

ANNUAL REPORT

Of

Company Name:
9532 E. Riggs Rd.

Mailing Address: Sun Lakes AZ
85248

RECEIVED BY EMAIL
5/11/2022 1:30 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.:
For the Year Ended:

WASTEWATER 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
 WASTEWATER UTILITY ANNUAL REPORT
 Saddlebrooke Utility Company
 A Class Utility

For the Calendar Year Ended: 12/31/21

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

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

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	21,369	\$0	\$0	\$21,369	\$0	\$21,369
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	125,000	0	0	125,000	0	125,000
354	Structures and Improvements	119,058	4,669	0	123,727	57,077	66,650
355	Power Generation Equipment	220,137	1,977	1,977	220,137	143,565	76,571
360	Collections Wastewater - Force	162,827	0	0	162,827	121,836	40,991
361	Collections Wastewater - Gravity	6,957,248	0	0	6,957,248	5,403,978	1,553,269
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	1,594,707	5,107	0	1,599,814	1,155,757	444,057
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	0	0	0	0	(631)	631
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	641,524	0	0	641,524	531,863	109,661
371	Pumping Equipment	1,342,707	41,615	25,202	1,359,119	595,886	763,234
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	899,489	0	0	899,489	280,220	619,269
380	Treatment and Disposal Equipment	7,137,492	74,928	172,185	7,040,235	5,133,698	1,906,537
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	29,192	0	0	29,192	29,192	(0)
389	Other Plant and Misc. Equipment	673,724	0	0	673,724	64,346	609,378
390	Office Furniture and Equipment	1,685	0	0	1,685	640	1,045
390.1	Computer & Software	24,880	106,251	6,330	124,801	3,247	121,554
391	Transportation Equipment	128,538	58,816	849	186,505	(36,931)	223,436
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	37,799	0	0	37,799	7,020	30,779
394	Laboratory Equipment	6,649	0	5,269	1,380	6,464	(5,085)
395	Power Operated Equipment	0	3,733	27,733	(24,000)	(3,733)	(20,267)
396	Communication Equipment	150,264	16,266	5,276	161,253	(7,876)	169,129
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$20,274,287	\$313,362	\$244,822	\$20,342,826	\$13,485,619	\$6,857,208

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.

Saddlebrooke Utility Company
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/21

Depreciation Expense for the Current Year (Wastewater)									
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
351	Organization	\$21,369	\$0	\$0	21,369.00	21,369.00	\$0	0.00%	\$0
352	Franchises	0	0	0	-	-	0	0.00%	0
353	Land and Land Rights	125,000	0	0	125,000.00	125,000.00	0	0.00%	0
354	Structures and Improvements	119,058	4,669	0	123,727.00	-	123,727	4.00%	3,315
355	Power Generation Equipment	220,137	1,977	1,977	220,136.62	-	220,137	4.00%	8,944
360	Collections Wastewater - Force	162,827	0	0	162,826.75	-	162,827	4.00%	6,513
361	Collections Wastewater - Gravity	6,957,248	0	0	6,957,247.57	-	6,957,248	4.00%	193,218
362	Special Collecting Structures	0	0	0	-	-	0	4.00%	0
363	Services to Customers	1,594,707	5,107	0	1,599,814.00	-	1,599,814	4.00%	57,128
364	Flow Measuring Devices	0	0	0	-	-	0	4.00%	0
365	Flow Measuring Installations	0	0	0	-	-	0	4.00%	26
366	Reuse Services	0	0	0	-	-	0	4.00%	0
367	Reuse Meters & Meter Installations	0	0	0	-	-	0	4.00%	0
370	Receiving Wells	641,524	0	0	641,523.83	-	641,524	4.00%	24,324
371	Pumping Equipment	1,342,707	41,615	25,202	1,359,119.36	-	1,359,119	4.00%	48,167
374	Reuse Distribution Reservoirs	0	0	0	-	-	0	4.00%	0
375	Reuse Trans. And Distr. Equipment	899,489	0	0	899,488.92	-	899,489	4.00%	35,980
380	Treatment and Disposal Equipment	7,137,492	74,928	172,185	7,040,235.18	-	7,040,235	4.00%	283,801
381	Plant Sewers	0	0	0	-	-	0	4.00%	0
382	Outfall Sewer Lines	29,192	0	0	29,191.97	-	29,192	4.00%	0
389	Other Plant and Misc. Equipment	673,724	0	0	673,724.05	-	673,724	4.00%	25,738
390	Office Furniture and Equipment	1,685	0	0	1,684.68	-	1,685	4.00%	67
390.1	Computer & Software	24,880	106,251	6,330	124,801.35	-	124,801	4.00%	3,036
391	Transportation Equipment	128,538	58,816	849	186,504.83	-	186,505	4.00%	10,740
392	Stores Equipment	0	0	0	-	-	-	4.00%	0
393	Tools, Shop and Garage Equipment	37,799	0	0	37,799.02	-	37,799	4.00%	1,272
394	Laboratory Equipment	6,649	0	5,269	1,379.58	-	1,380	4.00%	210
395	Power Operated Equipment	0	3,733	27,733	(24,000.00)	-	(24,000)	4.00%	(3,000)
396	Communication Equipment	150,264	16,266	5,276	161,252.74	-	161,253	4.00%	6,734
397	Miscellaneous Equipment	0	0	0	-	-	0	4.00%	0
398	Other Tangible Plant	0	0	0	-	-	0	4.00%	0
	Subtotal	\$20,274,287	\$313,362	\$244,822	20,342,826.45	146,369.00	\$20,196,457.45		706,214.06

