	Solution Chemical Feeders	345	0	0	345	345	0	20.00%	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	609,135	0	0	609,135	0	609,135	2.22%	13,523
330.2	Pressure Tanks	82,346	0	0	82,346	0	82,346	5.00%	4,117
331	Transmission and Distribution Mains	1,722,748	2,661	0	1,725,409	579,729	1,145,680	2.00%	22,887
333	Services	122,587	0	0	122,587	51,108	71,479	3.33%	2,380
334	Meters and Meter Installations	239,492	0	0	239,492	93,702	145,790	8.33%	12,144
335	Hydrants	85,697	4,700	0	90,397	35,007	55,390	2.00%	1,061
336	Backflow Prevention Devices	10,498	0	0	10,498	0	10,498	6.67%	700
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	16,552	0	0	16,552	16,552	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	25,904	0	0	25,904	2,000	23,904	20.00%	4,781
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	13,597	1,566	0	15,163	12,063	3,100	5.00%	116
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	44,869	0	0	44,869	44,869	0	0.00%	0
346	Communication Equipment	4,668	0	0	4,668	0	4,668	10.00%	467
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	160,436	4,549	0	164,985	139,758	25,227	10.00%	2,295
	Subtotal	\$5,388,872	\$35,888	\$0	\$5,424,760	\$1,987,122	\$3,437,638		\$116,126

Contribution(s) in Aid of Construction (Gross)	\$2,348,192
Less: Non Amortizable Contribution(s)	2,500
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$2,345,692</u>
Times: Proposed Amortization Rate	4.05%
Amortization of CIAC	\$95,001

Less: Amortization of CIAC \$95,001

DEPRECIATION EXPENSE **\$21,125**

Valle Verde Water Company
Annual Report
Balance Sheet Assets
12/31/22

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$178,154	\$61,680
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		40,878	25,326
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		21,127	22,077
174	Miscellaneous Current and Accrued Assets		101,547	101,548
	Total Current and Accrued Assets		\$341,706	\$210,631
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$5,388,872	\$5,424,760
103	Property Held for Future Use		0	0
105	Construction Work in Progress		19,254	19,504
108	Accumulated Depreciation (enter as negative)*		(3,171,644)	(3,287,790)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,236,482	\$2,156,474
	Total Assets		\$2,578,188	\$2,367,105

*Note these items feed automatically from AR3 UPIS Page 4

Valle Verde Water Company
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		\$53,870	\$58,443
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		37,804	39,141
236	Accrued Taxes		3,945	3,555
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		226	790
	Total Current Liabilities		\$95,845	\$101,929
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$525,322	\$469,701
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		869,789	877,369
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		2,348,192	2,348,192
272	Less: Amortization of Contributions		(1,086,267)	(1,181,370)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$2,131,714	\$2,044,191
	Total Liabilities		\$2,752,881	\$2,615,821
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		(174,693)	(248,716)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$174,693)	(\$248,716)
	Total Liabilities and Capital		\$2,578,188	\$2,367,105

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

Valle Verde Water Company
Annual Report
Water Comparative Income Statement
12/31/22

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	\$545,805	\$536,909
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	15,632	6,648
	Total Revenues	\$561,437	\$543,557
	Operating Expenses		
601	Salaries and Wages	\$151,502	\$132,865
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	57,159	44,303
618	Chemicals	1,974	3,796
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	45,151	21,511
620.2	Office Supplies and Expense	17,608	24,592
630	Contractual Services	9,083	22,800
631	Contractual Services - Engineering	7,721	0
632	Contractual Services - Accounting	10,511	4,811
633	Contractual Services - Legal	66,134	17,409
634	Contractual Services - Management Fees	105,671	111,544
635	Contractual Services - Water Testing	7,363	3,899
636	Contractual Services - Other	3,514	2,589
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	38,760	22,406
650	Transportation Expenses	7,120	1,638
657	Insurance - General Liability	10,062	13,527
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	214
670	Bad Debt Expense	5,840	8,856
675	Miscellaneous Expense	1,639	1,122
403	Depreciation Expense (From Schedule AR4)	21,125	17,362
408	Taxes Other Than Income	11,733	10,303
408.11	Property Taxes	23,582	33,719
409	Income Taxes	(2,045)	0
427.1	Customer Security Deposit Interest	600	956
	Total Operating Expenses	\$601,807	\$500,222
	Operating Income / (Loss)	(\$40,370)	\$43,335
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	87	548
426	Miscellaneous Non-Utility (Expense)	(18,192)	0
427	Interest (Expense)	(5,009)	(21,152)
	Total Other Income / (Expense)	(\$23,114)	(\$20,604)
	Net Income / (Loss)	(\$63,484)	\$22,731

Valle Verde Water Company
 Annual Report
 Full time equivalent employees
 12/31/22

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.5	0.0	0.0	0.5
Vice-president	0.5	0.0	0.0	0.5
Manager	0.0	0.0	1.0	1.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	2.0	0.0	0.0	2.0
Meter reader	1.0	0.0	0.0	1.0
Customer Service	0.0	0.0	1.0	1.0
Accounting	0.0	0.0	0.2	0.2
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.3	0.3
Other	0.0	0.0	0.0	0.0
Total	4.0	0.0	2.5	6.5

Valle Verde Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/22

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/24/2011	NA	NA	NA
Source of Loan	WIFA	0	0	0
ACC Decision No.	71899	0	0	0
Reason for Loan	UPGRADES	0	0	0
Dollar Amt. Issued	\$1,063,478	\$0	\$0	\$0
Amount Outstanding	\$469,701	\$0	\$0	\$0
Date of Maturity	6/1/2031	NA	NA	NA
Interest Rate	94.00%	0.00%	0.00%	0.00%
Current Year Interest	\$4,987	\$0	\$0	\$0
Current Year Principal	\$49,358	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$7,885
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Meter Deposits Refunded During the Test Year:	\$5,596
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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.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	CHLORINATORS
-----------------------------	--------------

