

ANNUAL REPORT

Of

Company Name: Ash Fork Development Association, Inc. DBA Ash Fork Water Service
PO Box 436

Mailing Address: Ash Fork AZ
86320-0436

Docket No.: W-01004B
For the Year Ended: 12/31/16

RECEIVED

MAY 09 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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:

2016

5-9-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Ash Fork Development Association, Inc. DBA Ash Fork Water Service
A Class Utility

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

2. Address:

PO Box 436			
City:	Ash Fork	State:	Arizona
		Zip Code:	86320

3. Telephone Number: 928-637-2774

4. Date of Original Organization of Utility: 1967

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

Name: Lewis Hume
Telephone No. : 928-637-0394
Address:

PO Box 436			
City:	Ash Fork	State:	Arizona
		Zip Code:	86320

Email: lewishume60@gmail.com

6. On-Site Manager:

Name: Lewis Hume
Telephone No. : 928-637-0394
Address:

PO Box 436			
City:	Ash Fork	State:	Arizona
		Zip Code:	86320

Email: lewishume60@gmail.com

7. Ownership: Association--Cooperative

8. Counties Served: Yavapai

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
 Annual Report
 Utility Plant in Service (Water)
 12/31/16

Utility Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0
302	Franchises	0	0	0
303	Land and Land Rights	55,443	0	55,443
304	Structures and Improvements	86,125	61,271	24,854
305	Collecting & Improving Reservoirs	0	0	0
306	Lake, River, Canal Intakes	0	0	0
307	Wells and Springs	508,699	361,900	146,799
308	Infiltration Galleries	0	0	0
309	Supply Mains	0	0	0
310	Power Generation Equipment	0	0	0
311	Pumping Equipment	299,530	297,667	1,863
320	Water Treatment Equipment	0	0	
320.1	Water Treatment Plants	64,137	45,629	18,508
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	
330.1	Storage Tanks	107,780	65,860	41,920
330.2	Pressure Tanks	0	0	0
331	Transmission and Distribution Mains	1,143,165	477,655	665,510
333	Services	12,032	6,343	5,689
334	Meters and Meter Installations	26,517	22,486	4,031
335	Hydrants	13,595	3,907	9,688
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	7,291	1,185	6,106
340	Office Furniture and Equipment	24,264	24,208	56
340.1	Computer & Software	1,428	925	503
341	Transportation Equipment	35,414	33,599	1,815
342	Stores Equipment	0	0	0
343	Tools, Shop and Garage Equipment	27,227	21,112	6,115
344	Laboratory Equipment	701	140	561
345	Power Operated Equipment	15,918	1,592	14,326
346	Communication Equipment	48,852	48,852	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	73,330	73,330	0
	Totals	\$2,551,448	\$1,547,661	\$1,003,787

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.

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/16

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	55,443	0	55,443	55,443	0	0.00%	0
304	Structures and Improvements	86,125	0	86,125	0	86,125	3.33%	2,868
305	Collecting & Improving Reservoirs	0	0	0	0	0	3.33%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	508,699	0	508,699	0	508,699	3.33%	16,940
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	0	0	0	0	0	0.00%	0
311	Pumping Equipment	299,530	18,484	318,014	250,206	67,808	12.50%	22,959
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	64,137	0	64,137	0	64,137	3.33%	2,136
320.2	Solution Chemical Feeders	0	0	0	0	0	20.00%	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	107,780	0	107,780	0	107,780	2.22%	2,393
330.2	Pressure Tanks	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	1,143,165	0	1,143,165	0	1,143,165	2.00%	22,863
333	Services	12,032	0	12,032	0	12,032	3.33%	401
334	Meters and Meter Installations	26,517	4,232	30,749	18,200	12,549	8.33%	1,627
335	Hydrants	13,595	0	13,595	0	13,595	2.00%	272
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	7,291	364	7,655	0	7,655	6.67%	498
340	Office Furniture and Equipment	24,264	0	24,264	0	24,264	6.67%	1,618
340.1	Computer & Software	1,428	0	1,428	589	839	20.00%	227
341	Transportation Equipment	35,414	0	35,414	29,364	6,050	20.00%	4,146
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	27,227	560	27,787	0	27,787	5.00%	1,375
344	Laboratory Equipment	701	0	701	0	701	10.00%	70
345	Power Operated Equipment	15,918	0	15,918	0	15,918	5.00%	796
346	Communication Equipment	48,852	0	48,852	48,852	0	10.00%	2,443
347	Miscellaneous Equipment	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	73,330	0	73,330	73,330	0	10.00%	3,667
	Subtotal	\$2,551,448	\$23,640	\$2,575,088	\$475,984	\$2,099,104		\$87,298

Contribution(s) in Aid of Construction (Gross) \$794,395
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$794,395
 Times: Proposed Amortization Rate 2.23%
Amortization of CIAC 17715.0085

Less: Amortization of CIAC 17715.0085

DEPRECIATION EXPENSE **\$69,583**

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.

