

ANNUAL REPORT

Of

Company Name: UTILITY SOURCE, LLC
20525 E. Chandler Heights Rd.

Mailing Address: Queen Creek AZ
85142-9500

Docket No.: WS-04235A
For the Year Ended: 12/31/18

PROCESSED
UTILITIES DIVISION
2019 APR 18 A 9:33
ARIZONA CORPORATION COMMISSION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdlafuente@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:	1/16/2018

4-22-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
UTILITY SOURCE, LLC

A Class A B C D E F G H I J K L M N O P Q R S T U V W X Y Z AA AB AC AD AE AF AG AH AI AJ AK AL AM AN AO AP AQ AR AS AT AU AV AW AX AY AZ BA BB BC BD BE BF BG BH BI BJ BK BL BM BN BO BP BQ BR BS BT BU BV BW BX BY BZ CA CB CC CD CE CF CG CH CI CJ CK CL CM CN CO CP CQ CR CS CT CU CV CW CX CY CZ DA DB DC DD DE DF DG DH DI DJ DK DL DM DN DO DP DQ DR DS DT DU DV DW DX DY DZ EA EB EC ED EE EF EG EH EI EJ EK EL EM EN EO EP EQ ER ES ET EU EV EW EX EY EZ FA FB FC FD FE FF FG FH FI FJ FK FL FM FN FO FP FQ FR FS FT FU FV FW FX FY FZ GA GB GC GD GE GF GG GH GI GJ GK GL GM GN GO GP GQ GR GS GT GU GV GW GX GY GZ HA HB HC HD HE HF HG HH HI HJ HK HL HM HN HO HP HQ HR HS HT HU HV HW HX HY HZ IA IB IC ID IE IF IG IH II IJ IK IL IM IN IO IP IQ IR IS IT IU IV IW IX IY IZ JA JB JC JD JE JF JG JH JI JJ JK JL JM JN JO JP JQ JR JS JT JU JV JW JX JY JZ KA KB KC KD KE KF KG KH KI KJ KK KL KM KN KO KP KQ KR KS KT KU KV KW KX KY KZ LA LB LC LD LE LF LG LH LI LJ LK LL LM LN LO LP LQ LR LS LT LU LV LW LX LY LZ MA MB MC MD ME MF MG MH MI MJ MK ML MN MO MP MQ MR MS MT MU MV MW MX MY MZ NA NB NC ND NE NF NG NH NI NJ NK NL NM NN NO NP NQ NR NS NT NU NV NW NX NY NZ OA OB OC OD OE OF OG OH OI OJ OK OL OM ON OO OP OQ OR OS OT OU OV OW OX OY OZ PA PB PC PD PE PF PG PH PI PJ PK PL PM PN PO PP PQ PR PS PT PU PV PW PX PY PZ QA QB QC QD QE QF QG QH QI QJ QK QL QM QN QO QP QQ QR QS QT QU QV QW QX QY QZ RA RB RC RD RE RF RG RH RI RJ RK RL RM RN RO RP RQ RR RS RT RU RV RW RX RY RZ SA SB SC SD SE SF SG SH SI SJ SK SL SM SN SO SP SQ SR SS ST SU SV SW SX SY SZ TA TB TC TD TE TF TG TH TI TJ TK TL TM TN TO TP TQ TR TS TU TV TW TX TY TZ UA UB UC UD UE UF UG UH UI UJ UK UL UM UN UO UP UQ UR US UT UU UV UW UX UY UZ VA VB VC VD VE VF VG VH VI VJ VK VL VM VN VO VP VQ VR VS VT VU VV VW VX VY VZ WA WB WC WD WE WF WG WH WI WJ WK WL WM WN WO WP WQ WR WS WT WU WV WW WX WY WZ XA XB XC XD XE XF XG XH XI XJ XK XL XM XN XO XP XQ XR XS XT XU XV XW XX XY XZ YA YB YC YD YE YF YG YH YI YJ YK YL YM YN YO YP YQ YR YS YT YU YV YW YX YZ ZA ZB ZC ZD ZE ZF ZG ZH ZI ZJ ZK ZL ZM ZN ZO ZP ZQ ZR ZS ZT ZU ZV ZW ZX ZY ZZ

