

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: 12/31/22

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:

Important changes during the year

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

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

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	7,060	0	0	7,060	0	7,060
304	Structures and Improvements	608	0	0	608	300	308
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	2,227	0	0	2,227	1,036	1,191
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	4,125	579	0	4,704	4,044	660
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
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	698	0	0	698	227	471
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	35,223	0	0	35,223	10,564	24,659
333	Services	1,367	0	0	1,367	576	791
334	Meters and Meter Installations	4,166	3,325	0	7,491	3,917	3,574
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	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	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	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	120	0	0	120	18	102
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$55,594	\$3,904	\$0	\$59,498	\$20,682	\$38,816

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	579	0	4,704	3,953	751	12.50%	58
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	3,325	0	7,491	0	7,491	8.33%	486
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	120	0	0	120	0	120	10.00%	12
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$55,594	\$3,904	\$0	\$59,498	\$11,013	\$48,485		\$1,415

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 \$1,415

Vernon Valley Water, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/22

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$4,498	\$370
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		2,256	2,947
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$6,754	\$3,317
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$55,594	\$59,498
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(19,267)	(20,682)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$36,327	\$38,816
	Total Assets		\$43,081	\$42,133

*Note these items feed automatically from AR3 UPIS Page 4

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

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$2,187
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		122	(65)
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$122	\$2,122
	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		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
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$122	\$2,122
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		21,024	43,142
215	Retained Earnings		21,935	(3,131)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$42,959	\$40,011
	Total Liabilities and Capital		\$43,081	\$42,133

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
12/31/22

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$15,019	\$18,074
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	269	270
	Total Revenues	\$15,288	\$18,344
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	1,012	1,114
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	0	3,698
620.2	Office Supplies and Expense	481	858
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	5,152	800
633	Contractual Services - Legal	83	0
634	Contractual Services - Management Fees	7,290	6,147
635	Contractual Services - Water Testing	716	418
636	Contractual Services - Other	0	370
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	216	0
650	Transportation Expenses	70	271
657	Insurance - General Liability	176	0
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	750	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	1,415	1,234
408	Taxes Other Than Income	0	0
408.11	Property Taxes	520	216
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$17,881	\$15,126
	Operating Income / (Loss)	(\$2,593)	\$3,218
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	1
426	Miscellaneous Non-Utility (Expense)	(3)	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	(\$3)	\$1
	Net Income / (Loss)	(\$2,596)	\$3,219

Vernon Valley Water, Inc.
Annual Report
Full time equivalent employees
12/31/22

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.5	0.0	0.0	0.5
Vice-president	0.0	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
Total	0.5	0.0	0.9	1.4

Vernon Valley Water, Inc.
 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	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	NO	NA	NA
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
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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 2012	Water level 2022	Meter Size (inches)	How measured	Active
55-511289	5	32	400	6	SUBMERSIBLE	1985	300	300	1	METERED	YES

Name of system water delivered to:	
ADWR PCC Number:	NA
Source of water delivered to another system:	NA

Name of system water received from:	
ADWR PCC Number:	NA
Source of water received:	NA
Well registry 55# (55-XXXXXX):	NA

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	75,725.00	68,800.00	0.00	0.00	0.00	\$88	528
February	67,888.00	64,625.00	0.00	0.00	0.00	121	1,115
March	35,710.00	31,915.00	0.00	0.00	0.00	113	1,001
April	76,650.00	59,720.00	0.00	0.00	0.00	112	1,001
May	72,420.00	69,680.00	0.00	0.00	0.00	94	950
June	62,774.00	113,680.00	0.00	0.00	0.00	84	524
July	51,490.00	51,490.00	0.00	0.00	0.00	69	301
August	81,531.00	59,800.00	0.00	0.00	0.00	58	255
September	67,841.00	87,793.00	0.00	0.00	0.00	47	155
October	68,141.00	90,810.00	0.00	0.00	0.00	50	201
November	75,410.00	69,890.00	0.00	0.00	0.00	63	261
December	65,141.00	40,010.00	0.00	0.00	0.00	113	1,001
Totals	800,721.00	808,213.00	0.00	0.00	0.00	\$1,012	7,293

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

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:	VERNON VALLEY WATER CO		
ADEQ Public Water System Number:	AZ0401054		
ADWR PCC Number:	91-000020.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	660
4.00	PVC	2,880
6.00	PVC	1,495

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	18	40%	98%

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	90%		0
HDPE	10%		0

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
2	50		2

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
10,000	METAL	1	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
120	METAL	1	0

* 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:	NONE
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STRUCTURES:	8X12 BUILDING
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OTHER:	NONE
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Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

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

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

ERC	123
Method used:	(a)

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				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
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 (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.

