

ANNUAL REPORT

Of

Company Name: Rio Verde Utilities, Inc.

25609 Danny Lane

Mailing Address:

Rio Verde AZ

85263

Docket No.:

WS-02156A

For the Year Ended:

12/31/16

RECEIVED

MAY 16 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdela Fuente@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:

05/15/2017

5-17-17

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT

Rio Verde Utilities, Inc.

A Class Utility

1. For the Calendar Year Ended: 12/31/16

2. Address:

25609 N Danny Ln			
City: Rio Verde	State: Arizona	Zip Code: 85263	

3. Telephone Number: 480-471-7247

4. Date of Original Organization of Utility: 2/25/1971

5. Person to whom correspondence should be addressed concerning this report:

Name: Jim Thomson
Telephone No. : 480-471-7247
Address: 25609 N Danny Ln
City: Rio Verde State: Arizona Zip Code: 85263
Email: jim@theverdes.com

6. On-Site Manager:

Name: Michael Klerminski
Telephone No. : 480-471-7247
Address: 25609 N Danny Ln
City: Rio Verde State: Arizona Zip Code: 85263
Email: Mike@theverdes.com

7. Ownership: "C" Corporation

8. Counties Served: Maricopa

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCID (OC less AD)
351	Organization	\$1,380	\$0	\$0	\$1,380	\$0	\$1,380
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	50,513	0	0	50,513	0	50,513
354	Structures and Improvements	292,660	0	0	292,660	117,674	174,986
355	Power Generation Equipment	0	0	0	0	0	0
360	Collections Wastewater - Force	61,069	625	0	61,694	24,563	37,131
361	Collections Wastewater - Gravity	3,809,943	1,130,768	0	4,940,711	1,546,637	3,394,074
362	Special Collecting Structures	267,250	21,310	0	288,560	107,734	180,826
363	Services to Customers	562,446	128,821	0	691,267	227,828	463,439
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	0	0	0	0	0	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	0	0	0	0	0	0
371	Pumping Equipment	29,504	0	0	29,504	11,863	17,641
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0
380	Treatment and Disposal Equipment	3,653,797	205,076	0	3,858,873	1,471,803	2,387,070
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0	0	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0
390	Office Furniture and Equipment	10,927	0	0	10,927	4,394	6,533
390.1	Computer & Software	0	0	0	0	0	0
391	Transportation Equipment	80,211	26,359	0	106,570	32,595	73,975
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	29,152	0	0	29,152	11,721	17,431
394	Laboratory Equipment	66,629	1,695	0	68,324	26,813	41,511
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	9,300	0	0	9,300	3,739	5,561
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	70,119	16,672	0	86,791	28,410	58,381
	Totals	\$8,994,900	\$1,531,326	\$0	\$10,526,226	\$3,615,774	\$6,910,452

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.

Rio Verde Utilities, Inc
 Annual Report
 Depreciation Expense for the Current Year (Wastewater)
 12/31/16

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	Depreciation Percentages	Depreciation Expense
351	Organization	\$1,380	\$0	\$0	\$1,380	\$1,380	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	50,513	0	0	50,513	50,513	0.00%	0
354	Structures and Improvements	292,660	0	0	292,660	0	2.60%	7,620
355	Power Generation Equipment	0	0	0	0	0	0.00%	0
360	Collections Wastewater - Force	61,069	625	0	61,694	0	2.60%	1,598
361	Collections Wastewater - Gravity	3,809,943	1,130,768	0	4,940,711	0	2.60%	113,923
362	Special Collecting Structures	267,250	21,310	0	288,560	0	2.60%	7,236
363	Services to Customers	562,446	128,821	0	691,267	0	2.60%	16,322
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	0	0	0	0	0	0.00%	0
371	Pumping Equipment	29,504	0	0	29,504	0	2.60%	768
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	3,653,797	205,076	0	3,858,873	0	2.60%	97,806
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	0.00%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	10,927	0	0	10,927	0	2.60%	285
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	80,211	26,359	0	106,570	0	2.60%	2,432
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	29,152	0	0	29,152	0	2.60%	759
394	Laboratory Equipment	66,629	1,695	0	68,324	0	2.60%	1,757
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	9,300	0	0	9,300	0	2.60%	242
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	70,119	16,672	0	86,791	0	2.60%	2,043
	Subtotal	\$8,994,900	\$1,531,326	\$0	\$10,526,226	\$51,893		\$252,791

Beginning Balance Contribution(s) in Aid of Construction (CIAC)	\$2,473,879
Additions to CIAC	168,000
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$2,641,879
Times Proposed Amortization Rate	2.60%
Amortization of CIAC	\$66,601
Less: Amortization of CIAC	\$66,601
DEPRECIATION EXPENSE	\$186,190

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.