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

UTILITY SOURCE, LLC
 Annual Report
 Utility Plant in Service (Water)
 12/31/18

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	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	1,646	0	0	1,646	0	1,646
303	Land and Land Rights	210,000	0	0	210,000	0	210,000
304	Structures and Improvements	116,367	0	0	116,367	41,854	74,513
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	2,831,962	125,242	0	2,957,204	1,255,124	1,702,080
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	89,125	0	0	89,125	64,318	24,807
311	Pumping Equipment	161,619	14,116	0	175,735	162,501	13,234
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	5,487	0	0	5,487	2,658	2,829
320.2	Solution Chemical Feeders	0	0	0	0	0	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	491,330	0	0	491,330	118,560	372,770
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	161,632	0	0	161,632	45,000	116,632
333	Services	86,250	0	0	86,250	41,644	44,606
334	Meters and Meter Installations	0	32,464	315	32,149	1,339	30,810
335	Hydrants	34,500	0	0	34,500	10,005	24,495
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	4,672	0	0	4,672	2,864	1,808
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	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	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$4,194,590	\$171,822	\$315	\$4,366,097	\$1,745,867	\$2,620,230

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.

UTILITY SOURCE, LLC
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/18

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	1,646	0	0	1,646	1,646	0.00%	0
303	Land and Land Rights	210,000	0	0	210,000	210,000	0.00%	0
304	Structures and Improvements	116,367	0	0	116,367	0	3.33%	3,875
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	2,831,962	125,242	0	2,957,204	0	3.33%	96,390
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	89,125	0	0	89,125	0	5.00%	4,456
311	Pumping Equipment	161,619	14,116	0	175,735	161,619	12.50%	882
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	5,487	0	0	5,487	0	3.33%	183
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	-	0
330.1	Storage Tanks	491,330	0	0	491,330	0	2.22%	10,908
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	161,632	0	0	161,632	0	2.00%	3,233
333	Services	86,250	0	0	86,250	0	3.33%	2,872
334	Meters and Meter Installations	0	32,464	315	32,149	0	8.33%	1,339
335	Hydrants	34,500	0	0	34,500	0	2.00%	690
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	4,672	0	0	4,672	0	6.67%	312
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$4,194,590	\$171,822	\$315	\$4,366,097	\$373,265		\$125,139

Contribution(s) in Aid of Construction (Gross)	\$407,137
Less: Non Amortizable Contribution(s)	135,013
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$272,124</u>
Times: Proposed Amortization Rate	3.13%
Amortization of CIAC	8528.597727
Less: Amortization of CIAC	8528.597727
DEPRECIATION EXPENSE	\$116,610

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.

UTILITY SOURCE, LLC
 Annual Report
 Balance Sheet Assets
 12/31/2018

Balance Sheet Assets				
	Assets		"Balance at Beginning of Year " (2018)	"Balance at End of Year " (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$454,425	\$418,471
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		222,464	235,620
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	25,508
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$676,889	\$679,599
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$5,590,215	\$5,967,247
103	Property Held for Future Use		126,558	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation-Utility Plant		(2,348,922)	(2,529,720)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$3,367,851	\$3,437,527
186	Deferred Rate Case Expense		\$21,169	\$0
	Total Assets		\$4,065,909	\$4,117,126

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 AR3 UPIS Page 3

UTILITY SOURCE, LLC
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		"Balance at Beginning of Year " (2018)	"Balance at End of Year " (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$2,084	\$2,084
232	Notes Payable (Current Portion)		0	0
234	Notes/Accounts Payable to Associated Companies		0	0
235	Customer Deposits		20,765	23,400
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		37,893	63,028
	Total Current Liabilities		\$60,742	\$88,512
	Long Term Debt (Over 12 Months)			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		350,000	350,000
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		492,718	605,110
272	Less: Amortization of Contributions		(238,377)	(250,458)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$604,341	\$704,652
	Total Liabilities		\$665,083	\$793,165
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Paid in Capital in Excess of Par Value		0	0
215	Retained Earnings		91,042	71,337
218	Proprietary Capital (Sole Props and Partnerships)		3,289,784	3,252,624
	Total Capital		\$3,380,826	\$3,323,961
	Total Liabilities and Capital		\$4,045,909	\$4,117,126

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!

