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UTILITIES DIVISION
2022 APR 18 A 11:51

ANNUAL REPORT

ARIZONA CORPORATION
COMMISSION

Of

Company Name: Verde Lakes Water Corporation
2867 S. Verde Lakes Dr., Ste. B

Mailing Address: Camp Verde AZ
86322-6595

Docket No.: W-02372A
For the Year Ended: 12/31/21

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: 4/14/2022

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Verde Lakes Water Corporation
A Class Utility

For the Calendar Year Ended: 12/31/21

Primary Address: 2867 SOUTH VERDE LAKES DRIVE
City: CAMP VERDE State: Arizona Zip Code: 86322

Telephone Number: 928-567-4338

Date of Original Organization of Utility: 6/1/1975

Person to whom correspondence should be addressed concerning this report:

Name: ALAN WILLIAMS
Telephone No. : 928-567-4338
Address: 2867 SOUTH VERDE LAKES DRIVE
City: CAMP VERDE State: Arizona Zip Code: 86322
Email: ALAN@VERDELAKESWATER.COM

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: Association--Cooperative

Counties Served: Yavapai

Important changes during the year
--

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

Utility Plant in Service (Water)							
Account 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
302	Franchises				0		0
303	Land and Land Rights	137,497			137,497		137,497
304	Structures and Improvements	77,615			77,615	38,373	39,242
305	Collecting & Improving Reservoirs	213,583			213,583	192,659	20,924
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	29,423			29,423	28,873	550
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	84,394			84,394	84,394	0
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	56,440			56,440	41,709	14,731
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	333,786			333,786	333,786	0
333	Services	30,771			30,771	30,771	0
334	Meters and Meter Installations	56,256			56,256	56,256	0
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment	13,370			13,370	13,370	0
340.1	Computer & Software	8,236			8,236	8,236	0
341	Transportation Equipment	31,810			31,810	31,810	0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment	36,886			36,886	36,886	0
346	Communication Equipment	1,041			1,041	1,041	0
347	Miscellaneous Equipment	17,070			17,070	13,192	3,878
348	Other Tangible Plant	16,162			16,162	16,162	0
	Totals	\$1,144,340	\$0	\$0	\$1,144,340	\$927,518	\$216,822

Verde Lakes Water Corporation
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/21

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
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	137,497	0	0	137,497	137,497	0		0
304	Structures and Improvements	77,615	0	0	77,615		77,615	2.31%	1,793
305	Collecting & Improving Reservoirs	213,583	0	0	213,583		213,583	2.58%	5,510
306	Lake, River, Canal Intakes	0	0	0	0		0		0
307	Wells and Springs	29,423	0	0	29,423		29,423	1.87%	550
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	84,394	0	0	84,394	84,394	0		0
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	56,440	0	0	56,440		56,440	4.94%	2,788
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	0	0	0	0		0		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	333,786	0	0	333,786	333,786	0		0
333	Services	30,771	0	0	30,771	30,771	0		0
334	Meters and Meter Installations	56,256	0	0	56,256	56,256	0		0
335	Hydrants	0	0	0	0		0		0
336	Backflow Prevention Devices	0	0	0	0		0		0
339	Other Plant and Misc. Equipment	0	0	0	0		0		0
340	Office Furniture and Equipment	13,370	0	0	13,370		13,370	1.38%	182
340.1	Computer & Software	8,236	0	0	8,236	8,236	0		0
341	Transportation Equipment	31,810	0	0	31,810	31,810	0		0
342	Stores Equipment	0	0	0	0		0		0
343	Tools, Shop and Garage Equipment	0	0	0	0		0		0
344	Laboratory Equipment	0	0	0	0		0		0
345	Power Operated Equipment	36,886	0	0	36,886	36,886	0		0
346	Communication Equipment	1,041	0	0	1,041	1,041	0		0
347	Miscellaneous Equipment	17,070	0	0	17,070		17,070	4.54%	775
348	Other Tangible Plant	16,162	0	0	16,162		16,162		0
	Subtotal	\$1,144,340	\$0	\$0	\$1,144,340	\$736,839	\$407,501		\$11,599