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
 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		\$9,847	\$10,049
134	Working Funds		0	0
135	Temporary Cash Investments		76,787	40,426
141	Customer Accounts Receivable		4,763	7,810
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		3,172	0
	Total Current and Accrued Assets		\$94,569	\$58,285
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,551,447	\$2,551,448
103	Property Held for Future Use		1,874,000	1,949,000
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(1,483,911)	(1,547,661)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,941,536	\$2,952,787
	Total Assets		\$3,036,105	\$3,011,072

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

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
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		\$5,691	\$5,515
232	Notes Payable (Current Portion)		6,866	3,684
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		15,615	15,638
236	Accrued Taxes		3,731	2,097
237	Accrued Interest		332	142
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$32,235	\$27,076
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$371,383	\$364,183
	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		\$403,618	\$391,259
	Capital Accounts			
201	Common Stock Issued		\$477,560	\$477,560
211	Other Paid-In Capital		323,312	323,312
215	Retained Earnings		1,874,000	1,874,000
218	Proprietary Capital (Sole Props and Partnerships)		(42,385)	(55,059)
	Total Capital		\$2,632,487	\$2,619,813
	Total Liabilities and Capital		\$3,036,105	\$3,011,072

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!

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
Annual Report
Water Comparative Income Statement
12/31/16

Water 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		
461	Metered Water Revenue	\$275,024	\$247,154
460	Unmetered Water Revenue	3,320	2,560
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	3,790	1,088
	Total Revenues	\$282,134	\$250,802
	Operating Expenses		
601	Salaries and Wages	\$127,455	\$136,215
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	42,887	39,130
618	Chemicals	0	333
620	Materials and Supplies	18,004	23,285
620.1	Repairs and Maintenance	707	0
620.2	Office Supplies and Expense	2,205	1,255
630	Contractual Services	5,445	3,180
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	2,205	3,006
636	Contractual Services - Other	0	0
635	Water Testing	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	6,272	4,795
657	Insurance - General Liability	11,386	10,170
657.1	Insurance - Health and Life	16,563	14,106
665	Regulatory Commission Expense - Rate	0	0
675	Miscellaneous Expense	(24,616)	4,197
403	Depreciation Expense (From Schedule AR4)	69,583	39,112
408	Taxes Other Than Income	0	0
408.11	Property Taxes	15,372	15,731
409	Income Taxes	0	0
	Total Operating Expenses	\$293,468	\$294,515
	Operating Income / (Loss)	(\$11,334)	(\$43,713)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$207	\$332
421	Non-Utility Income	3,578	2,912
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(17,485)	(17,818)
	Total Other Income / (Expense)	(\$13,700)	(\$14,574)
	Net Income / (Loss)	(\$25,033)	(\$58,287)

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.

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
 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	2/1/2002	N/A	N/A	N/A
Source of Loan	USDA	N/A	N/A	N/A
ACC Decision No.	65852	N/A	N/A	N/A
Reason for Loan	System Expansion	N/A	N/A	N/A
Dollar Amt. Issued	\$433,000	N/A	N/A	N/A
Amount Outstanding	\$364,326	N/A	N/A	N/A
Date of Maturity	1/31/2042	N/A	N/A	N/A
Interest Rate	4.75%	N/A	N/A	N/A
Current Year Interest	\$17,485	N/A	N/A	N/A
Current Year Principal	\$7,199	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$14,940
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Meter Deposits Refunded During the Test Year:	N/A
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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.

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
 Annual Report
 Water Utility Plant Description
 12/31/16

Water Utility Plant Description

Name of the System: Ash Fork Water Service
 ADEQ Public Water System Number: 13-008

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)
55-604-624	60	122	1,700	12	Submersilbe	4	1975	0.0090
55-590-950	60	122	1,302	12 - 9.5	Submersilbe	6	2,002	0.0093 R.A.A.
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A	N/A	N/A
N/A	N/A	N/A

BOOSTER PUMPS		
Horsepower	GPM	Quantity
1/2	N/A	1
1/3	N/A	1
7	N/A	1
N/A	N/A	N/A

FIRE HYDRANTS	
Type	Quantity
Standard ***	5
Other	N/A

STORAGE TANKS		
Capacity	Material	Quantity
500,000	Steel	2
N/A	N/A	N/A
N/A	N/A	N/A

PRESSURE/BLADDER TANKS	
Capacity	Quantity
N/A	N/A
N/A	N/A
N/A	N/A

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.