Contribution(s) in Aid of Construction (Gross) -
Less: Non Amortizable Contribution(s) -
Fully Amortized Contribution(s) -
Amortizable Contribution(s) -
Times: Proposed Amortization Rate 0.03
Amortization of CIAC -

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Saddlebrooke Utility Company
Annual Report
Balance Sheet Assets
12/31/21

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$1,255,652	\$1,817,898
132	Special Deposits		0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		212,882	188,405
142	Other Accounts Receivable		13,073	5,568
143	Accumulated Provision for Uncollectable Accounts		0	0
145	Accounts Receivable - Related Parties		2,100	4,200
146	Notes Receivable from Associated Companies		1,537,025	1,504,165
151	Plant Material and Supplies		0	0
162	Prepayments		24,814	25,411
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		386,116	0
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$3,431,662	\$3,545,648
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$131,979
	Total Deferred Debits		\$0	\$131,979
	Fixed Assets			
101	Utility Plant in Service*		\$20,274,287	\$20,342,826
103	Property Held for Future Use		0	0
105	Construction Work in Progress		98,220	46,435
108	Accumulated Depreciation (enter as negative)*		(13,106,356)	(13,485,619)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$7,266,151	\$6,903,643
	Total Assets		\$10,697,813	\$10,581,269

Note these items feed automatically from the adjusted end of year balance from AR4.

Saddlebrooke Utility Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities			
231	Accounts Payable		\$307,586	\$46,602
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		1,355	58,830
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		61,533	59,040
237	Accrued Interest		220	0
241	Miscellaneous Current and Accrued Liabilities		26,406	30,166
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$397,100	\$194,638
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
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		\$397,100	\$194,638
	Capital Accounts			
201	Common Stock Issued		\$98,472	\$98,472
211	Other Paid-In Capital		3,224,839	3,224,839
215	Retained Earnings		6,977,402	7,063,320
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$10,300,713	\$10,386,631
	Total Liabilities and Capital		\$10,697,813	\$10,581,269

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

Saddlebrooke Utility Company
Annual Report
Wastewater Comparative Income Statement
12/31/21

