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ANNUAL REPORT

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: 12/31/19

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 3/31/2020

Verde Lakes Water Corporation
 Annual Report
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 Test Year: 12/31/19

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General Instructions: For each schedule, 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. This table of contents is intended to assist with the completeness of the Annual Report, and will not become part of the Annual Report that will be published on the Commission's website.

Note 1: the Pages highlighted in grey require input to properly complete the annual report. The other pages are linked and therefore automatically populate.

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

For the Calendar Year Ended:

Primary Address:
City: State: Zip Code:

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:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Verde Lakes Water Corporation

Important changes during the year
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N/A	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

Verde Lakes Water Corporation
Annual Report
Utility Plant in Service (Water)
12/31/19

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	0	0	0	0	0	0
303	Land and Land Rights	137,497	0	0	137,497	0	137,497
304	Structures and Improvements	77,615	0	0	77,615	34,788	42,827
305	Collecting & Improving Reservoirs	214,783	0	0	214,783	181,613	33,170
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	29,423	0	0	29,423	27,773	1,650
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
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	56,440	0	0	56,440	36,133	20,307
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
333	Services	30,771	0	0	30,771	30,771	0
334	Meters and Meter Installations	56,256	0	0	56,256	56,256	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	13,003	367
340.1	Computer & Software	8,236	0	0	8,236	8,236	0
341	Transportation Equipment	31,810	0	0	31,810	31,810	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
346	Communication Equipment	1,041	0	0	1,041	1,041	0
347	Miscellaneous Equipment	11,642	0	0	11,642	11,642	0
348	Other Tangible Plant	16,162	0	0	16,162	16,162	0
	Totals	\$1,140,112	\$0	\$0	\$1,140,112	\$904,294	\$235,818

Verde Lakes Water Corporation
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/19

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	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	137,497	0	0	137,497	0	137,497	0.00%	0
304	Structures and Improvements	77,615	0	0	77,615	0	77,615	2.31%	1,792
305	Collecting & Improving Reservoirs	214,783	0	0	214,783	0	214,783	2.58%	5,536
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	29,423	0	0	29,423	0	29,423	1.87%	550
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	84,394	0	0	84,394	0	84,394	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	56,440	0	0	56,440	0	56,440	4.94%	2,788
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	0	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	333,786	0	0	333,786	0	333,786	0.00%	0
333	Services	30,771	0	0	30,771	0	30,771	0.00%	0
334	Meters and Meter Installations	56,256	0	0	56,256	0	56,256	0.00%	0
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	13,370	0	0	13,370	0	13,370	4.38%	586
340.1	Computer & Software	8,236	0	0	8,236	0	8,236	0.00%	0
341	Transportation Equipment	31,810	0	0	31,810	0	31,810	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	36,886	0	0	36,886	0	36,886	0.00%	0
346	Communication Equipment	1,041	0	0	1,041	0	1,041	0.00%	0
347	Miscellaneous Equipment	11,642	0	0	11,642	0	11,642	0.00%	0
348	Other Tangible Plant	16,162	0	0	16,162	0	16,162	0.00%	0
	Subtotal	\$1,140,112	\$0	\$0	\$1,140,112	\$0	\$1,140,112		\$11,252

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	0.99%
Amortization of CIAC	\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Verde Lakes Water Corporation
Annual Report
Balance Sheet Assets
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$98,944	\$105,567
134	Working Funds			
135	Temporary Cash Investments		134,881	135,043
141	Customer Accounts Receivable		8,784	8,976
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies		10,218	10,218
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$252,827	\$259,804
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,140,112	\$1,140,112
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(893,042)	(904,294)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$247,070	\$235,818
	Total Assets		\$499,897	\$495,622

*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 (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$4,349	\$4,064
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		15,954	14,508
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$20,303	\$18,572
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		1,980	1,160
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		\$1,980	\$1,160
	Total Liabilities		\$22,283	\$19,732
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		477,614	475,890
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$477,614	\$475,890
	Total Liabilities and Capital		\$499,897	\$495,622

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
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 -	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$233,989	\$230,223
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	5,554	3,733
	Total Revenues	\$239,543	\$233,956
	Operating Expenses		
601	Salaries and Wages	\$114,039	\$116,557
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	24,911	27,232
618	Chemicals		
620	Materials and Supplies	3,275	3,181
620.1	Repairs and Maintenance	24,294	25,145
620.2	Office Supplies and Expense	10,892	10,171
630	Contractual Services	2,351	5,366
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	2,430	797
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	7,221	8,214
636	Contractual Services - Other	11,342	2,300
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	9,143	4,913
657	Insurance - General Liability	3,208	3,090
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense		
403	Depreciation Expense (From Schedule AR4)	11,252	12,973
408	Taxes Other Than Income	9,150	13,609
408.11	Property Taxes	11,879	11,894
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$245,387	\$245,442
	Operating Income / (Loss)	(\$5,844)	(\$11,486)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$92	\$18
421	Non-Utility Income	4,028	1,843
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$4,120	\$1,861
	Net Income / (Loss)	(\$1,724)	(\$9,625)