* 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	Steel / PVC	10,970 - 2770	5/8 X 3/4	0
3	N/A	N/A	3/4	200
4	PVC	15,500	1	12
5	N/A	N/A	1 1/2	0
6	PVC	16,064	Compound 2	0
8	PVC / Ductile	2,340 - 350	Turbine 2	12
10	N/A	N/A	Compound 3	0
12	N/A	N/A	Turbine 3	2
N/A	N/A	N/A	Compound 4	0
N/A	N/A	N/A	Turbine 5	0
N/A	N/A	N/A	Compound 6	0
N/A	N/A	N/A	Turbine 6	0
N/A	N/A	N/A	6+	0

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

TREATMENT EQUIPMENT:	2 - gas chloration Systems
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STRUCTURES:	1- Office Building, 2 - Well Houses, 3 - Mobile Storage Containers, 1 - Fixed Storage Shed, 3 - Water dispensing Stations, housing valves meters etc.
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OTHER:	1 - 2000 1/2 ton GMC Pickup, 1 - 2000 1/2 ton Dodge Pickup, 1 - 2001 1-ton Dodge dump bed truck w/snow plow, 75 KV Generator
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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:		Ash Fork Water Service			
ADEQ Public Water System Number:		13-008			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	352	2,042	2,451	0	0
February	362	1,954	2,178	0	0
March	367	2,529	2,664	0	0
April	363	2,312	2,571	0	0
May	374	2,430	2,530	0	0
June	389	4,217	4,646	0	0
July	383	3,326	3,450	0	0
August	382	3,487	3,779	0	0
September	385	2,839	3,246	0	0
October	382	2,785	3,096	0	0
November	381	2,246	2,224	0	0
December	366	2,043	2,386	0	0
Totals		32,210	35,220	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 relevent 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.

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	13-008
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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	4	0
February	0	0	0
March	0	2	0
April	0	1	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	1	0
Total	0	8	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.

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
Annual Report
Property Taxes
12/31/16

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2015 was	\$15,731

<p>If no property taxes paid, explain why.</p> <p>N/A</p>

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.

Ash Fork Development Association, Inc. DBA Ash Fork Water Service
Annual Report
Verification and Statement (Taxes)
12/31/16

RECEIVED
MAY 09 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement (Taxes)

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

County of (county name): Yavapai
Name (owner or official) title: Lewis E Hume, General Manager
Company name: Ash Fork Development Association, Inc. DBA Ash Fork Water Service

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.

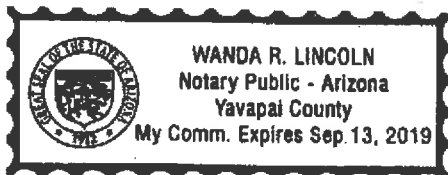
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Lewis E Hume
signature of owner/official
928.637-2774
telephone no.

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

THIS 5th DAY OF Yavapai May 2017
(county name) (month) and (year)

MY COMMISSION EXPIRES Sept 13, 2019
(date)



Wanda R. Lincoln
(signature of notary public)

RECEIVED

MAY 09 2017

Verification and Statement

Verification:

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Yavapai
Name (owner or official) title: Lewis E Hume, General Manager
Company name: Ash Fork Development Association, Inc. DBA Ash Fork Water Serv

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:

Arizona Intrastate Gross Operating Revenues Only (\$) \$296,450
(The amount in the box above includes _____ in sales taxes billed or collected)

[Signature]
signature of owner/official

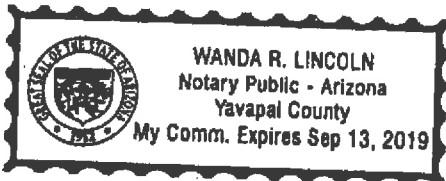
928-637-2774
telephone no.

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

THIS 5th DAY OF Yavapai May 2017
(county name) (month) and (year)

MY COMMISSION EXPIRES

Sept 13, 2019
(date)



[Signature]
(signature of notary public)

Renee De La Fuente

From: Lewis Hume <lewishume60@gmail.com>
Sent: Tuesday, May 09, 2017 1:42 PM
To: Renee De La Fuente
Subject: Re: Utility annual report

Renee,

Yes confirming your number.

Thank you.

Lewis
Ash Fork Water

On Tue, May 9, 2017 at 10:57 AM, Renee De La Fuente <RDeLaFuente@azcc.gov> wrote:

Good morning again Lewis,

Can you clarify for me that the total ACC revenues are \$296,450? It comes out very dark and it is really hard to see.

Thank you.

Renee de la Fuente

Administrative Support Specialist

Arizona Corporation Commission

Utilities Division

1200 W. Washington St.

Phoenix, AZ 85007

Phone: [602-364-0706](tel:602-364-0706)

rdclafuente@azcc.gov

From: Lewis Hume [mailto:lewishume60@gmail.com]

Sent: Tuesday, May 09, 2017 10:15 AM

RECEIVED

MAY 09 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION DIRECTOR'S OFFICE

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): Yavapai
Name (owner or official) title: Lewis E Hume, General Manager
Company name: Ash Fork Development Association, Inc. DBA Ash Fork Water

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 (\$)

\$296,450

(The amount in the box above includes

\$14,316 in sales taxes
billed or collected)

Lewis E Hume
signature of owner/official

telephone no.

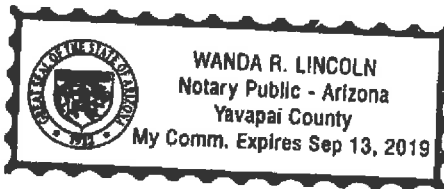
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Yavapai
(county name)

THIS 5th DAY OF May 2017
(month) and (year)

MY COMMISSION EXPIRES

Sept 13, 2019
(date)



Wanda R. Lincoln
(signature of notary public)