

**ANNUAL REPORT**

Of

Company Name: Cayetano, Inc. DBA Lakewood Water Company  
PO Box 85160

Mailing Address: Tucson AZ  
85754

Docket No.: W-01809A  
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

Application Type: Original Filing  
Application Date: 5/15/2023

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Cayetano, Inc. DBA Lakewood Water Company  
A Class ☒ Utility

For the Calendar Year Ended: 12/31/22

Primary Address: 

PO BOX 85160
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City: 

TUCSON
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 State: 

ARIZONA
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 Zip Code: 

85754
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Telephone Number: 

520-623-5172
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Date of Original Organization of Utility: 

7/24/1974
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Person to whom correspondence should be addressed concerning this report:

Name: 

DORINDA CHACON
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Telephone No. : 

520-623-5172
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Address: 

PO BOX 85160
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City: 

TUCSON
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 State: 

ARIZONA
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 Zip Code: 

85754
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Email: 

INFO@SOUTHWESTERNUTILITY.COM
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Telephone No. : 

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Address: 

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City: 

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 State: 

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 Zip Code: 

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Email: 

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Telephone No. : 

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Telephone No. : 

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City: 

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 State: 

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 Zip Code: 

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Email: 

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Name: 

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Telephone No. : 

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Address: 

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City: 

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 State: 

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 Zip Code: 

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Email: 

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Ownership: 

"C" Corporation
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Counties Served: 

Pima
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ARIZONA CORPORATION COMMISSION  
 WATER UTILITY ANNUAL REPORT  
 Cayetano, Inc. DBA Lakewood Water Company

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.
	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

Cayetano, Inc. DBA Lakewood Water Company  
Annual Report  
Utility Plant in Service (Water)  
12/31/22

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	\$7,704	\$0	\$0	\$7,704	\$0	\$7,704
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	34,175	0	0	34,175	0	34,175
304	Structures and Improvements	15,880	0	0	15,880	8,246	7,634
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	89,410	0	0	89,410	24,854	64,556
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	1,512	0	0	1,512	1,248	264
311	Pumping Equipment	80,920	0	0	80,920	71,102	9,818
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	1,352	0	0	1,352	1,352	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	23,893	0	0	23,893	23,893	0
330.1	Storage Tanks	4,923	0	0	4,923	1,147	3,776
330.2	Pressure Tanks	14,695	0	0	14,695	14,695	0
331	Transmission and Distribution Mains	91,700	0	0	91,700	88,697	3,003
333	Services	11,356	0	0	11,356	10,699	657
334	Meters and Meter Installations	40,551	0	0	40,551	30,949	9,602
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	6,562	0	0	6,562	6,421	141
340.1	Computer & Software	8,835	0	0	8,835	8,835	0
341	Transportation Equipment	1,800	0	0	1,800	1,800	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	13,631	0	0	13,631	7,372	6,259
346	Communication Equipment	606	0	0	606	606	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$449,505</b>	<b>\$0</b>	<b>\$0</b>	<b>\$449,505</b>	<b>\$301,916</b>	<b>\$147,589</b>

Cayetano, Inc. DBA Lakewood Water Company  
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	\$7,704	\$0	\$0	\$7,704	\$7,704	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	34,175	0	0	34,175	34,175	0	0.00%	0
304	Structures and Improvements	15,880	0	0	15,880	3,326	12,554	3.33%	418
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	89,410	0	0	89,410	17,078	72,332	3.33%	2,409
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	1,512	0	0	1,512	0	1,512	5.00%	76
311	Pumping Equipment	80,920	0	0	80,920	63,708	17,212	12.50%	2,152
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	1,352	0	0	1,352	1,352	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	23,893	0	0	23,893	23,893	0	0.00%	0
330.1	Storage Tanks	4,923	0	0	4,923	0	4,923	2.22%	109
330.2	Pressure Tanks	14,695	0	0	14,695	14,695	0	5.00%	0
331	Transmission and Distribution Mains	91,700	0	0	91,700	87,413	4,287	2.00%	86
333	Services	11,356	0	0	11,356	9,779	1,577	3.33%	53
334	Meters and Meter Installations	40,551	0	0	40,551	25,562	14,989	8.33%	1,249
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	6,562	0	0	6,562	5,712	850	6.67%	57
340.1	Computer & Software	8,835	0	0	8,835	8,835	0	0.00%	0
341	Transportation Equipment	1,800	0	0	1,800	1,800	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	13,631	0	0	13,631	1,890	11,741	5.00%	587
346	Communication Equipment	606	0	0	606	606	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$449,505</b>	<b>\$0</b>	<b>\$0</b>	<b>\$449,505</b>	<b>\$307,528</b>	<b>\$141,977</b>		<b>\$7,194</b>

