

RECEIVED  
UTILITIES DIVISION

2022 MAY 19 P 1:46

ANNUAL REPORT

Of

Company Name:   
PO Box 245

Mailing Address: Taylor AZ  
85939

Docket No.: W-20540A  
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  
Vernon Valley Water, Inc.  
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:

<b>Important changes during the year</b>
--

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

Vernon Valley Water, Inc.  
Annual Report  
Utility Plant in Service (Water)  
12/31/21

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	7,060			7,060		7,060
304	Structures and Improvements	608			608	280	328
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	2,227			2,227	962	1,265
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	4,125			4,125	3,986	139
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
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	698			698	212	486
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	35,223			35,223	9,860	25,363
333	Services	1,367			1,367	530	837
334	Meters and Meter Installations	4,166			4,166	3,431	735
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment	0	120		120	6	114
348	Other Tangible Plant				0		0
	<b>Totals</b>	<b>\$55,474</b>	<b>\$120</b>	<b>\$0</b>	<b>\$55,594</b>	<b>\$19,267</b>	<b>\$36,327</b>

Vernon Valley Water, Inc.  
 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	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	7,060	0	0	7,060	7,060	0	0.00%	0
304	Structures and Improvements	608	0	0	608	0	608	3.33%	20
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	2,227	0	0	2,227	0	2,227	3.33%	74
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	4,125	0	0	4,125	3,953	172	12.50%	22
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
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	698	0	0	698	0	698	2.22%	15
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	35,223	0	0	35,223	0	35,223	2.00%	704
333	Services	1,367	0	0	1,367	0	1,367	3.33%	46
334	Meters and Meter Installations	4,166	0	0	4,166	0	4,166	8.33%	347
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	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	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	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	120	0	120	0	120	10.00%	6
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$55,474</b>	<b>\$120</b>	<b>\$0</b>	<b>\$55,594</b>	<b>\$11,013</b>	<b>\$44,581</b>		<b>\$1,234</b>

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 2.77%  
 Amortization of CIAC \$0

Less: Amortization of CIAC \$0

**DEPRECIATION EXPENSE \$1,234**

Vernon Valley Water, Inc.  
 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.	<b>Current and Accrued Assets</b>			
131	Cash		\$3,223	\$4,498
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			2,256
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	<b>Total Current and Accrued Assets</b>		<b>\$3,223</b>	<b>\$6,754</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$55,474	\$55,594
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(18,033)	(19,267)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$37,441</b>	<b>\$36,327</b>
	<b>Total Assets</b>		<b>\$40,664</b>	<b>\$43,081</b>

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

Vernon Valley Water, Inc.  
 Annual Report  
 Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		<b>Balance at Beginning of Year (2021)</b>	<b>Balance at End of Year (2021)</b>
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$1,274	
232	Notes Payable (Current Portion)		800	
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes			122
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	<b>Total Current Liabilities</b>		<b>\$2,074</b>	<b>\$122</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)			
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$0</b>	<b>\$0</b>
	<b>Total Liabilities</b>		<b>\$2,074</b>	<b>\$122</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued			
211	Other Paid-In Capital		38,590	21,024
215	Retained Earnings			21,935
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$38,590</b>	<b>\$42,959</b>
	<b>Total Liabilities and Capital</b>		<b>\$40,664</b>	<b>\$43,081</b>

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

Vernon Valley Water, Inc.  
Annual Report  
Water Comparative Income Statement  
12/31/21

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$18,074	\$20,663
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	270	66
	<b>Total Revenues</b>	<b>\$18,344</b>	<b>\$20,729</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$4,099
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	1,114	1,325
618	Chemicals	0	0
620	Materials and Supplies	0	19
620.1	Repairs and Maintenance	3,698	35
620.2	Office Supplies and Expense	858	886
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	800	866
633	Contractual Services - Legal	0	953
634	Contractual Services - Management Fees	6,147	0
635	Contractual Services - Water Testing	418	430
636	Contractual Services - Other	370	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	524
650	Transportation Expenses	271	8,445
657	Insurance - General Liability	0	189
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	102
403	Depreciation Expense (From Schedule AR4)	1,234	1,218
408	Taxes Other Than Income	0	1,264
408.11	Property Taxes	216	550
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$15,126</b>	<b>\$20,905</b>
	<b>Operating Income / (Loss)</b>	<b>\$3,218</b>	<b>(\$176)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	1	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$1</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>\$3,219</b>	<b>(\$176)</b>



Vernon Valley Water, Inc.  
Annual Report  
Full time equivalent employees  
12/31/21

**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	0.5	0.0	0.0	0.5
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.5	0.5
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.2	0.2
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	0.0	0.0
Other	0.0	0.0	0.0	0.0
<b>Total</b>	0.5	0.0	0.9	1.4

Vernon Valley Water, Inc.  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/21

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	0	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	0	0	0	0
Dollar Amt. Issued	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	NA	NA	NA	NA
Interest Rate	0.00%	100.00%	200.00%	300.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
---	-----

Meter Deposits Refunded During the Test Year:	\$0
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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.*

Well and Water Usage

Name of the System: VERNON VALLEY WATER CO											
ADEQ Public Water System Number:			AZ0401054								
ADWR PCC Number:			91-000020.0000								
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
55-511289	5	32	400	6	SUBMERSIBLE	1985	300	300	1	METERED	YES
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	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):	NA

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	59,723.00	46,690.00	0.00	0.00	0.00	\$139	1,115
February	49,447.00	55,666.00	0.00	0.00	0.00	153	1,267
March	85,541.00	64,631.00	0.00	0.00	0.00	74	387
April	56,033.00	70,084.00	0.00	0.00	0.00	63	261
May	129,120.00	104,570.00	0.00	0.00	0.00	87	527
June	132,878.00	131,080.00	0.00	0.00	0.00	89	534
July	104,570.00	98,510.00	0.00	0.00	0.00	74	355
August	90,932.00	87,010.00	0.00	0.00	0.00	74	355
September	105,809.00	103,840.00	0.00	0.00	0.00	75	369
October	84,649.00	69,990.00	0.00	0.00	0.00	76	345
November	88,435.00	87,840.00	0.00	0.00	0.00	71	301
December	60,052.00	60,450.00	0.00	0.00	0.00	88	436
<b>Totals</b>	<b>1,047,189.00</b>	<b>980,361.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,063</b>	<b>6,252</b>

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.