UTILITY SOURCE, LLC
Annual Report
Water Comparative Income Statement
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$286,964	\$315,492
460	Unmetered Water Revenue	179,019	160,335
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	13,655
	Total Revenues	\$465,983	\$489,482
	Operating Expenses		
601	Salaries and Wages	\$53,453	\$52,821
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	92,102	98,321
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	21,284	45,548
620.2	Office Supplies and Expense	3,565	2,403
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	4,431	6,827
633	Contractual Services - Legal	2,035	2,321
634	Contractual Services - Management Fees	18,985	6,640
635	Contractual Services - Water Testing	7,227	1,260
636	Contractual Services - Other	2,283	4,188
635	Water Testing	0	0
640	Rents	7,932	7,932
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	3,385	3,716
657	Insurance - General Liability	4,933	4,545
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	13,406	14,463
675	Miscellaneous Expense	14,101	13,888
403	Depreciation Expense (From Schedule AR4)	116,610	115,616
408	Taxes Other Than Income	5,750	4,314
408.11	Property Taxes	26,681	6,100
409	Income Taxes		0
	Total Operating Expenses	\$398,160	\$390,903
	Operating Income / (Loss)	\$67,823	\$98,579
	Other Income / (Expense)		
419	Interest and Dividend Income	\$2,029	\$2,892
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(1,390)	(314)
	Total Other Income / (Expense)	\$639	\$2,578
	Net Income / (Loss)	\$68,462	\$101,157

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.

UTILITY SOURCE, LLC
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/0/1900	1/0/1900	1/0/1900	1/0/1900
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	1/0/1900	1/0/1900	1/0/1900	1/0/1900
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:	\$23,400
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Meter Deposits Refunded During the Test Year:	\$3,444
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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.

Utility Source, LLC
 Annual Report
 Full time equivalent employees
 12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0
Manager	1.0	0.0	1.0
Engineering Staff	0.0	1.0	1.0
System Operator(s)	0.0	0.0	0.0
Meter reader	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0
Accounting	0.0	1.0	1.0
Business Office	0.0	2.0	2.0
Rates Department	0.0	0.0	0.0
Administrative Staff	1.0	0.0	1.0
Other	0.0	0.0	0.0
Total	2.0	4.0	6.0

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

UTILITY SOURCE, LLC
 Annual Report
 Water Utility Plant Description
 12/31/18

Water Utility Plant Description

Name of the System: Flagstaff Meadows Water System
 ADEQ Public Water System Number: 3300

WELLS

ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-203241	125	72	2,801	0	0	2	2004	0
55-598834	50	23	2,100	8	0	1	2003	0
55-593267	10	11	1,947	8	0	1	2002	0
55-559096	2	7	240	6	0	1	1997	0
55-598623	2	10	300	6	0	0	2004	0
55-564258	2	12	300	7	0	0	1998	0
55-515324	1	5	105	8	0	1	1987	0
55-503545	1	10	215	7	0	1	1982	0
55-206887	210	280	2,900	10	0	4	2005	0
55-228207	2	5	205	8	0	1	2018	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A	0	0
N/A	0	0

BOOSTER PUMPS

Horsepower	GPM	Quantity
15	0	2
75	0	1
0	0	0
0	0	0

FIRE HYDRANTS

Type	Quantity
Standard ***	47
Other	0

STORAGE TANKS

Capacity	Material	Quantity
442,000	0	1
258,000	0	1
0	0	0

PRESSURE/BLADDER TANKS

Capacity	Quantity
200 GAL	1
0	0
0	0

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.

* Arizona Department of Water Resources ("ADWR") well identification number. For example 55-XXXXXX.

