

ANNUAL REPORT

Of

Company Name: Seven Canyons Water Company
755 Golf Club Way

Mailing Address: Sedona AZ
86336

RECEIVED BY EMAIL

4/15/2024, 4:42 PM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: W-03388A
For the Year Ended: 12/31/2022

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: 4/15/2024

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Seven Canyons Water Company
A Class ☒ Utility

For the Calendar Year Ended: 12/31/2022

Primary Address: 755 Golf Club Way
City: Sedona State: Arizona Zip Code: 86366

Telephone Number: (928) 203-2005

Date of Original Organization of Utility: 6/10/1977

Person to whom correspondence should be addressed concerning this report:

Name: Michael Hofmann
Telephone No. :
Address: 625 Golf Club Way
City: Sedona State: Arizona Zip Code: 86366
Email: michael.hofmann@sevencanyons.com

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Ownership: "C" Corporation

Counties Served: Yavapai

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Seven Canyons Water Company

Important changes during the year
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Yes	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
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	If yes, please provide specific details in the box below.
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	Effective March 1, 2022, 100% of the Stock of the Company was sold to The New Seven Canyons LLC, an entity owned by Seven Canyons homeowners. This coincided with the sale of the golf course and related assets by the reorganized developer to The New Seven Canyons LLC. Accordingly, new officers were appointed for the utility but the Operator SOS Water & Wastewater Services remains unchanged.
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No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
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	If yes, please provide specific details in the box below.
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	N/A
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Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCI.D (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0			0		0
303	Land and Land Rights	0			0		0
304	Structures and Improvements	4,088	0		4,088	1,073	3,015
305	Collecting & Improving Reservoirs	0			0		0
306	Lake, River, Canal Intakes	0			0		0
307	Wells and Springs	607,569	0		607,569	392,611	214,958
308	Infiltration Galleries	0			0		0
309	Supply Mains	0			0		0
310	Power Generation Equipment	49,113			49,113	12,544	36,569
311	Pumping Equipment	120,739	0		120,739	74,736	46,003
320	Water Treatment Equipment	0			0		0
320.1	Water Treatment Plants	0			0		0
320.2	Solution Chemical Feeders	0			0		0
320.3	Point-of-Use Treatment Devices	0			0		0
330	Distribution Reservoirs and Standpipes	0			0		0
330.1	Storage Tanks	74,761	0		74,761	4,851	69,910
330.2	Pressure Tanks	0			0		0
331	Transmission and Distribution Mains	446,691			446,691	158,489	288,202
333	Services	62,734			62,734	5,223	57,511
334	Meters and Meter Installations	63,112			63,112	21,262	41,850
335	Hvdrants	22,074			22,074	1,104	20,970
336	Backflow Prevention Devices	0			0		0
339	Other Plant and Misc. Equipment	0			0		0
340	Office Furniture and Equipment	356			356	154	202
340.1	Computer & Software	685			685	342	343
341	Transportation Equipment	0			0		0
342	Stores Equipment	0			0		0
343	Tools, Shop and Garage Equipment	1,969			1,969	766	1,203
344	Laboratory Equipment	0			0		0
345	Power Operated Equipment	0			0		0
346	Communication Equipment	12,010	0		12,010	9,768	2,242
347	Miscellaneous Equipment	3,750	0		3,750	562	3,188
348	Other Tangible Plant	0			0		0
	Totals	\$1,469,651	\$0	\$0	\$1,469,651	\$683,485	\$786,166

Seven Canyons Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/2022

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
303	Land and Land Rights	0	0	0	0	0	0		0
304	Structures and Improvements	4,088	0	0	4,088	4,088	4,088	4.00%	164
305	Collecting & Improving Reservoirs	0	0	0	0	0	0		0
306	Lake, River, Canal Intakes	0	0	0	0	0	0		0
307	Wells and Springs	607,569	0	0	607,569	607,569	607,569	4.00%/3.33%	24,205
308	Infiltration Galleries	0	0	0	0	0	0		0
309	Supply Mains	0	0	0	0	0	0		0
310	Power Generation Equipment	49,113	0	0	49,113	49,113	49,113	10.00%	4,911
311	Pumping Equipment	120,739	0	0	120,739	120,739	120,739	4.00%/12.50%	12,643
320	Water Treatment Equipment	0	0	0	0	0	0		0
320.1	Water Treatment Plants	0	0	0	0	0	0		0
320.2	Solution Chemical Feeders	0	0	0	0	0	0		0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0		0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0		0
330.1	Storage Tanks	74,761	0	0	74,761	74,761	74,761	2.22%	1,660
330.2	Pressure Tanks	0	0	0	0	0	0		0
331	Transmission and Distribution Mains	446,691	0	0	446,691	446,691	446,691	4.00%/2.00%	13,387
333	Services	62,734	0	0	62,734	62,734	62,734	3.33%	2,089
334	Meters and Meter Installations	63,112	0	0	63,112	63,112	63,112	4.00%/8.33%	4,603
335	Hydrants	22,074	0	0	22,074	22,074	22,074	2.00%	441
336	Backflow Prevention Devices	0	0	0	0	0	0		0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0		0
340	Office Furniture and Equipment	356	0	0	356	356	356	6.67%	24
340.1	Computer & Software	685	0	0	685	685	685	20.00%	137
341	Transportation Equipment	0	0	0	0	0	0		0
342	Stores Equipment	0	0	0	0	0	0		0
343	Tools, Shop and Garage Equipment	1,969	0	0	1,969	1,969	1,969	5.00%	98
344	Laboratory Equipment	0	0	0	0	0	0		0
345	Power Operated Equipment	0	0	0	0	0	0		0
346	Communication Equipment	12,010	0	0	12,010	2,535	9,475	10.00%	948
347	Miscellaneous Equipment	3,750	0	0	3,750	3,750	3,750	10.00%	375
348	Other Tangible Plant	0	0	0	0	0	0		0
	Subtotal	\$1,469,651	\$0	\$0	\$1,469,651	\$2,535	\$1,467,116		\$65,685