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

\$0
 2.85%
 \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Verde Lakes Water Corporation
Annual Report
Balance Sheet Assets
12/31/21

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$123,004	\$211,715
134	Working Funds		0	0
135	Temporary Cash Investments		135,050	32,263
141	Customer Accounts Receivable		8,607	11,855
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		13,140	13,140
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$279,801	\$268,973
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,144,340	\$1,144,340
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(915,920)	(927,518)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$228,420	\$216,822
	Total Assets		\$508,221	\$485,795

*Note these items feed automatically from AR3 UPIS Page 4

Verde Lakes Water Corporation
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities			
231	Accounts Payable		\$4,489	(\$1,635)
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		15,887	16,735
236	Accrued Taxes		0	2,100
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	11,155
	Total Current Liabilities		\$20,376	\$28,355
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		594	0
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		\$594	\$0
	Total Liabilities		\$20,970	\$28,355
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		487,251	457,440
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$487,251	\$457,440
	Total Liabilities and Capital		\$508,221	\$485,795

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

Verde Lakes Water Corporation
Annual Report
Water Comparative Income Statement
12/31/21

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	Operating Revenue		
461	Metered Water Revenue	\$226,539	\$242,925
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	1,944	4,685
	Total Revenues	\$228,483	\$247,610
	Operating Expenses		
601	Salaries and Wages	\$119,779	\$118,410
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	29,318	22,463
618	Chemicals	0	0
620	Materials and Supplies	18,111	12,510
620.1	Repairs and Maintenance	10,644	14,859
620.2	Office Supplies and Expense	9,377	9,156
630	Contractual Services	885	3,468
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	1,485	1,555
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	2,997	3,590
636	Contractual Services - Other	18,194	16,989
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	5,667	7,017
657	Insurance - General Liability	3,598	3,792
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	11,599	11,626
408	Taxes Other Than Income	11,527	9,858
408.11	Property Taxes	12,031	11,873
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$255,211	\$247,166
	Operating Income / (Loss)	(\$26,728)	\$444
	Other Income / (Expense)		
419	Interest and Dividend Income	\$11	\$20
421	Non-Utility Income	12,908	10,897
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$12,919	\$10,917
	Net Income / (Loss)	(\$13,809)	\$11,361

Verde Lakes Water Corporation
 Annual Report
 Full time equivalent employees
 12/31/21

Full time equivalent employees

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

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

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

Name of the System: VERDE LKS WATER-VERDE LKS											
ADEQ Public Water System Number			AZ0413059								
ADWR PCC Number			91-000644.0000								
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
55-801447	10	90	250	10		1992			3	Estimated	Yes
55-801447	2	25	189	6		1958			4	Estimated	Yes
55-559150	10	105	390	8		1997			4	Estimated	Yes
55-524344	10	100	184	10		1990			4	Estimated	Yes
55-524343	10	95	200	10		1990			3	Estimated	Yes

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	4,056,900.00	3,732,570.00					
February	4,736,600.00	3,473,080.00					
March	5,450,900.00	3,725,100.00					
April	6,866,300.00	5,373,610.00					
May	7,152,400.00	6,698,910.00					
June	10,233,100.00	9,171,330.00					
July	7,907,200.00	7,277,010.00					
August	6,247,300.00	5,796,900.00					
September	7,271,800.00	6,670,140.00					
October	5,566,600.00	4,983,780.00					
November	4,938,100.00	4,701,650.00					
December	5,477,800.00	5,032,430.00					
Totals	75,905,000.00	66,636,510.00	0.00	0.00	0.00	\$0	0

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

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:	VERDE LKS WATER-VERDE LKS
ADEQ Public Water System Number:	AZ0413059
ADWR PCC Number:	91-000644.0000

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	1,200
3.00	PVC	500
4.00	PVC	2,600
6.00	PVC	17,700

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	900		18%
1	3		
1.5	3		
Compound 2	2		

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	100%	1977	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
7.5	125	9