** Pump motor type, turbine or submersible.

*** 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)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2	0	0	5/8 X 3/4	0
3	0	0	3/4	328
4	0	0	1	0
5	0	0	1 1/2	0
6	C-900	900	Compound 2	0
8	C-900	18,563	Turbine 2	0
10	0	0	Compound 3	0
12	C-900	5,890	Turbine 3	0
0	0	0	Compound 4	0
0	0	0	Turbine 5	0
0	0	0	Compound 6	0
0	0	0	Turbine 6	0
0	0	0	6+	0

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

TREATMENT EQUIPMENT:	PERISTALTIC PUMP FOR CL2 NJECTION
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STRUCTURES:	ONE PUMP HOSE, 3 WELL HOUSES & STORAGE FACILITY, 6' RETAINING WALL AROUND FACILITY-400' IN LENGTH WITH ROLLING GATE
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OTHER:	N/A
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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.

Water Use Data Sheet					
Name of the System:		Flagstaff Meadows Water System			
ADEQ Public Water System Number:		3300			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	330	1,726	2,355	0	0
February	331	2,445	2,072	0	0
March	334	2,579	2,117	0	0
April	334	2,129	2,456	0	0
May	334	2,801	2,987	0	0
June	331	3,217	3,647	0	0
July	331	3,210	3,189	0	0
August	356	2,473	3,029	0	0
September	362	2,816	2,811	0	0
October	372	2,502	2,281	0	0
November	379	2,099	1,955	0	0
December	382	2,071	2,135	0	0
Totals		30,068	31,034	0	0

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

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

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

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.

- 1 Gallons sold - Total gallons from customer meters.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

UTILITY SOURCE, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/18

ADEQ System No. :	3300
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Utility Shutoffs / Disconnects			
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	3	0
April	0	0	0
May	0	0	0
June	0	2	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	1	0
November	0	0	0
December	0	0	0
Total	0	6	0

Other (description):

0

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.

Utility Source, LLC
Annual Report
Property Taxes
12/31/18

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$26,681

If no property taxes paid, explain why.

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): COCONINO
Name (owner or official) title: LONNIE MCCLEVE
Company name: UTILITY SOURCE, LLC

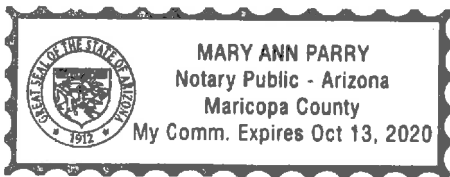
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/18

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.



Lonnie McCleve
signature of owner/official
480-892-8756
telephone no.

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

THIS 15 DAY OF MARICOPA
(county name)
April 2019
(month) and (year)

MY COMMISSION EXPIRES 10-13-20
(date)

Mary Ann Parry
(signature of notary public)

Verification and Statement

Verification:

State of ARIZONA I, the undersigned of the
(state name)
County of (county name): COCONINO
Name (owner or official) title: LONNIE MCCLEVE
Company name: UTILITY SOURCE, LLC

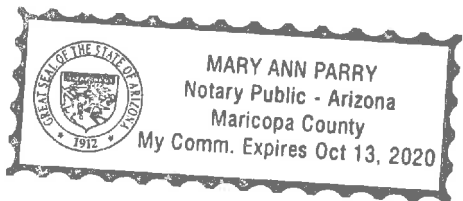
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/18

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 (\$)
\$521,193
(The amount in the box above includes
\$33,641 in sales taxes
billed or collected)



[Signature]
signature of owner/official

480-892-8756
telephone no.

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

THIS

15

DAY OF

Maricopa
(county name)
April 2019
(month) and (year)

MY COMMISSION EXPIRES

10-13-20
(date)

[Signature]
(signature of notary public)

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): COCONINO
Name (owner or official) title: LONNIE MCCLEVE
Company name: UTILITY SOURCE, LLC

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

FOR THE YEAR ENDING: 12/31/18

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.

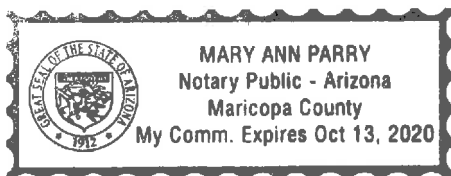
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$279,444

(The amount in the box above includes

\$18,037 in sales taxes
billed or collected)



Lonnie McCleve
signature of owner/official

480-892-8756
telephone no.

