

ANNUAL REPORT

Of

Company Name:

Gadsden Water Company, Inc.

PO Box 519

Mailing Address:

Somerton

AZ

85350

Docket No.:

W-02205A

For the Year Ended:

12/31/21

RECEIVED
UTILITIES DIVISION
2022, Mar 29 P 2:14
ARIZONA CORPORATION COMMISSION

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:

3/23/2022

See Accountants' Compilation Report.

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Gadsden Water Company, Inc.
A Class Utility

For the Calendar Year Ended:

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

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

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

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

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

Ownership:

Counties Served:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Gadsden Water Company, Inc.

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

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

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$1,221	\$0	\$0	\$1,221	\$1,221	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	3,500	0	0	3,500	0	3,500
304	Structures and Improvements	1,428	0	0	1,428	1,096	332
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	12,754	0	0	12,754	12,754	0
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	6,380	0	0	6,380	5,983	397
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	3,749	0	0	3,749	3,749	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	11,746	0	0	11,746	11,480	266
330.2	Pressure Tanks	768	0	0	768	768	0
331	Transmission and Distribution Mains	9,373	0	0	9,373	9,373	0
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	9,350	0	0	9,350	7,641	1,709
335	Hydrants	1,239	0	0	1,239	704	535
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	1,910	0	0	1,910	1,719	191
341	Transportation Equipment	18,833	0	0	18,833	12,108	6,725
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,556	0	0	1,556	1,518	38
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	5,300	0	0	5,300	2,265	3,035
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$89,107	\$0	\$0	\$89,107	\$72,379	\$16,728

Gadsden Water Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/21

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,221	\$0	\$0	\$1,221	\$1,221	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	3,500	0	0	3,500	3,500	0	0.00%	0
304	Structures and Improvements	1,428	0	0	1,428	971	457	3.28%	15
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	12,754	0	0	12,754	12,754	0	0.00%	0
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	6,380	0	0	6,380	1,609	4,771	11.30%	539
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	3,749	0	0	3,749	3,749	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	11,746	0	0	11,746	0	11,746	2.22%	261
330.2	Pressure Tanks	768	0	0	768	768	0	0.00%	0
331	Transmission and Distribution Mains	9,373	0	0	9,373	9,373	0	0.00%	0
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	9,350	0	0	9,350	6,640	2,710	8.30%	225
335	Hydrants	1,239	0	0	1,239	0	1,239	2.02%	25
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	1,910	0	0	1,910	1,910	0	0.00%	0
341	Transportation Equipment	18,833	0	0	18,833	0	18,833	20.00%	3,767
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,556	0	0	1,556	370	1,186	4.97%	59
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	5,300	0	0	5,300	0	5,300	6.66%	353
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$89,107	\$0	\$0	\$89,107	\$42,865	\$46,242		\$5,244

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 11.34%
 Amortization of CIAC \$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$5,244

Gadsden Water Company, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/21

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$64,559	\$70,091
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	600
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$64,559	\$70,691
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$89,107	\$89,107
103	Property Held for Future Use		0	0
105	Construction Work in Progress		1,067	1,067
108	Accumulated Depreciation (enter as negative)*		(67,135)	(72,379)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$23,039	\$17,795
	Total Assets		\$87,598	\$88,486

*Note these items feed automatically from AR3 UPIS Page 4

Gadsden Water Company, Inc.
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		\$502	\$472
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		261	414
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		97,008	97,008
	Total Current Liabilities		\$97,771	\$97,894
	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		\$97,771	\$97,894
	Capital Accounts			
201	Common Stock Issued		\$50,000	\$50,000
211	Other Paid-In Capital		(42,373)	(42,373)
215	Retained Earnings		(17,800)	(17,035)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$10,173)	(\$9,408)
	Total Liabilities and Capital		\$87,598	\$88,486

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

Gadsden Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/21

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 -	Last Year 01/01/2020 - 12/31/2020
	Operating Revenue		
461	Metered Water Revenue	\$48,445	\$44,984
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	0	0
	Total Revenues	\$48,445	\$44,984
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	5,277	4,979
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	7,069	2,302
620.2	Office Supplies and Expense	2,736	2,417
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	1,825	1,975
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,077	947
636	Contractual Services - Other	14,371	14,013
640	Rents	5,930	2,026
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	387	359
657	Insurance - General Liability	1,164	872
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	23	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	5,244	5,302
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2,093	2,098
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$47,196	\$37,290
	Operating Income / (Loss)	\$1,249	\$7,694
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(350)	0
427	Interest (Expense)	(134)	0
	Total Other Income / (Expense)	(\$484)	\$0
	Net Income / (Loss)	\$765	\$7,694

