

# ANNUAL REPORT

Of

Company Name:

Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
PO Box 938

Mailing Address:

Mayer AZ  
86333

Docket No.:

W-02089A

For the Year Ended:

12/31/16

RECEIVED

APR 19 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

## WATER UTILITY

To

Arizona Corporation Commission

### Due on April 15th

Email: [rdefuente@azcc.gov](mailto:rdefuente@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

5-2-17

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
A Class  Utility

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 Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$10,271		\$10,271
302	Franchises	0		0
303	Land and Land Rights	5,500		5,500
304	Structures and Improvements	67,842	25,978	41,864
305	Collecting & Improving Reservoirs			0
306	Lake, River, Canal Intakes			0
307	Wells and Springs	237,679	118,959	118,720
308	Infiltration Galleries			0
309	Supply Mains			0
310	Power Generation Equipment	82,279	26,741	55,538
311	Pumping Equipment	166,872	162,330	4,542
320	Water Treatment Equipment			
320.1	Water Treatment Plants			0
320.2	Solution Chemical Feeders	1,250	1,250	0
320.3	Point-of-Use Treatment Devices			0
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	119,904	117,129	2,775
330.2	Pressure Tanks			0
331	Transmission and Distribution Mains	1,056,555	488,241	568,314
333	Services	367,053	239,456	127,597
334	Meters and Meter Installations	229,930	166,547	63,383
335	Hydrants	327,635	157,968	169,667
336	Backflow Prevention Devices			0
339	Other Plant and Misc. Equipment			0
340	Office Furniture and Equipment			0
340.1	Computer & Software			0
341	Transportation Equipment		0	0
342	Stores Equipment			0
343	Tools, Shop and Garage Equipment			0
344	Laboratory Equipment			0
345	Power Operated Equipment			0
346	Communication Equipment	3,050	458	2,592
347	Miscellaneous Equipment			0
348	Other Tangible Plant			0
	<b>Totals</b>	<b>\$2,675,820</b>	<b>\$1,505,057</b>	<b>\$1,170,763</b>

**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.

Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
 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	\$10,271	\$0	\$10,271	\$0	\$10,271	0.00%	\$0
302	Franchises	0	\$0	0	\$0	0	0.00%	0
303	Land and Land Rights	5,500	\$0	5,500	\$0	5,500	0.00%	0
304	Structures and Improvements	67,842	\$0	67,842	\$0	67,842	3.33%	2,259
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	237,679	\$0	237,679	\$0	237,679	3.33%	7,915
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	82,279	\$0	82,279	\$0	82,279	5.00%	4,114
311	Pumping Equipment	166,872	0	166,872	0	166,872	12.50%	20,859
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	1,250	0	1,250	0	1,250	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	-	0
330.1	Storage Tanks	119,904	0	119,904	0	119,904	2.22%	2,662
330.2	Pressure Tanks	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	1,056,555	0	1,056,555	0	1,056,555	2.00%	21,131
333	Services	367,053	0	367,053	0	367,053	3.33%	12,223
334	Meters and Meter Installations	229,930	0	229,930	0	229,930	8.33%	19,153
335	Hydrants	327,635	0	327,635	0	327,635	2.00%	6,553
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	0	0	0	0	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	20.00%	0
341	Transportation Equipment	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	5.00%	0
346	Communication Equipment	3,050	0	3,050	0	3,050	10.00%	305
347	Miscellaneous Equipment	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$2,675,820</b>	<b>\$0</b>	<b>\$2,675,820</b>	<b>\$0</b>	<b>\$2,675,820</b>		<b>\$97,174</b>

Contribution(s) in Aid of Construction (Gross) \$1,853,890  
 Less: Non Amortizable Contribution(s) 0  
     Fully Amortized Contribution(s) 0  
 Amortizable Contribution(s) \$1,853,890  
 Times: Proposed Amortization Rate 2.69%  
**Amortization of CIAC** 49869.641

Less: Amortization of CIAC 49869.641

**DEPRECIATION EXPENSE** **\$47,304**

**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.

Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
 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.	<b>Current and Accrued Assets</b>			
131	Cash		\$10,000	\$5,441
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	<b>Total Current and Accrued Assets</b>		<b>\$10,000</b>	<b>\$5,441</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$2,663,446	\$2,675,820
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(1,411,552)	(1,505,057)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$1,251,894</b>	<b>\$1,170,763</b>
	<b>Total Assets</b>		<b>\$1,261,894</b>	<b>\$1,176,204</b>