Rio Verde Utilities, Inc.
Annual Report
Balance Sheet Assets
12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$107,875	\$287,062
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		75,409	25,542
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		24,668	17,685
173	Accrued Utility Revenue		0	11,710
174	Miscellaneous Current and Accrued Assets		365,322	239,941
	Total Current and Accrued Assets		\$573,274	\$581,940
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$41,612
	Total Deferred Debits		\$0	\$41,612
	Fixed Assets			
101	Utility Plant in Service*		\$8,994,900	\$10,526,226
103	Property Held for Future Use		0	0
105	Construction Work in Progress		163,590	147,812
108	Accumulated Depreciation (enter as negative)*		(3,362,984)	(3,615,774)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$5,795,506	\$7,058,264
	Total Assets		\$6,368,780	\$7,681,816

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.

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

Rio Verde Utilities, Inc.
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current Liabilities			
231	Accounts Payable		\$45,414	\$87,850
232	Notes Payable (Current Portion)		201,437	84,410
234	Notes Payable to Associated Companies		50,045	30,191
235	Customer Deposits		0	0
236	Accrued Taxes		2,726	217
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		0	23,117
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$299,622	\$225,785
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$590,056	\$368,171
	Total Long Term Debt		\$590,056	\$368,171
	Deferred Credits			
252	Advances in Aid of Construction		\$0	\$1,317,991
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		2,473,879	2,641,879
272	Less: Amortization of Contributions		(1,342,155)	(1,408,756)
281	Accumulated Deferred Income Tax		685,414	723,028
	Total Deferred Credits		\$1,817,138	\$3,274,142
	Total Liabilities		\$2,706,816	\$3,868,098
	Capital Accounts			
201	Common Stock Issued		\$1,306,731	\$1,306,731
211	Other Paid-In Capital		0	0
215	Retained Earnings		2,355,233	2,506,987
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$3,661,964	\$3,813,718
	Total Liabilities and Capital		\$6,368,780	\$7,681,816

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.

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

City of York County, Inc.
Annual Report
Wastewater Comparative Income Statement
12/31/16

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	Operating Revenue		
521	Flat Rate Revenues	\$974,115	\$911,345
522	Measured Revenues	48,092	45,796
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	58,358	55,416
	Total Revenues	\$1,080,565	\$1,012,557
	Operating Expenses		
701	Salaries and Wages	\$133,495	\$130,280
704	Employee Pensions and Benefits	20,773	17,501
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	44,022	35,223
715	Purchased Power	89,610	88,009
716	Fuel for Power Production	0	0
718	Chemicals	34,108	50,321
720	Materials and Supplies	3,338	4,668
720.1	Repairs and Maintenance	73,741	103,246
720.2	Office Supplies and Expense	3,632	2,917
721	Office Expense	0	0
731	Contractual Services - Engineering	0	0
732	Contractual Services - Accounting	8,852	9,118
733	Contractual Services - Legal	7,858	10,829
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	1,528	2,333
736	Contractual Services - Other	97,580	84,713
740	Rents - Building	24,000	24,272
742	Rents - Equipment	4,194	4,209
750	Transportation Expenses	11,397	9,559
757	Insurance - General Liability	47,746	16,873
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	0	0
775	Miscellaneous Expense	39,695	29,201
403	Depreciation Expense (From Schedule AR4)	186,190	167,893
408	Taxes Other Than Income	16,326	7,251
408.11	Property Taxes	32,196	33,034
408.12	Payroll Taxes	19,845	18,942
409	Income Taxes	(8,397)	2,591
	Total Operating Expenses	\$891,729	\$852,983
	Operating Income / (Loss)	\$188,836	\$159,574
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	(\$17,276)	\$0
419	Interest and Dividend Income	0	102
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(19,469)	(23,004)
	Total Other Income / (Expense)	(\$36,745)	(\$22,902)
	Net Income / (Loss)	\$152,091	\$136,672

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.