Gadsden Water Company, Inc.
Annual Report
Full time equivalent employees
12/31/21

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	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.0	0.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0

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:	NA
---	----

Meter Deposits Refunded During the Test Year:	NA
---	----

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.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	Sentry 1 Chlorinator
STRUCTURES:	8'X12' Storage Shed; 8'X10' Cantra Shed
OTHER:	

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 293
 Method used: (a)

Customer and Other Information	
Name of the System:	GADSDEN WC
ADEQ Public Water System Number:	AZ0414037
ADWR PCC Number:	91-000719.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	177	0	17	0	0
February	177	0	17	0	0
March	176	0	17	0	0
April	175	0	17	0	0
May	178	0	17	0	0
June	177	0	17	0	0
July	178	0	17	0	0
August	178	0	17	0	0
September	178	0	17	0	0
October	178	0	18	0	0
November	179	0	18	0	0
December	179	0	18	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?
 If yes, provide the 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.

Gadsden Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	GADSDEN WC
ADEQ Public Water System Number:	AZ0414037
ADWR PCC Number:	91-000719.0000

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	1	0
April	0	1	0
May	0	0	0
June	0	1	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	3	0

Other (description):

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.

Gadsden Water Company, Inc.
Annual Report
Property Taxes
12/31/21

Property Taxes

Amount of actual property taxes paid during Calendar Year 2021 was

\$2,093

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): Yuma
Name (owner or official) title: Linda Deere, Secretary
Company name: Gadsden Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/21

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

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

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

Linda Deere

signature of owner/official

928-344-4222

telephone no.

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

THIS

25th

DAY OF

Yuma
(county name)
March 2022
(month) and (year)

MY COMMISSION EXPIRES

12/26/2023 3/25/22-BEP
(date)



Brenda R. Poo
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Yuma
Name (owner or official) title: Linda Deere, Secretary
Company name: Gadsden Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/21

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

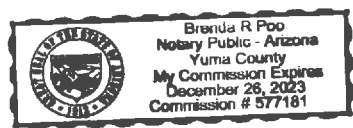
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$51,295
(The amount in the box above includes
\$2,850 in sales taxes
billed or collected)

Linda Deere
signature of owner/official
928-344-4222
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY YUMA
THIS 25th DAY OF March 2022
(county name)
(month) and (year)

MY COMMISSION EXPIRES 12/24/2023
(date)
Brenda R. Poo
(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): Yuma
Name (owner or official) title: Linda Deere, Secretary
Company name: Gadsden Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/21

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

Sworn Statement:

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$51,295
(The amount in the box above includes
\$2,850 in sales taxes
billed or collected)

Linda Deere
signature of owner/official

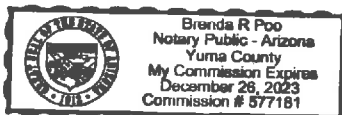
928-344-4222
telephone no.

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

Yuma
(county name)

THIS 25th DAY OF March 2022
(month) and (year)

MY COMMISSION EXPIRES 12/26/2023
(date)



Brenda R. Poo
(signature of notary public)

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

Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name): Yuma
Name (owner or official) title: Linda Deere, Secretary
Company name: Gadsden Water Company, Inc.

FOR THE YEAR ENDING: 12/31/21

Sworn Statement:

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

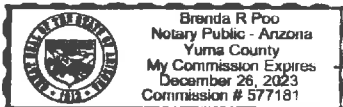
Linda Deere
signature of owner/official

928-344-4222
telephone no.

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

THIS 25th DAY OF March 2022
(month) and (year)

MY COMMISSION EXPIRES 12/26/2023
(date)



Brenda R. Poo
(signature of notary public)



MISENHIMER, AIVAZIAN & TENNANT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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UTILITIES DIVISION

2022 MAR 29 10 2-14
ARIZONA CORPORATION
COMMISSION

To Management
Gadsden Water Company, Inc.
Somerton, Arizona

Management is responsible for the accompanying financial statements of Gadsden Water Company, Inc. (an S Corporation), which comprise the balance sheet assets and balance sheet liabilities and owners equity as of December 31, 2021 and 2020, and the related statements of water comparative income for the years then ended, included in the accompanying prescribed form in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Arizona Corporation Commission, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The supplementary information contained in pages 1 - 5 and pages 9 - 20 of the prescribed form is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to Gadsden Water Company, Inc.

This report is intended solely for the information and use of Gadsden Water Company, Inc. and Arizona Corporation Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Misenhimer, Aivazian & Tennant, P.C.

March 23, 2022