STRUCTURES:	NA
--------------------	----

OTHER:	2 WORK TRUCKS, 1 LEASED
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Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC

1,609

 Method used:

(a)

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	3 CHLORINATORS, GAC SYSTEM (OFFLINE 10/2015)
STRUCTURES:	12X12 FT OFFICE, 3X5 FT CHLORINATOR
OTHER:	NA

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 229
 Method used: (a)

Customer and Other Information	
Name of the System:	VALLE VERDE WATER CO LOS
ADEQ Public Water System Number:	AZ0412025
ADWR PCC Number:	91-000819.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	10	0	0	0	0
February	10	0	0	0	0
March	10	0	0	0	0
April	10	0	0	0	0
May	12	0	0	0	0
June	12	0	0	0	0
July	12	0	0	0	0
August	12	0	0	0	0
September	12	0	0	0	0
October	12	0	0	0	0
November	12	0	0	0	0
December	12	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

NA

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

Valle Verde Water Company
 Annual Report
 Customer and Other Information
 12/31/22

Customer and Other Information	
Name of the System:	VALLE VERDE WATER CO
ADEQ Public Water System Number:	AZ0412009
ADWR PCC Number:	91-000593.000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	819	0	0	0	0
February	809	0	0	0	0
March	815	0	0	0	0
April	815	0	0	0	0
May	812	0	0	0	0
June	814	0	0	0	0
July	815	0	0	0	0
August	808	0	0	0	0
September	809	0	0	0	0
October	808	0	0	0	0
November	822	0	0	0	0
December	822	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

Valle Verde Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	VALLE VERDE WATER CO LOS
ADEQ Public Water System Number:	AZ0412025
ADWR PCC Number:	91-000819.0000

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):

NA

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.

Valle Verde Water Company
 Annual Report
 #REF!
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	VALLE VERDE WATER CO
ADEQ Public Water System Number:	AZ0412009
ADWR PCC Number:	91-000863.000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	25	0
March	0	0	0
April	0	18	0
May	0	31	0
June	0	23	0
July	0	13	0
August	0	22	0
September	0	27	0
October	0	41	0
November	0	16	0
December	0	0	0
Total	0	216	0

Other (description):

NA

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.

AR11

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Valle Verde Water Company
Annual Report
Property Taxes
12/31/22

Property Taxes

Amount of actual property taxes paid during Calendar Year 2022 was \$23,582

If no property taxes paid, explain why.
NA

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): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Valle Verde Water Company

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

FOR THE YEAR ENDING: 12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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



signature of owner/official

520-265-5350

telephone no.

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

THIS

15

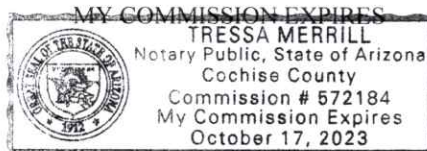
DAY OF

Cochise

(county name)

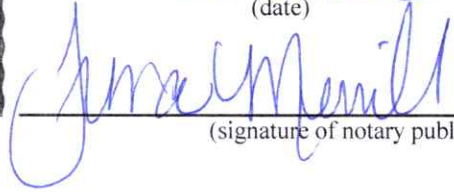
May 2023

(month) and (year)



Oct 17 2023

(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: DUSTIN DESPAIN, ACCOUNTANT
Company name: Valle Verde Water Company

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

FOR THE YEAR ENDING: 12/31/22

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 (\$) \$561,437
(The amount in the box above includes \$78,540 in sales taxes billed or collected)

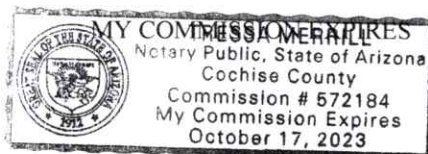


signature of owner/official

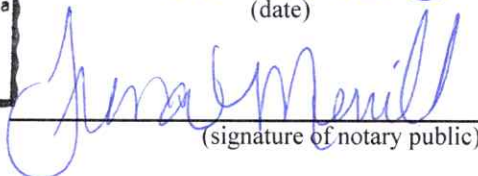
520-265-5350
telephone no.

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

THIS 15 DAY OF May 2023
(county name) (month) and (year)



Oct 17 2023
(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: DUSTIN DESPAIN, ACCOUNTANT
Company name: Valle Verde Water Company

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

FOR THE YEAR ENDING: 12/31/22

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 (\$)

\$561,437
(The amount in the box above includes
\$78,540 in sales taxes
billed or collected)



signature of owner/official

520-265-5350
telephone no.

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

(county name)

THIS 15 DAY OF May 2023
(month) and (year)



MY COMMISSION EXPIRES

Oct 17 2023
(date)



(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

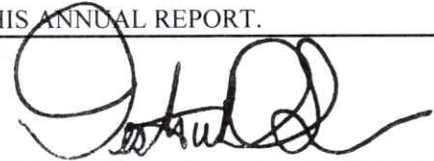
State of ARIZONA I, the undersigned of the
(state name)

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Valle Verde Water Company

FOR THE YEAR ENDING: 12/31/22

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

520-265-5350
telephone no.

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

Cochise
(county name)

THIS

15

DAY OF

May 2023
(month) and (year)

MY COMMISSION EXPIRES

Oct 17 2023
(date)



(signature of notary public)