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 -	Last Year 01/01/2020 -
	Operating Revenue		
521	Flat Rate Revenues	\$2,351,642	\$2,444,820
522	Measured Revenues	73,136	76,468
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	52,972	88,580
	Total Revenues	\$2,477,751	\$2,609,868
	Operating Expenses		
701	Salaries and Wages	\$217,196	\$174,723
703	Salaries and Wages - Officers	\$25,071	\$25,148
704	Employee Pensions and Benefits	37,785	35,796
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	106,720	131,625
715	Purchased Power	214,991	207,987
716	Fuel for Power Production	0	0
718	Chemicals	11,446	12,713
720	Materials and Supplies	0	0
720.1	Repairs and Maintenance	43,119	34,303
720.2	Office Supplies and Expense	64,947	53,253
721	Office Expense	0	0
731	Contractual Services -Engineering	0	74
732	Contractual Services - Accounting	0	0
733	Contractual Services - Legal	0	477
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	22,087	17,058
736	Contractual Services - Other	50,819	50,809
740	Rents - Building	0	0
741	Rental of Building/Real Property	3,945	3,945
742	Rents - Equipment	1,096	0
750	Transportation Expenses	7,219	469
756	Insurance - Vehicle	6,087	6,443
757	Insurance - General Liability	38,545	33,754
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	925	845
775	Miscellaneous Expense	7,071	6,462
403	Depreciation Expense (From Schedule AR4)	706,214	713,398
407.4	Amortization of Regulatory Asset	0	0
407.5	Amortization of Regulatory Liability	0	0
408.11	Property Taxes	110,564	112,590
408.12	Payroll Taxes	13,384	8,836
408.13	Other Taxes and Licenses	20,089	10,685
409	Income Taxes	0	0
434	Rate Case Adjustments	288,987	0
	Total Operating Expenses	\$1,998,307	\$1,641,393
	Operating Income / (Loss)	\$479,444	\$968,475
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	41,857	44,930
421	Non-Utility Income	5,620	6,741
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	(15)
	Total Other Income / (Expense)	\$47,477	\$51,656
	Net Income / (Loss)	\$526,920	\$1,020,131

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.

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.3	0.0	0.3
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	2.5	0.7	0.0	3.2
Customer Service	0.0	0.4	0.0	0.4
Accounting	0.0	0.0	0.5	0.5
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	2.5	1.5	0.5	4.5

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

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

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.

Wastewater Utility Plant Description	
Name of System:	Saddlebrooke Utility Company
Wastewater Inventory Number (if applicable):	none
Type of Treatment	other
Design Capacity of Plant (Gallons per day)	1,240,000

LIFT STATION FACILITIES					
Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
Construction Yard	2	3	50	1000	1997
Unit 7	2	6	50	1020	1997
Unit 9	2	10	140	677	1997
Unit 19	2	5	140	888	1995
Unit 27	2	5	120	380	2000
Unit 36	2	35	500	1800	1999
Unit 21 North	2	11	131	1197	2001
Unit 21 South	2	85	275	1795	2001
Unit 46	2	20	600	1800	2003
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
n/a	n/a	n/a	n/a	n/a	n/a

FORCE MAINS		
Size	Material	Length (Feet)
4 inch	PVC	1,772
6 inch	PVC	8,046
<4 inch	PVC	8,002
>6 inch	PVC	2,797
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

MANHOLES	
Type	Quantity
Standard	1,023
Drop	25

CLEANOUTS	
Quantity	
	135
	0
	0
	0

Note: If you are filing for more than one system, please provide separate sheets for each system.

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. Copy and paste this sheet as many times as is necessary.

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	PVC	6,302	4	PVC	5,268
8	PVC	275,296	6	NA	0
10	PVC	2,787	8	NA	0
3	PVC	760	10	NA	0
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			

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

SOLIDS PROCESSING AND HANDLING FACILITIES	Centrifuge
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra-Violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Dual Media Filters Anthracite, Sand, Gravel
STRUCTURES (Buildings, Fences, Etc.)	Buildings, Fences
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Generators, Vehicles, Microscope

Note: If you are filing for more than one system, please provide separate sheets for each system.

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. Copy and paste this sheet as many times as is necessary.

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	5,207	14,104,000	479,000	\$16,266	149,470
February	5,212	12,210,000	600,000	15,887	135,308
March	5,218	16,795,000	613,000	17,282	152,255
April	5,225	15,467,000	594,000	17,538	152,430
May	5,223	13,181,000	501,000	19,060	154,585
June	5,230	10,691,000	390,000	18,235	144,711
July	5,232	12,879,000	548,000	19,470	147,044
August	5,236	13,919,000	796,000	18,029	146,352
September	5,239	14,249,000	506,000	18,745	136,951
October	5,268	13,577,000	716,000	18,036	140,492
November	5,283	13,886,000	529,000	17,670	139,542
December	5,293	14,242,000	583,000	18,773	145,481
Totals		165,200,000	6,855,000	\$214,991	1,744,622

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	unsure what this is
ADEQ Aquifer Protection Permit ("APP") Number	100356
ADEQ Reuse Permit Number	PL00356
EPA NPDES Permil Number	AZ0022853
APP Effluent Treatment Requirement (Class)?	A+
Permitted Flow Rate	1.24 MGD
Permitted Organic Capacity	280 mg/l(BOD design inflow)%
Hydraulic Capacity	3.72 MGD (Peak)%
Type of Biological Treatment	Extended Aeration (EA)

In the space below, list all violations within the past 12 months:

n/a

Note: If you are filing for more than one system, please provide separate sheets for each system.