Contribution(s) in Aid of Construction (Gross)	\$18,135
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	18,135
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	5.00%
<b>Amortization of CIAC</b>	<b>\$0</b>

Less: Amortization of CIAC \$0

**DEPRECIATION EXPENSE** **\$7,194**

Cayetano, Inc. DBA Lakewood Water Company  
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.	<b>Current and Accrued Assets</b>			
131	Cash		\$29,410	\$36,435
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		(443)	4,567
146	Notes Receivable from Associated Companies		25,603	25,603
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	<b>Total Current and Accrued Assets</b>		<b>\$54,570</b>	<b>\$66,605</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$449,505	\$449,505
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(294,720)	(301,916)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$154,785</b>	<b>\$147,589</b>
	<b>Total Assets</b>		<b>\$209,355</b>	<b>\$214,194</b>

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

Cayetano, Inc. DBA Lakewood Water Company  
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		\$2,512	\$2,393
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		10,500	10,168
235	Customer Deposits		1,918	1,932
236	Accrued Taxes		40	445
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$14,970</b>	<b>\$14,938</b>
	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		1,743	1,437
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		18,135	18,135
281	Accumulated Deferred Income Tax		(18,135)	(18,135)
	<b>Total Deferred Credits</b>		<b>\$1,743</b>	<b>\$1,437</b>
	<b>Total Liabilities</b>		<b>\$16,713</b>	<b>\$16,375</b>
	Capital Accounts			
201	Common Stock Issued		\$15,790	\$15,790
211	Other Paid-In Capital		80,210	80,520
215	Retained Earnings		96,642	101,509
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$192,642</b>	<b>\$197,819</b>
	<b>Total Liabilities and Capital</b>		<b>\$209,355</b>	<b>\$214,194</b>

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

Cayetano, Inc. DBA Lakewood Water Company  
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
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$102,392	\$84,673
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	2,748	1,853
	<b>Total Revenues</b>	<b>\$105,140</b>	<b>\$86,526</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	9,825	9,875
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	1,867	1,333
620.2	Office Supplies and Expense	574	698
630	Contractual Services	0	0
631	Contractual Services - Engineering	715	0
632	Contractual Services - Accounting	4,591	2,220
633	Contractual Services - Legal	15,334	1,380
634	Contractual Services - Management Fees	48,000	48,000
635	Contractual Services - Water Testing	1,740	1,266
636	Contractual Services - Other	0	0
640	Rents	1,510	1,500
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	2,994	2,862
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	2,122
675	Miscellaneous Expense	1,158	1,098
403	Depreciation Expense (From Schedule AR4)	7,194	7,100
408	Taxes Other Than Income	18	0
408.11	Property Taxes	4,772	5,047
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	57
	<b>Total Operating Expenses</b>	<b>\$100,292</b>	<b>\$84,558</b>
	<b>Operating Income / (Loss)</b>	<b>\$4,848</b>	<b>\$1,968</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	17	60
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$17</b>	<b>\$60</b>
	<b>Net Income / (Loss)</b>	<b>\$4,865</b>	<b>\$2,028</b>



Cayetano, Inc. DBA Lakewood Water Company  
Annual Report  
Full time equivalent employees  
12/31/22

<b>Full time equivalent employees</b>
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	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	0.5	0.5
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	1.0	1.0
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	0.1	0.1
Business Office	0.0	0.0	0.1	0.1
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	1.9	2.4

Cayetano, Inc. DBA Lakewood Water Company  
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	NA	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:	NA
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Meter Deposits Refunded During the Test Year:	NA
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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

[illegible]

Name of system water delivered to:	
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ADWR PCC Number:	NA
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Source of water delivered to another system	NA
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Name of system water received from:	
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ADWR PCC Number:	NA
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Source of water received	NA	
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Well registry SS# (SS-XXXXXXX):	NA
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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 Expense6	Purchased Power (kWh)7
January	1,935,800.00	1,688,280.00	0.00	0.00	0.00	\$637	4,525
February	1,996,900.00	1,681,980.00	0.00	0.00	0.00	554	4,120
March	2,224,700.00	3,217,031.00	0.00	0.00	0.00	563	4,192
April	3,395,900.00	2,979,836.00	0.00	0.00	0.00	711	5,141
May	3,124,600.00	2,799,180.00	0.00	0.00	0.00	837	5,884
June	4,730,100.00	4,240,107.00	0.00	0.00	0.00	1,276	7,479
July	3,365,200.00	3,035,943.00	0.00	0.00	0.00	1,175	6,853
August	2,683,800.00	2,321,460.00	0.00	0.00	0.00	969	6,123
September	3,203,700.00	2,887,920.00	0.00	0.00	0.00	834	5,850
October	2,327,100.00	1,983,660.00	0.00	0.00	0.00	949	6,002
November	2,181,900.00	1,928,800.00	0.00	0.00	0.00	576	4,009
December	2,637,900.00	2,388,850.00	0.00	0.00	0.00	653	5,231
<b>Totals</b>	<b>33,807,600.00</b>	<b>31,153,047.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$9,734</b>	<b>65,409</b>