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	0.00%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$65,685**

Seven Canyons Water Company
Annual Report
Balance Sheet Assets
12/31/2022

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$32,360	\$43,605
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		6,774	18,228
146	Notes Receivable from Associated Companies		0	17,000
151	Plant Material and Supplies			
162	Prepayments		0	1,676
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$39,134	\$80,508
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,469,651	\$1,469,651
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(617,800)	(683,485)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$851,851	\$786,166
	Total Assets		\$890,985	\$866,674

*Note these items feed automatically from AR3 UPIS Page 4

Seven Canyons 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		\$10,107	\$454
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			17,050
236	Accrued Taxes		2,514	7,416
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		610	14,284
	Total Current Liabilities		\$13,231	\$39,204
	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		18,001	0
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$18,001	\$0
	Total Liabilities		\$31,232	\$39,204
	Capital Accounts			
201	Common Stock Issued		\$1,000	\$1,000
211	Other Paid-In Capital		1,295,407	1,295,407
215	Retained Earnings		(436,654)	(468,938)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$859,753	\$827,469
	Total Liabilities and Capital		\$890,985	\$866,674

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

Seven Canyons Water Company
Annual Report
Water Comparative Income Statement
12/31/2022

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	\$136,078	\$138,728
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	215	220
	Total Revenues	\$136,293	\$138,948
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	30,263	13,149
618	Chemicals	337	126
620	Materials and Supplies	3,779	
620.1	Repairs and Maintenance	18,804	24,383
620.2	Office Supplies and Expense	1,966	1,891
630	Contractual Services	0	7,349
631	Contractual Services - Engineering	0	2,530
632	Contractual Services - Accounting	0	5,096
633	Contractual Services - Legal	0	49,386
634	Contractual Services - Management Fees	17,726	6,600
635	Contractual Services - Water Testing	10,515	9,491
636	Contractual Services - Other	0	4,215
640	Rents	8,000	2,232
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	9,606	7,184
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	65,685	64,353
408	Taxes Other Than Income	52	10
408.11	Property Taxes	1,843	7,708
409	Income Taxes	0	50
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$168,575	\$205,753
	Operating Income / (Loss)	(\$32,283)	(\$66,805)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	0	(4,355)
	Total Other Income / (Expense)	\$0	(\$4,355)
	Net Income / (Loss)	(\$32,283)	(\$71,160)

Seven Canyons Water Company
Annual Report
Full time equivalent employees
12/31/2022

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)			0.7	0.7
Meter reader			0.3	0.3
Customer Service				0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	1.0	1.0

Seven Canyons Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/2022

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

Meter Deposit Balance at Test Year End:	\$17,050
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Meter Deposits Refunded During the Test Year:	\$1,851
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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.

Seven Canyons Water Company
Annual Report
Well and Water Usage
12/31/2022

Well and Water Usage

[illegible]

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

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

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	547,600.00	472,865.00	0.00	0.00		\$1,827	9,833
February	725,700.00	683,365.00	0.00	0.00		1,949	12,204
March	840,200.00	835,875.00	0.00	0.00		2,409	15,879
April	1,084,600.00	1,020,256.00	0.00	0.00		2,328	14,380
May	1,087,400.00	1,182,741.00	0.00	0.00		2,655	15,478
June	1,542,600.00	1,360,642.00	0.00	0.00		2,931	18,917
July	1,099,900.00	1,349,269.00	0.00	0.00		2,774	17,364
August	1,330,000.00	1,395,097.00	0.00	0.00		2,503	15,539
September	1,247,300.00	1,317,349.00	0.00	0.00		2,711	18,044
October	1,249,900.00	1,295,925.00	0.00	0.00		2,463	15,209
November	1,011,300.00	1,023,137.00	0.00	0.00		2,336	15,750
December	718,100.00	654,747.00	0.00	0.00		2,087	12,796
Totals	12,484,600.00	12,591,268.00	0.00	0.00	0.00	\$28,973	181,393

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

6 hydrants were flushed three different months.