Vernon Valley Water, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/22

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
Total	0	0	0

Other (description):

NA

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Vernon Valley Water, Inc.
Annual Report
Property Taxes
12/31/22

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was	\$520
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If no property taxes paid, explain why. NA

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

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

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: 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: 12/31/22

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

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

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



signature of owner/official

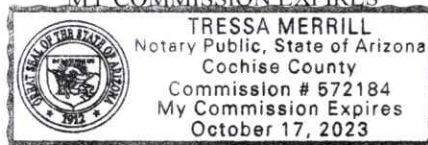
520-265-5350
telephone no.

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

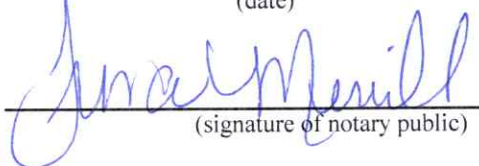
THIS 15 DAY OF May 2023
(month) and (year)

Cochise
(county name)

MY COMMISSION EXPIRES



Oct 17 2023
(date)



(signature of notary public)

Verification and Sworn Statement

Verification:

State of ARIZONA I, the undersigned of the
(state name)
County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: 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: 12/31/22

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 (\$)
\$15,288
(The amount in the box above includes
\$1,006 in sales taxes
billed or collected)



signature of owner/official

520-265-5350
telephone no.

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

THIS

15

DAY OF

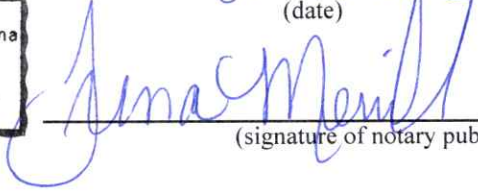
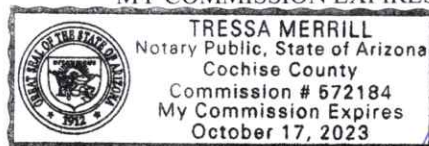
Cochise

(county name)

May 2023
(month) and (year)

MY COMMISSION EXPIRES

Oct 17 2023
(date)



(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: 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: 12/31/22

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 (\$)

\$15,288
(The amount in the box above includes
\$1,006 in sales taxes
billed or collected)



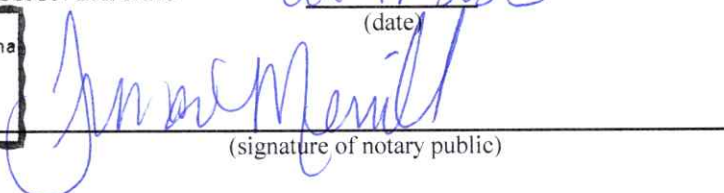
signature of owner/official

520-265-5350
telephone no.

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

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

MY COMMISSION EXPIRES Oct 17 2023
(date)


(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

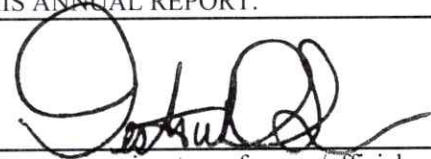
State of ARIZONA I, the undersigned of the
(state name)

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Vernon Valley Water, Inc.

FOR THE YEAR ENDING: 12/31/22

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.



signature of owner/official

520-265-5350

telephone no.

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

Cochise

(county name)

THIS

15

DAY OF

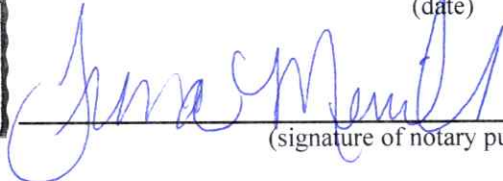
May 2023

(month) and (year)

MY COMMISSION EXPIRES

Oct 17 2023

(date)



(signature of notary public)