¹ Enter the total purchased power costs for the power meters associated with this system.
² Enter the total purchased kWh used by the power meters associated with this system.

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.

Other Wastewater System Information

Provide a calculation used to determine the value of one wastewater 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 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC
Method used: (a), (b), other

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.

N/A

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

Saddlebrooke HOA1 30,747,000 Saddlebrooke HOA2 78,296,000 Mountain View HOA 17,054,000

If the utility does not engage in reuse, has a reuse feasibility study been completed?

If so, when?

N/A

Saddlebrooke Utility Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of System:	Saddlebrooke Utility Company
Wastewater Inventory Number (if applicable):	none

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.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):

N/A

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.

Property Taxes	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2021 was	\$111,577
--	-----------

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, the undersigned of the
(state name)

County of (county name): Pinal
Name (owner or official) title: Brian Smith - Vice President
Company name: Saddlebrooke Utility Company

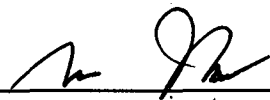
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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

480-895-9200

telephone no.

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

THIS

26th

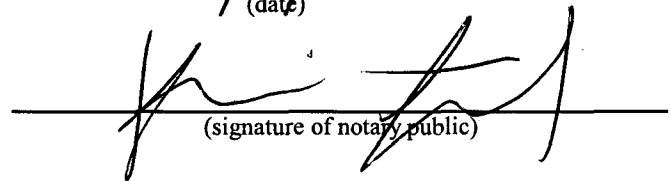
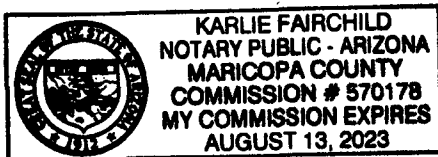
DAY OF

Maricopa
(county name)

April 2022
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)



(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pinal
Name (owner or official) title: Brian Smith - Vice President
Company name: Saddlebrooke Utility Company

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

FOR THE YEAR ENDING: 12/31/21

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

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$2,483,836
(The amount in the box above includes
\$6,085 in sales taxes
billed or collected)

[Signature]
signature of owner/official

480-895-9200
telephone no.

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

THIS

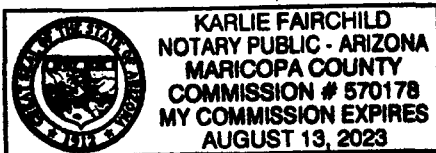
26th

DAY OF

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

MY COMMISSION EXPIRES

8/13/2023
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Pinal
Name (owner or official) title: Brian Smith - Vice President
Company name: Saddlebrooke Utility Company

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

FOR THE YEAR ENDING: 12/31/21

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

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$2,360,189
(The amount in the box above includes
\$0 in sales taxes
billed or collected)

[Signature]
signature of owner/official

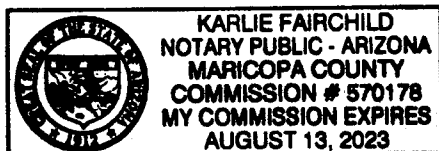
480-895-9200
telephone no.

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

Maricopa
(county name)

THIS 26th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES 8/13/2023
(date)



[Signature]
(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): Pinal
Name (owner or official) title: Brian Smith - Vice President
Company name: Saddlebrooke Utility Company

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.

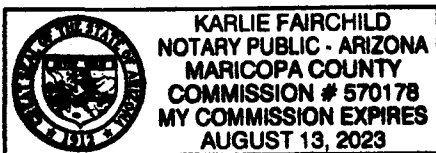
[Signature]
signature of owner/official

480-895-9200
telephone no.

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

THIS 26th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES 8/13/2023
(date)



[Signature]
(signature of notary public)