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
49,000	STEEL	2	
125,000	STEEL	1	
66,000	STEEL	1	
33,000	STEEL	1	2004

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000		4	

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

TREATMENT EQUIPMENT:	3 CHLORINE PUMPS AND 2 ARSENIC REMOVAL EQUIPMENT
STRUCTURES:	BIG VALLEY - 1 ELECTRICAL SHED, DINKEY CREEK - 1 ELECTRICAL SHED, 1 ARSENIC TREATMENT BUILDING, MAPLE - 1 PUMP SHED, STILL WATER - 1 PUMP SHED, 1 ELECTRICAL SHED, 1 ARSENIC TREATMENT BUILDING, 2867 VERDE LAKES DRIVE - OFFICE BUILDING
OTHER:	NONE

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

	210
--	-----

 Method used:

(a)

Customer and Other Information	
Name of the System:	VERDE LKS WATER-VERDE LKS
ADEQ Public Water System Number:	AZ0413059
ADWR PCC Number:	91-000644.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	863				
February	866				
March	869				
April	869				
May	868				
June	873				
July	873				
August	873				
September	873				
October	877				
November	870				
December	869				

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

Does the system have chlorination treatment?

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

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

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

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

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

NONE

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

Verde Lakes Water Corporation
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	VERDE LKS WATER-VERDE LKS
ADEQ Public Water System Number:	AZ0413059
ADWR PCC Number:	91-000644.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January		2	
February		4	
March		15	
April		4	
May		5	
June		3	
July		5	
August		6	
September		6	
October		10	
November		5	
December		8	
Total	0	73	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.

Verde Lakes Water Corporation
Annual Report
Property Taxes
12/31/21

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2021 was	\$12,031

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): Yavapai
Name (owner or official) title: Operations Director
Company name: Verde Lakes Water Corporation

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

FOR THE YEAR ENDING: 12/31/21

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]

signature of owner/official

928-567-4338

telephone no.

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

THIS

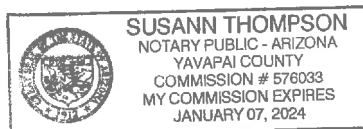
14th

DAY OF

Yavapai
(county name)
April 2022
(month) and (year)

MY COMMISSION EXPIRES

Jan 07 2024
(date)



[Signature]
(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: Operations Director
Company name: Verde Lakes Water Corporation

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

FOR THE YEAR ENDING: 12/31/21

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 (\$)

\$249,430

(The amount in the box above includes

\$21,138 in sales taxes
billed or collected)

[Signature]

signature of owner/official

928-567-4338

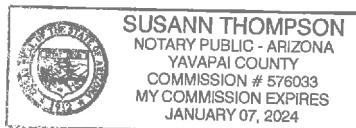
telephone no.

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

THIS 14th DAY OF Yavapai April 2022
(county name) (month) and (year)

MY COMMISSION EXPIRES

Jan 07 2024
(date)



[Signature]
(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: Operations Director
Company name: Verde Lakes Water Corporation

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

FOR THE YEAR ENDING: 12/31/21

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 (\$)

\$249,430

(The amount in the box above includes

\$21,138 in sales taxes
billed or collected)

[Signature]

signature of owner/official

928-567-4338

telephone no.

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

Yavapai
(county name)

THIS

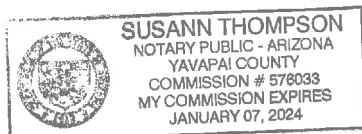
14th

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

Jan 07 2024
(date)



[Signature]
(signature of notary public)

Verde Lakes Water Corporation
Annual Report
for Income Tax Statement of Certification
12/31/21

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: Operations Director
Company name: Verde Lakes Water Corporation

FOR THE YEAR ENDING: 12/31/21

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

[Signature]
signature of owner/official

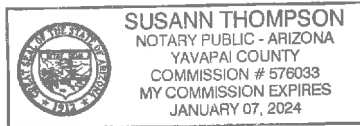
928-567-4338
telephone no.

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

Yavapai
(county name)

THIS 14th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES Jan 07 2024
(date)



[Signature]
(signature of notary public)