

**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: 12/31/22

**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

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UTILITIES DIVISION  
2023 APR 27 A 10:37  
ARIZONA CORPORATION  
COMMISSION

Application Type: Original Filing

Application Date: 4/21/2023

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

For the Calendar Year Ended: 12/31/22

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 W WILLIAMS  
Telephone No. : 928-300-0541  
Address: 2867 SOUTH VERDE LAKES DRIVE  
City: CAMP VERDE State: Arizona Zip Code: 86322  
Email: Service@VLAwater.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.

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

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization				\$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	40,166	37,449
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	29,423			29,423	29,423	0
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	81,394			84,394	84,394	0
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	56,440			56,440	44,497	11,943
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	213,583			213,583	198,169	15,414
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		5,428	11,642	11,642	0
348	Other Tangible Plant	16,162			16,162	16,162	0
	<b>Totals</b>	<b>\$1,144,340</b>	<b>\$0</b>	<b>\$5,428</b>	<b>\$1,138,912</b>	<b>\$936,609</b>	<b>\$202,303</b>

Verde Lakes Water Corporation  
 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
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	0	0	0	0		0		0
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	213,583	0	0	213,583		213,583	2.58%	5,510
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	0		0
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	5,428	11,642	11,642	0		0
348	Other Tangible Plant	16,162	0	0	16,162	16,162	0		0
	<b>Subtotal</b>	<b>\$1,144,340</b>	<b>\$0</b>	<b>\$5,428</b>	<b>\$1,138,912</b>	<b>\$761,851</b>	<b>\$377,061</b>		<b>\$10,642</b>

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  
 2.82%  
 \$0

Less: Amortization of CIAC

**DEPRECIATION EXPENSE**

Verde Lakes Water Corporation  
 Annual Report  
 Balance Sheet Assets  
 12/31/22

Balance Sheet Assets				
Account No.	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
<b>Current and Accrued Assets</b>				
131	Cash		\$211,715	\$213,450
134	Working Funds		0	200
135	Temporary Cash Investments		32,263	0
141	Customer Accounts Receivable		11,855	11,466
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
	<b>Total Current and Accrued Assets</b>		<b>\$268,973</b>	<b>\$238,256</b>
<b>Fixed Assets</b>				
101	Utility Plant in Service*		\$1,144,340	\$1,138,912
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(927,518)	(936,609)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$216,822</b>	<b>\$202,303</b>
	<b>Total Assets</b>		<b>\$485,795</b>	<b>\$440,559</b>

\*Note these items feed automatically from AR3 UPIS Page 4

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

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	<b>Current Liabilities</b>			
231	Accounts Payable		(\$1,635)	(\$1,691)
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		16,735	19,074
236	Accrued Taxes		2,100	4,682
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		11,155	22,019
	<b>Total Current Liabilities</b>		<b>\$28,355</b>	<b>\$44,084</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	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
	<b>Total Deferred Credits</b>		<b>\$0</b>	<b>\$0</b>
	<b>Total Liabilities</b>		<b>\$28,355</b>	<b>\$44,084</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		457,440	396,475
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$457,440</b>	<b>\$396,475</b>
	<b>Total Liabilities and Capital</b>		<b>\$485,795</b>	<b>\$440,559</b>

**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  
12/31/22

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	<b>Operating Revenue</b>		
461	Metered Water Revenue		
460	Unmetered Water Revenue	\$225,012	\$226,539
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	5,676	0
	<b>Total Revenues</b>	<b>7,496</b>	<b>1,944</b>
		<b>\$238,184</b>	<b>\$228,483</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages		
604	Employee Pensions and Benefits	\$143,905	\$119,779
610	Purchased Water	0	0
615	Purchased Power	0	0
618	Chemicals	30,389	29,318
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	23,105	18,111
620.2	Office Supplies and Expense	18,806	10,644
630	Contractual Services	13,080	9,377
631	Contractual Services - Engineering	291	885
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	1,076	1,485
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	0	0
636	Contractual Services - Other	6,052	2,997
640	Rents	18,832	18,194
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	6,281	5,667
657.1	Insurance - Health and Life	3,959	3,598
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	0	0
408	Taxes Other Than Income	10,642	11,599
408.11	Property Taxes	687	11,527
409	Income Taxes	11,388	12,031
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>
		<b>\$288,492</b>	<b>\$255,211</b>
	<b>Operating Income / (Loss)</b>	<b>(\$50,308)</b>	<b>(\$26,728)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$27	\$11
421	Non-Utility Income	33,501	12,908
426	Miscellaneous Non-Utility (Expense)	(33,501)	0
427	Interest (Expense)	(96)	0
	<b>Total Other Income / (Expense)</b>	<b>(\$69)</b>	<b>\$12,919</b>
	<b>Net Income / (Loss)</b>	<b>(\$50,377)</b>	<b>(\$13,809)</b>



Verde Lakes Water Corporation  
 Annual Report  
 Full time equivalent employees  
 12/31/22

**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
<b>Total</b>	3.0	0.0	0.0	3.0

Verde Lakes Water Corporation  
 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				
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											
ADFCO Public Water System Number											
ADWR PCC Number											
Well registry 552753											
XXXXXX	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2012	Water level 2022	Meter Size (inches)	How measured	Active
55-801417	10	90	250	10		1992			3	Estimated	Yes
55-801417	2	25	180	6		1958			4	Estimated	Yes
55-559150	10	105	320	8		1997			4	Estimated	Yes
55-524341	10	100	184	10		1990			4	Estimated	Yes
55-524343	10	95	200	10		1990			3	Estimated	Yes