<b>Water Utility Plant Description (Continued)</b>
--

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

<b>TREATMENT EQUIPMENT:</b>	NONE
-----------------------------	------

<b>STRUCTURES:</b>	8' X 12' 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 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: 

139
-----

  
 Method used: 

(a)
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Customer and Other Information	
Name of the System:	VERNON VALLEY WATER CO
ADEQ Public Water System Number:	AZ0401054
ADWR PCC Number:	91-000020.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	18	0	0	0	0
February	18	0	0	0	0
March	18	0	0	0	0
April	18	0	0	0	0
May	18	0	0	0	0
June	18	0	0	0	0
July	18	0	0	0	0
August	18	0	0	0	0
September	18	0	0	0	0
October	18	0	0	0	0
November	18	0	0	0	0
December	18	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 (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.

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

Vernon Valley Water, Inc.  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	VERNON VALLEY WATER CO
ADEQ Public Water System Number:	AZ0401054
ADWR PCC Number:	91-000020.0000

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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.

Vernon Valley Water, Inc.  
Annual Report  
Property Taxes  
12/31/21

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2021 was	\$216

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.



Vernon Valley Water, Inc.  
Annual Report  
Verification and Sworn Statement (Taxes)  
12/31/21

Verification and Sworn Statement (Taxes)

Verification: State of Arizona I, the undersigned of the  
(state name) 2022 MAY 19 P 1:47

County of (county name): Apache  
Name (owner or official) title: Gary Wene, Owner  
Company name: Vernon Valley Water, Inc.

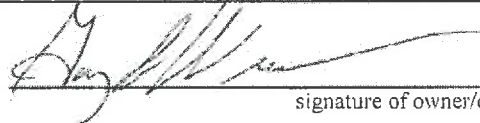
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/21

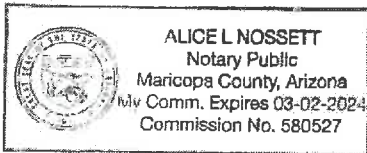
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND 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 of owner/official


520-624-1460 x 110  
telephone no.



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

THIS 2nd DAY OF May 2, 2022  
(month) and (year)

MY COMMISSION EXPIRES 3-2-24  
(date)

  
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Apache  
Name (owner or official) title: Gary Wene, Owner  
Company name: Vernon Valley Water, Inc.

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:

UTILITIES DEPT  
2022 MAY 19 P  
ARIZONA CORPORATION COMMISSION

Arizona Intrastate Gross Operating Revenues Only (\$)

\$19,407

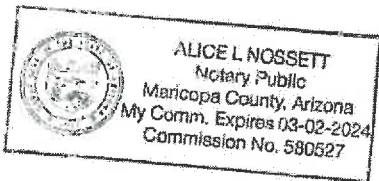
(The amount in the box above includes

\$1,063 in sales taxes billed or collected)

Gary Wene  
signature of owner/official

520-624-1460 x 110

telephone no.



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

Maricopa

(county name)

THIS

2<sup>nd</sup>

DAY OF

May, 2, 2022  
(month) and (year)

MY COMMISSION EXPIRES

3-2-24  
(date)

Alice L. Nossett  
(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): Apache  
Name (owner or official) title: Gary Wene, Owner  
Company name: Vernon Valley Water, Inc.

**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:**

RECEIVED  
UTILITIES DIVISION  
2022 MAY 19 P 1:46  
ARIZONA CORPORATION COMMISSION

Arizona Intrastate Gross Operating Revenues Only (\$)

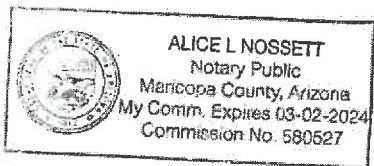
\$19,407

(The amount in the box above includes

\$1,063 in sales taxes  
billed or collected)

Gary Wene  
signature of owner/official

520-624-1460 x 110  
telephone no.



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

Maricopa  
(county name)

THIS 2<sup>nd</sup> DAY OF May 2<sup>nd</sup> 2022  
(month) and (year)

MY COMMISSION EXPIRES 3-2-24  
(date)

Alice L. Nossett  
(signature of notary public)

Vernon Valley Water, Inc.  
Annual Report  
Full Gross-up Method for Income Tax Statement of Certification  
12/31/21

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): Apache  
Name (owner or official) title: Gary Wene, Owner  
Company name: Vernon Valley Water, Inc.

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 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.

RECEIVED  
UTILITIES DIVISION  
2022 MAY 19 P 1:46  
ARIZONA REGISTRATION  
CITY OF PHOENIX

[Signature]  
signature of owner/official

520-624-1460 x 110  
telephone no.

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

Maricopa  
(county name)

THIS

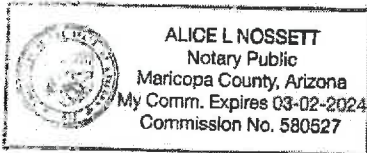
2nd

DAY OF

May 2nd 2022  
(month) and (year)

MY COMMISSION EXPIRES

3-2-24  
(date)



[Signature]  
(signature of notary public)