Rio Verde Utilities, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/16

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	12/5/2001	none	none	none
Source of Loan	CoBank	0	0	0
ACC Decision No.	63585	0	0	0
Reason for Loan	Plant Expansion	0	0	0
Dollar Amt. Issued	\$2,469,787	\$0	\$0	\$0
Amount Outstanding	\$953,958	\$0	\$0	\$0
Date of Maturity	12/21/2021	none	none	none
Interest Rate	Variable	0.00%	0.00%	0.00%
Current Year Interest	\$36,205	\$0	\$0	\$0
Current Year Principal	\$155,210	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Wastewater Utility Plant Description	
Name of System:	Rio Verde Utilities, Inc.
Wastewater Inventory Number (if applicable):	7121
Type of Treatment	Oxidation Ditch
Design Capacity of Plant (Gallons per day)	700,000

LIFT STATION FACILITIES				
Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wer Well Capacity (gals)
25202 N Forest Rd	3	10	450	2400
25202 N Forest Rd	3	5	350	5100
Tonto Verde East	3	5	200	1340
Box Bar Ranch	2	2	15	120
Vista Verde #1	2	2	15	188
Vista Verde #2	2	2	15	188
none	0	0	0	0
none	0	0	0	0
none	0	0	0	0
none	0	0	0	0
none	0	0	0	0
none	0	0	0	0

FORCE MAINS		
Size	Material	Length (Feet)
2 inch	HDPE	4,464
4 inch	PVC	400
6 inch	PVC	14,441
none	0	0
none	0	0
none	0	0

MANHOLES	
Type	Quantity
Standard	717
Drop	120

CLEANOUTS	
Quantity	
	105
	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 relevent 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)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	PVC	230	4	PVC	2,150
6	PVC	5,951	6	0	0
8	PVC	169,904	8	0	0
10	PVC	1,312	12	0	0
12	PVC	12,586	15	0	0
15	PVC	5,200	0	0	0
18	none	0	0	0	0
21	none	0	0	0	0
24	none	0	0	0	0
30	none	0	0	0	0
0	DIP	380	0	0	0
0	none	0	0	0	0

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

SOLIDS PROCESSING AND HANDLING FACILITIES	2 Plate Presses with 25 yd container
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Hypochlorination with 12.5% bleach (1500 gallons on site storage)
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	7 dual media pressure filters
STRUCTURES (Buildings, Fences, Etc.)	Lab/ Office WWTP Wall Enclosure, 3 blower/maintenance building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	75KW, 130KW, 230KW generators, spectrophotometer, nephelometer, autoclave oven, incubators

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.

Rio Verde Utilities, Inc.
 Annual Report
 Wastewater Flows
 12/31/16

Wastewater Flows			
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day
January	1,693	4,479,000	217,000
February	1,702	5,516,000	223,000
March	1,712	6,102,000	237,000
April	1,732	5,378,000	233,000
May	1,743	4,077,000	166,000
June	1,743	3,229,000	160,000
July	1,774	2,803,000	145,000
August	1,782	2,881,000	140,000
September	1,785	2,916,000	125,000
October	1,797	3,915,000	189,000
November	1,812	4,145,000	214,000
December	1,819	4,288,000	230,000
	Totals	49,729,000	2,279,000

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	none
ADEQ Aquifer Protection Permit ("APP") Number	P100197
ADEQ Reuse Permit Number	R511594
EPA NPDES Permit Number	none
APP Effluent Treatment Requirement (Class)?	B

N/A

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.

Rio Verde Utilities, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

Name of System:	Rio Verde Utilities, Inc.
Wastewater Inventory Number (if applicable):	7121

Utility Shutoffs / Disconnects			
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 relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Rio Verde Utilities, Inc.
Annual Report
Property Taxes
12/31/16

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2016 was	\$32,196

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 Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: James Thomson, President
Company name: Rio Verde Utilities, Inc.

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

FOR THE YEAR ENDING: 12/31/16

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.

RECEIVED

APR 28 2017

James Thomson
signature of owner/official

480-471-7247
telephone no.

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

THIS

27th

DAY OF

Maricopa
(county name)
April 2017
(month) and (year)

MY COMMISSION EXPIRES

10.27.17
(date)



Constance J. Sauter
(signature of notary public)

Verification and Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Maricopa
Name (owner or official) title: James Thomson, President
Company name: Rio Verde Utilities, Inc.

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

FOR THE YEAR ENDING: 12/31/16

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:

RECEIVED

APR 28 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Arizona Intrastate Gross Operating Revenues Only (\$)
\$1,083,595
(The amount in the box above includes
\$3,030 in sales taxes
billed or collected)

James Thomson
signature of owner/official

480-471-7247
telephone no.

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

THIS 27th DAY OF April, 2017
(month) and (year)



10-27-2017
(date)
Constance J. Sauter
(signature of notary public)

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: James Thomson, President
Company name: Rio Verde Utilities, Inc.

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)

\$916,464

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

RECEIVED

APR 28 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

James Thomson
signature of owner/official

480-471-7247
telephone no.

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

Maricopa
(county name)

THIS 27th DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES 10-27-2017
(date)



Constance J. Sauter
(signature of notary public)