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

Maricopa
(county name)

THIS 15 DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES 10-13-20
(date)

Mary Ann Parry
(signature of notary public)

2018 R0033314 2 0000003509800000175149

DO NOT MARK IN THIS SPACE

Sarah Benatar
Coconino County Treasurer
110 E Cherry Ave
Flagstaff AZ 86001-4627

1/R0033314



Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. May 1, 2019 (ARS 42-18052 and ARS 42-18053).

Account Number: R0033314 Parcel Number: 20347003A
Due March 1, 2019, Delinquent after May 1, 2019
FUELCO TRAVEL CENTER LTD PARTNERSHIP C/O

2018 SECOND HALF PAYMENT COUPON
DETACH AND RETURN WITH PAYMENT Make checks payable to: Coconino County Treasurer

2018 PROPERTY TAX NOTICE Coconino County ARIZONA

Account Number	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRIGATION DISTRICT PER ACRE	2018 TAX SUMMARY			
R0033314	0113	5.3244	5.3684		PRIMARY PROPERTY TAX		1,744.28	
ASSESSMENT					LESS STATE AID TO EDUCATION		0.00	
	VALUE	TAX RATE	ASSESSED VALUE	EXEMPTIONS	TAX RATE	TAX	NET PRIMARY PROPERTY TAX	1,744.28
ASSESSED VALUE	218,400	15.0	32,760	0	5.3244	1,744.28	SECONDARY PROPERTY TAX	1,758.70
NET CASH TOTALS	218,409	15.0	32,761	0	5.3684	1,758.70	SPECIAL DISTRICT TAX	0.00
					TOTAL TAX DUE		3,502.98	

LIMITED PROPERTY VALUE IS THE BASIS FOR CALCULATING ALL PROPERTY TAXES

R0033314

SITUS ADDRESS:

LEGAL DESCRIPTION:

Sixteenth: SW Quarter: SW Section: 36 Township: 22N Range: 05E POR SW4 SEC 36 BEG SW COR SEC 36; TH N 01-04-20 W 226.39' TO POB; TH N 01-04-20 W 436.71'; TH S 89-48-40 E 666.48'; TH S 00-21-59 E 370.18'; T

THIS IS THE ONLY NOTICE YOU WILL RECEIVE.

Coconino County Treasurer: Sarah Benatar

JURISDICTION	2017 TAXES	2018 TAXES
02000 COCONINO COUNTY	177.15	183.09
02001 ST SCHL EQUALIZATION	152.10	155.32
07001 SD#1 FLAGSTAFF	1,252.46	1,250.55
08150 COMMUNITY COLLEGE	150.26	155.32
87001 SD#1 ADJACENT WAYS	12.23	0.00
11528 FD PONDEROSA	892.32	1,009.01
11900 FD ASSISTANCE FUND	31.20	32.76
14900 LIBRARY DISTRICT	79.75	83.73
15000 FLOOD CONTROL DIST	124.80	59.24
29999 PUB HEALTH SERVICE	78.00	81.90
30001 JTED-CAVIAT	15.60	16.38
57001 SD#1 BUDGET OVERRIDES	222.14	231.61
57001_SE SD#1 DESEGREGATION	0.00	60.38
58150 COMMUNITY COLLEGE	41.37	39.90
77001 SD#1 CLASS B BONDS	129.82	143.79

v# 4442

12/31/18

water

TOTALS: 3,359.20

3,502.98

R0033314



PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov 1, 2018. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2019. To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2018, and no interest will be charged for the current year.

FUELCO TRAVEL CENTER LTD PARTNERSHIP C/O
20525 E CHANDLER HEIGHTS RD
QUEEN CREEK, AZ 85142

Make your check payable to and mail to:
Coconino County Treasurer
110 E Cherry Ave
Flagstaff AZ 86001-4627

PLEASE INCLUDE YOUR ACCOUNT NUMBER ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.