- 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:		Seven Canyons Water Company	
ADEQ Public Water System Number:		AZ0413248	
ADWR PCC Number:		NA	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	67
4.00	PVC	278
6.00	PVC	197
6.00	PVC C900	359
6.00	PVC	524
8.00	PVC	2,104
8.00	PVC	3,710
8.00	PVC C900	2,165
10.00	PVC	2,957

[illegible]

SERVICE LINES		
Material	Percent of system	Year installed
Copper	5%	2003 forward

BOOSTER PUMPS		
Horsepower	GPM	Quantity
15	150	2
30 - 60 (VFD)	175	2

FIRE HYDRANTS	
Type	Quantity
Standard *	28
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
6,700	Welded Steel	1	2021
200,000	Welded Steel	1	refurb 03

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
24	Metal	1	2008

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

TREATMENT EQUIPMENT:	Solenoid dosing pump (chemical metering pump)
STRUCTURES:	Sound wall, booster pump room (main), office/laboratory, booster pump room (Secret Ridge)
OTHER:	Level controller, level sensor, control switch, Gould's water feature pump, SCADA system

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 399
Method used: (a)

Customer and Other Information	
Name of the System:	Seven Canyons Water Company
ADEQ Public Water System Number:	AZ0413248
ADWR PCC Number:	NA

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	51	31	15	0	0
February	51	31	15	0	0
March	53	31	15	0	0
April	55	31	15	0	0
May	55	31	15	0	0
June	55	31	15	0	0
July	55	31	15	0	0
August	57	31	15	0	0
September	57	31	15	0	0
October	57	31	15	0	0
November	58	31	15	0	0
December	58	31	15	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.

Seven Canyons Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/2022

Utility Shutoffs / Disconnects	
Name of the System:	Seven Canyons Water Company
ADEQ Public Water System Number:	AZ0413248
ADWR PCC Number:	NA

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):

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.

Seven Canyons Water Company
Annual Report
Property Taxes
12/31/2022

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was
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\$1,843

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 I, the undersigned of the
(state name)

County of (county name): Yavapai
Name (owner or official) title: Michael Hofmann
Company name: Seven Canyons Water Company

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

FOR THE YEAR ENDING: 12/31/2022

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

telephone no.

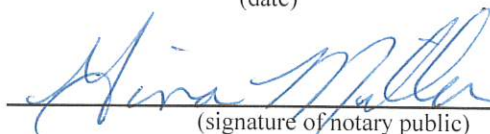
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 15th DAY OF Yavapai
April 2024
(month) and (year)

MY COMMISSION EXPIRES

8/11/2024
(date)




(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Yavapai

Name (owner or official) title: Michael Hofmann

Company name: Seven Canyons Water Company

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

FOR THE YEAR ENDING: 12/31/2022

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 (\$)

\$136,293

(The amount in the box above includes

\$0 in sales taxes

billed or collected)

[Signature]
signature of owner/official

0
telephone no.

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

THIS

15th

DAY OF

Yavapai

(county name)

April, 2024
(month) and (year)

MY COMMISSION EXPIRES

8/11/2024
(date)



GINA MILLER
Notary Public - State of Arizona
YAVAPAI COUNTY
Commission # 586581
Expires August 11, 2024

[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): Yavapai
Name (owner or official) title: Michael Hofmann
Company name: Seven Canyons Water Company

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

FOR THE YEAR ENDING: 12/31/2022

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 (\$)

\$103,323

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

[Signature]
signature of owner/official

0
telephone no.

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

Yavapai
(county name)

THIS

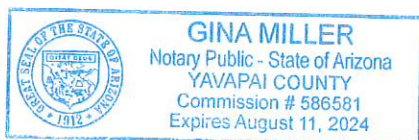
15th

DAY OF

April, 2024
(month) and (year)

MY COMMISSION EXPIRES

8/11/2024
(date)



[Signature]
(signature of notary public)

for Income Tax Statement of Certification

Verification:

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

County of (county name): Yavapai
Name (owner or official) title: Michael Hofmann
Company name: Seven Canyons Water Company

FOR THE YEAR ENDING: 12/31/2022

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

[Signature]
signature of owner/official

0
telephone no.

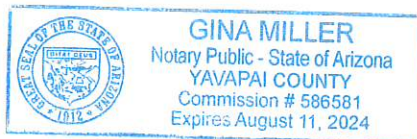
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Yavapai
(county name)

THIS 15th DAY OF April, 2024
(month) and (year)

MY COMMISSION EXPIRES

8/11/2024
(date)



[Signature]
(signature of notary public)