Name of system water delivered to \_\_\_\_\_  
 ADWR PCC Number \_\_\_\_\_  
 Source of water delivered to another system \_\_\_\_\_

Name of system water received from \_\_\_\_\_  
 ADWR PCC Number \_\_\_\_\_  
 Source of water received \_\_\_\_\_

Well registry 552 (55-XXXXXX) \_\_\_\_\_

Month	Water withdrawn (gallons) <sup>1</sup>	Water sold (gallons) <sup>2</sup>	Water delivered (sold) to other systems (gallons) <sup>3</sup>	Water received (purchased) from other systems (gallons) <sup>4</sup>	Estimated authorized use (gallons) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	3,654,400.00	3,568,540.00					
February	4,195,700.00	3,996,670.00					
March	4,306,800.00	3,648,890.00					
April	7,213,500.00	5,366,060.00					
May	7,917,600.00	6,448,270.00					
June	11,324,100.00	10,522,290.00					
July	8,122,600.00	7,107,440.00					
August	7,528,300.00	6,827,390.00					
September	5,884,900.00	5,847,920.00					
October	5,309,300.00	4,979,730.00					
November	4,731,200.00	4,394,610.00					
December	3,097,000.00	3,405,410.00					
<b>Total</b>	<b>74,635,200.00</b>	<b>65,737,960.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$0</b>	<b>0</b>

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 un-metered 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 (Continued)**

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

<b>TREATMENT EQUIPMENT:</b>	3 CHLORINE PUMPS AND 2 ARSENIC REMOVAL EQUIPMENT
<b>STRUCTURES:</b>	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
<b>OTHER:</b>	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	208
Method used	(a)

Customer and Other Information	
Name of the System:	0
ADF-Q Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	857				
February	869				
March	869				
April	854				
May	866				
June	853				
July	868				
August	871				
September	853				
October	880				
November	866				
December	881				

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

Does the system have chlorination treatment?  Yes

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  No  
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?  No  
 If yes, which AMA?

What is the present system connection capacity (in ERCs \*) using existing lines?  1,000

What is the future system connection capacity (in ERCs \*) upon service area buildout?  1,000

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  
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January		8	
February		7	
March		7	
April		2	
May		8	
June		7	
July		10	
August		4	
September		8	
October		13	
November		5	
December		7	
<b>Total</b>	<b>0</b>	<b>86</b>	<b>0</b>

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 2022 was

\$11,388

If no property taxes paid, explain why.

**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: 12/31/22

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]

signature of owner/official

928-634-4869

telephone no.

RECEIVED  
UTILITIES DIVISION  
2023 APR 27 A 10:37  
ARIZONA CORPORATION  
COMMISSION

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

THIS

24<sup>th</sup>

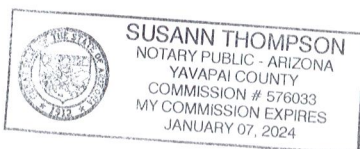
DAY OF

Yavapai  
(county name)  
April 2023  
(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: 12/31/22

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 (\$)

\$238,184

(The amount in the box above includes

\$21,467 in sales taxes billed or collected)

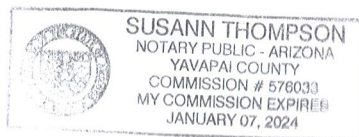
[Signature]  
signature of owner/official

928-634-4869  
telephone no.

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

THIS 24 DAY OF April 2023  
(county name) (month) and (year)

MY COMMISSION EXPIRES Jan 07 2024  
(date)



[Signature]  
(signature of notary public)

RECEIVED  
UTILITIES DIVISION  
2023 APR 27 A 10:37  
ARIZONA CORPORATION  
COMMISSION

**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: 12/31/22

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 (\$)

\$238,184

(The amount in the box above includes

\$21,467 in sales taxes  
billed or collected)

*[Signature]*  
signature of owner/official


928-634-4869  
telephone no.

RECEIVED  
UTILITIES DIVISION  
2023 APR 27 A 10:37  
ARIZONA CORPORATION  
COMMISSION

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

THIS 24 DAY OF April 2023  
(month) and (year)

MY COMMISSION EXPIRES Jan 07 2024  
(date)

 SUSANN THOMPSON  
NOTARY PUBLIC - ARIZONA  
YAVAPAI COUNTY  
COMMISSION # 576033  
MY COMMISSION EXPIRES  
JANUARY 07, 2024

*[Signature]*  
(signature of notary public)

Verde Lakes Water Corporation  
Annual Report  
for Income Tax Statement of Certification  
12/31/22

for Income Tax Statement of Certification

Verification:

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

County of (county name):

Name (owner or official) title:

Company name:

Yavapai

Operations Director

Verde Lakes Water Corporation

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 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.

*[Handwritten Signature]*

signature of owner/official

928-634-4869

telephone no.

RECEIVED  
UTILITIES DIVISION  
2023 APR 27 A 10:37  
ARIZONA CORPORATION  
COMMISSION

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

Yavapai  
(county name)

THIS

24

DAY OF

April 2023  
(month) and (year)

MY COMMISSION EXPIRES

Jan 07 2024  
(date)

SUSANN THOMPSON  
NOTARY PUBLIC - ARIZONA  
YAVAPAI COUNTY  
COMMISSION # 576033  
MY COMMISSION EXPIRES  
JANUARY 07, 2024

*[Handwritten Signature]*

(signature of notary public)