**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:	LAKEWOOD WATER CO.		
ADEQ Public Water System Number:	AZ0410063		
ADWR PCC Number:	91-000426.0000		

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## MAINS

[illegible]

## CUSTOMER METERS

[illegible]

## SERVICE LINES

Material	Percent of system	Year installed
PVC	98%	RLY 70S
COPPER	2%	ATE 70S

## BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
NA		

## FIRE HYDRANTS

Type	Quantity
Standard *	0
Other	0

## STORAGE TANKS

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
50,000	STEEL	1	2008

## PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	STEEL	1	1962
5,000	STEEL	1	2000

\* 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.

<b>Water Utility Plant Description (Continued)</b>
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For the following three items, list the utility owned assets in each category for each system.

<b>TREATMENT EQUIPMENT:</b>	CHLORINATOR
<b>STRUCTURES:</b>	NA
<b>OTHER:</b>	NA

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	271
Method used:	(a)

Customer and Other Information	
Name of the System:	LAKEWOOD WATER CO.
ADEQ Public Water System Number:	AZ0410063
ADWR PCC Number:	91-000426.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	312	0	0	0	0
February	317	0	0	0	0
March	317	0	0	0	0
April	317	0	0	0	0
May	317	0	0	0	0
June	316	0	0	0	0
July	313	0	0	0	0
August	308	0	0	0	0
September	312	0	0	0	0
October	312	0	0	0	0
November	314	0	0	0	0
December	314	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.

NA

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

Cayetano, Inc. DBA Lakewood Water Company  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	LAKEWOOD WATER CO.
ADEQ Public Water System Number:	AZ0410063
ADWR PCC Number:	91-000426.0000

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.

Cayetano, Inc. DBA Lakewood Water Company  
Annual Report  
Property Taxes  
12/31/22

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

Amount of actual property taxes paid during Calendar Year 2022 was
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\$4,772
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If no property taxes paid, explain why.
---

NA
----

<b>Instructions:</b> 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: Cayetano, Inc. DBA Lakewood Water Company

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

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]  
(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:

Cayetano, Inc. DBA Lakewood Water Company

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 (\$)

\$105,140

(The amount in the box above includes

\$6,171 in sales taxes

billed or collected)

[Signature]  
signature of owner/official

520-265-5350

telephone no.

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

THIS

15

DAY OF

May (county name)

2023 (month) and (year)

MY COMMISSION EXPIRES



Oct 17 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):

COCHISE

Name (owner or official) title:

DUSTIN DESPAIN, ACCOUNTANT

Company name:

Cayetano, Inc. DBA Lakewood Water Company

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 (\$)

\$105,140

(The amount in the box above includes

\$6,171 in sales taxes  
billed or collected)

[Signature]  
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

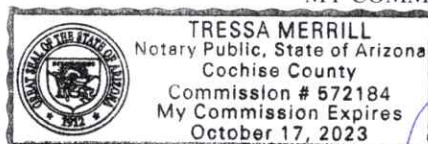
15

DAY OF

May 2023  
(month) and (year)

MY COMMISSION EXPIRES

Oct 17 2023  
(date)



[Signature]  
(signature of notary public)



Cayetano, Inc. DBA Lakewood Water Company  
Annual Report  
Full Gross-up Method for Income Tax Statement of Certification  
12/31/22

## 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

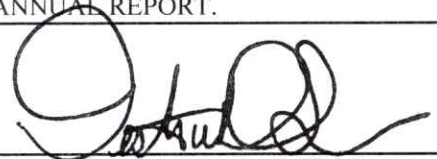
Company name:

Cayetano, Inc. DBA Lakewood Water Company

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

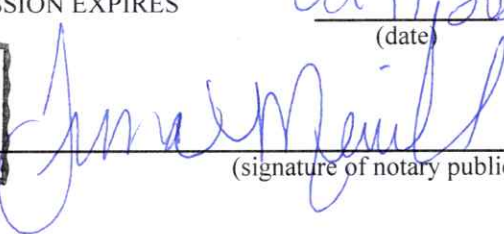
DAY OF

May 2023  
(month) and (year)

MY COMMISSION EXPIRES

Oct 17, 2023  
(date)



  
(signature of notary public)