025470202ETK00P6214830202647-S3-S4-S5-S6

621483-02-02547



Statement of Taxes Due

COCONINO COUNTY TREASURER

Account Number C1046649
Assessed To

Parcel 99955192
UTILITY SOURCE LLC
C/O: LONNIE MCCLEVE
20525 E CHANDLER HEIGHTS RD
QUEEN CREEK, AZ 85142-9500

Legal Description						Situs Address
TOTAL VALUE OF OPERATING PROPERTY						
Year	Tax	Interest	Fees	Payments	Balance	
Tax Charge						
2018	\$12,109.88	\$0.00	\$0.00	\$0.00	\$12,109.88	
2017	\$9,471.34	\$189.43	\$0.00	(\$9,660.77)	\$0.00	
2016	\$8,803.00	\$1,408.48	\$0.00	(\$10,211.48)	\$0.00	
2015	\$9,941.08	\$0.00	\$0.00	(\$9,941.08)	\$0.00	
2014	\$10,011.10	\$400.44	\$0.00	(\$10,411.54)	\$0.00	
2013	\$12,454.34	\$0.00	\$0.00	(\$12,454.34)	\$0.00	
2012	\$9,881.38	\$0.00	\$0.00	(\$9,881.38)	\$0.00	
2011	\$8,584.52	\$0.00	\$0.00	(\$8,584.52)	\$0.00	
2010	\$5,682.88	\$0.00	\$0.00	(\$5,682.88)	\$0.00	
2009	\$3,107.40	\$0.00	\$0.00	(\$3,107.40)	\$0.00	
Total Tax Charge					\$12,109.88	
Grand Total Due as of 12/31/2018					\$12,109.88	

✓ # 4441 12/31/2018

water

Tax Billed at 2018 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
COCONINO COUNTY	0.0055890000	\$638.81	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$176,951	\$31,851
ST SCHL EQUALIZATION	0.0047410000	\$541.90			
SD#1 FLAGSTAFF	0.0381730000	\$4,363.17	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$113,981	\$20,517
COMMUNITY COLLEGE	0.0047410000	\$541.90			
Taxes Billed 2018	0.0532440000	\$6,085.78	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$344,068	\$61,932
Total				\$635,000	\$114,300

Tax Billed at 2018 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
FLOOD CONTROL DIST	0.0018080000	\$94.68			
Taxes Billed 2018	0.0018080000	\$94.68			
Total				\$0	\$0

Tax Billed at 2018 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
FD PONDEROSA	0.0308000000	\$3,520.44	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$176,951	\$31,851
FD ASSISTANCE FUND	0.0010000000	\$114.30			
LIBRARY DISTRICT	0.0025560000	\$292.15	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$113,981	\$20,517
PUB HEALTH SERVICE	0.0025000000	\$285.75			
JTED-CAVIAT	0.0005000000	\$57.15	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$344,068	\$61,932
SD#1 BUDGET OVERRIDES	0.0070700000	\$808.10			
SD#1 DESEGREGATION	0.0018430000	\$210.65	WATER, SEWER & WASTEWATER UTILITY COMPANIES		
COMMUNITY COLLEGE	0.0012180000	\$139.22			
SD#1 CLASS B BONDS	0.0043890000	\$501.66			
Taxes Billed 2018	0.0518760000	\$5,929.42			
Total				\$635,000	\$114,300

Make payment to:

Coconino County Treasurer 110 E. Cherry Avenue Flagstaff, AZ 86001 (1-877) 500-1818 (928) 679-8188

Coconino County Treasurer

Account	Parcel Number	Receipt Date	Receipt Number
C1046649	99955192	Jan 31, 2018	01-31-2018-BR-002025

UTILITY SOURCE LLC
20525 E CHANDLER HEIGHTS RD
QUEEN CREEK, AZ 85142-9500

Situs Address: Payor:

UTILITY SOURCE LLC
20525 E CHANDLER HEIGHTS RD
QUEEN CREEK, AZ 85142-9500

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY **Water**

Payments Received:

Check Multi-Account Payment
Reference CK 4146

Payments Applied					
Year	Charges	Billed	Prior Payments	New Payments	Balance
2017	Interest	\$189.43	\$0.00	\$189.43	\$0.00
2017	Tax Charge	\$9,471.34	\$0.00	\$9,471.34	\$0.00
2016	Interest	\$1,408.48	\$0.00	\$1,408.48	\$0.00
2016	Tax Charge	\$8,803.00	\$0.00	\$8,803.00	\$0.00
Balance Due as of Jan 31, 2018					\$0.00
					\$0.00

TOTAL

19872.25
+ 9439.87
\$29,312.12

paid
ch. # 4146
1-31-18
water



Statement of Taxes Due

COCONINO COUNTY TREASURER

Account Number C1046649

Parcel 99955192

Legal Description

Situs Address

TOTAL VALUE OF OPERATING PROPERTY

Account: C1046649
 UTILITY SOURCE LLC
 C/O: LONNIE MCCLEVE
 20525 E CHANDLER HEIGHTS RD
 QUEEN CREEK, AZ 85142-9500

Year	Tax	Interest	Fees	Payments	Balance
Tax Charge					
2017	\$9,471.34	\$189.43	\$0.00	\$0.00	\$9,660.77
2016	\$8,803.00	\$1,408.48	\$0.00	\$0.00	\$10,211.48
2015	\$9,941.08	\$0.00	\$0.00	(\$9,941.08)	\$0.00
2014	\$10,011.10	\$400.44	\$0.00	(\$10,411.54)	\$0.00
2013	\$12,454.34	\$0.00	\$0.00	(\$12,454.34)	\$0.00
2012	\$9,881.38	\$0.00	\$0.00	(\$9,881.38)	\$0.00
2011	\$8,584.52	\$0.00	\$0.00	(\$8,584.52)	\$0.00
2010	\$5,682.88	\$0.00	\$0.00	(\$5,682.88)	\$0.00
2009	\$3,107.40	\$0.00	\$0.00	(\$3,107.40)	\$0.00
2008	\$2,753.18	\$0.00	\$0.00	(\$2,753.18)	\$0.00
Total Tax Charge					\$19,872.25

Grand Total Due as of 01/30/2018 \$19,872.25

Tax Billed at 2017 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
COCONINO COUNTY	0.0056780000	\$508.97	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$168,545	\$30,338
ST SCHL EQUALIZATION	0.0048750000	\$437.00			
SD#1 FLAGSTAFF	0.0401430000	\$3,598.42	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$79,549	\$14,319
COMMUNITY COLLEGE	0.0048160000	\$431.71			
SD#1 ADJACENT WAYS	0.0003920000	\$35.14	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$249,906	\$44,983
Taxes Billed 2017	0.0559040000	\$5,011.24			
			Total	\$498,000	\$89,640

Tax Billed at 2017 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
FLOOD CONTROL DIST	0.0040000000	\$178.62			
Taxes Billed 2017	0.0040000000	\$178.62			
			Total	\$0	\$0

Tax Billed at 2017 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
FD PONDEROSA	0.0286000000	\$2,563.71	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$168,545	\$30,338
FD ASSISTANCE FUND	0.0010000000	\$89.64			



Statement of Taxes Due

COCONINO COUNTY TREASURER

Authority	Tax Rate	Amount	Values	Actual	Assessed
LIBRARY DISTRICT	0.0025560000	\$229.12	WATER, SEWER & WASTEWATER	\$79,549	\$14,319
PUB HEALTH SERVICE	0.0025000000	\$224.10	UTILITY COMPANIES		
JTED-CAVIAT	0.0005000000	\$44.82	WATER, SEWER & WASTEWATER	\$249,906	\$44,983
SD#1 BUDGET OVERRIDES	0.0071200000	\$638.24	UTILITY COMPANIES		
COMMUNITY COLLEGE	0.0013260000	\$118.86			
SD#1 CLASS B BONDS	0.0041610000	\$372.99			
			Total	\$498,000	\$89,640
Taxes Billed 2017	0.0477630000	\$4,281.48			

Make payment to:

Coconino County Treasurer 110 E. Cherry Avenue Flagstaff, AZ 86001 (1-877) 500-1818 (928) 679-8188