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

Verde Lakes Water Corporation
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/19

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 2010	Water level 2019	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
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A
										N/A	N/A

Name of system water delivered to: NA

ADWR PCC Number: #N/A

Source of water delivered to another system: NA

Name of system water received from: NA

ADWR PCC Number: #N/A

Source of water received: NA

Well registry 55# (55-XXXXXX):

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	4,435,500.00	3,952,680.00			1,280.00	\$1,905	
February	3,644,200.00	3,281,440.00			1,280.00	1,629	
March	3,749,100.00	3,323,000.00			1,280.00	1,615	
April	5,292,600.00	4,404,240.00			1,280.00	1,937	
May	5,837,200.00	5,290,300.00			1,280.00	2,069	
June	7,810,500.00	6,542,680.00			15,360.00	2,222	
July	8,581,300.00	7,721,090.00			15,360.00	3,103	
August	8,657,200.00	7,883,000.00			15,360.00	2,713	
September	7,143,300.00	6,687,340.00			15,360.00	2,900	
October	6,144,400.00	5,648,520.00			15,360.00	2,056	
November	3,852,500.00	3,722,080.00			15,360.00	1,890	
December	3,627,800.00	3,262,340.00			15,360.00	872	
Totals	68,775,600.00	61,718,710.00	0.00	0.00	113,920.00	\$24,911	0

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

1 Water withdrawn - Total gallons of water withdrawn from pumped sources.
 2 Water sold - Total gallons from customer meters, and other sales such as construction water.
 3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
 4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
 5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
 6 Enter the total purchased power costs for the power meters associated with this system.
 7 Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description

Name of the System:	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
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

CUSTOMER METERS

Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	794		
1	3		
1.5	3		
Compound 2	2		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		
NA	0		

SERVICE LINES

Material	Percent of system	Year installed
NA	00%	0
NA	0%	0
NA	0%	0
NA	0%	0
NA	0%	0

BOOSTER PUMPS

Horsepower	GPM	Quantity
7.5	125	9
N/A	0	0
N/A	0	0
N/A	0	0

FIRE HYDRANTS

Type	Quantity
Standard *	0
Other	0

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
NA			
NA			

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)

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
--------------------	---

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 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
 Method used:

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	845				
February	844				
March	844				
April	848				
May	848				
June	845				
July	845				
August	849				
September	852				
October	852				
November	852				
December	850				

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.

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

Verde Lakes Water Corporation
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

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		8	
February		2	
March		0	
April		1	
May		0	
June		8	
July		3	
August		8	
September		6	
October		3	
November		3	
December		3	
Total	0	45	0

Other (description):

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.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2019 was	\$11,879

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: ALAN WILLIAMS
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: 12/31/19

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.

Alan Williams
signature of owner/official

928-567-4338
telephone no.

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

THIS

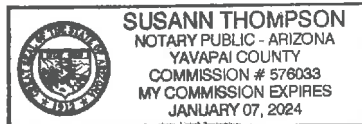
15th

DAY OF

Yavapai
(county name)
April, 2020
(month) and (year)

MY COMMISSION EXPIRES

Jan 07 2024
(date)



Susann Thompson
(signature of notary public)

2020 APR -2 A 10:56

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: ALAN WILLIAMS
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: 12/31/19

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 (\$)

\$260,561

(The amount in the box above includes

\$21,018 in sales taxes

billed or collected)

Alan Williams

signature of owner/official

928-567-4338

telephone no.

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

THIS

1st

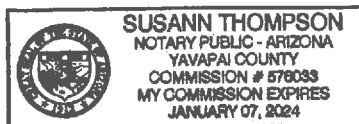
DAY OF

Yavapai
(county name)

April 2020
(month) and (year)

MY COMMISSION EXPIRES

Jan 07 2024
(date)



Susann Thompson
(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: ALAN WILLIAMS
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: 12/31/19

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 (\$)

\$260,561

(The amount in the box above includes

\$21,018 in sales taxes
billed or collected)

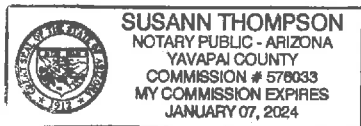
Alan Williams
signature of owner/official

928-567-4338
telephone no.

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

THIS 15th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES Jan 07 2024
(date)



Susann Thompson
(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): Yavapai
Name (owner or official) title: ALAN WILLIAMS
Company name: Verde Lakes Water Corporation

FOR THE YEAR ENDING: 12/31/19

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.

Alan Williams

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

1st

DAY OF

April 2020
(month) and (year)

MY COMMISSION EXPIRES

Jan 07 2024
(date)

Susann Thompson

(signature of notary public)