**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.

\*Note these items feed automatically from AR3 UPIS Page 3

Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
 Annual Report  
 Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable			
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		16,961	22,868
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	<b>Total Current Liabilities</b>		<b>\$16,961</b>	<b>\$22,868</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		25,847	12,593
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		1,853,890	1,853,890
272	Less: Amortization of Contributions		(791,304)	(841,174)
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$1,088,433</b>	<b>\$1,025,309</b>
	<b>Total Liabilities</b>		<b>\$1,105,394</b>	<b>\$1,048,177</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$5,000	\$5,000
211	Other Paid-In Capital			
215	Retained Earnings		151,500	123,027
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$156,500</b>	<b>\$128,027</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,261,894</b>	<b>\$1,176,204</b>

**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!

Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
Annual Report  
Water Comparative Income Statement  
12/31/16

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year	Last Year
		01/01/2016 - 12/31/2016	01/01/2015 - 12/31/2015
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$209,377	\$206,404
460	Unmetered Water Revenue	0	
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	6,405	6,310
	<b>Total Revenues</b>	<b>\$215,782</b>	<b>\$212,714</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	
604	Employee Pensions and Benefits	0	
610	Purchased Water	0	
615	Purchased Power	26,711	23,225
618	Chemicals	1,101	2,520
620	Materials and Supplies		
620.1	Repairs and Maintenance	94,047	73,161
620.2	Office Supplies and Expense	359	
630	Contractual Services	61,038	69,998
631	Contractual Services -Engineering		
632	Contractual Services - Accounting		
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing		
636	Contractual Services - Other		
635	Water Testing	6,094	4,445
640	Rents	0	
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	274	
657	Insurance - General Liability	3,435	4,378
657.1	Insurance - Health and Life	3,095	3,340
665	Regulatory Commission Expense - Rate	6,006	1,683
675	Miscellaneous Expense	175	1,500
403	Depreciation Expense (From Schedule AR4)	47,304	21,814
408	Taxes Other Than Income		
408.11	Property Taxes	10,917	11,798
409	Income Taxes		
	<b>Total Operating Expenses</b>	<b>\$260,557</b>	<b>\$217,862</b>
	<b>Operating Income / (Loss)</b>	<b>(\$44,775)</b>	<b>(\$5,148)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(97)	394
	<b>Total Other Income / (Expense)</b>	<b>(\$97)</b>	<b>\$394</b>
	<b>Net Income / (Loss)</b>	<b>(\$44,872)</b>	<b>(\$4,754)</b>

**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.

Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
 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	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:	\$5,359
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Meter Deposits Refunded During the Test Year:	\$2,651
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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.**



Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
 Annual Report  
 Water Utility Plant Description  
 12/31/16

**Water Utility Plant Description**

Name of the System: Kyllo Development DBA Bradshaw Mountainview  
 ADEQ Public Water System Number: 13-062

**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)
55-906853	8	6	300	6	Submersible	1	2007	0
55-564103	2	25	220	6	Submersible	1	1,997	0
55-610557	5	15	300	6	Submersible	2	2,000	0
55-900547	20	64	406	8	Submersible	3	2,005	0
55-584368	25	25	630	8	Submersible	2	2,001	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	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)
none	0	0
0	0	0

**BOOSTER PUMPS**

Horsepower	GPM	Quantity
10	100	2
15	150	1
30	200	2
0	0	0

**FIRE HYDRANTS**

Type	Quantity
Standard ***	15
Other	0

**STORAGE TANKS**

Capacity	Material	Quantity
135,000	Metal	1
125,000	Metal	1
65,000	Metal	1

**PRESSURE/BLADDER TANKS**

Capacity	Quantity
55	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	182
3	PVC	3,500	3/4	387
4	PVC	11,500	1	1
5	0	0	1 1/2	4
6	PVC	42,768	Compound 2	7
8	PVC	20,000	Turbine 2	0
10	0	0	Compound 3	3
12	0	0	Turbine 3	0
0	0	0	Compound 4	4
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.

<b>TREATMENT EQUIPMENT:</b>	Chlorine Injector Pumps
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<b>STRUCTURES:</b>	Fenced Well lots, Equipment Buildings and Storage Tanks
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<b>OTHER:</b>	15 KW Solar System
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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:		Kyllo Development DBA Bradshaw			
ADEQ Public Water System Number:		13-062			
Month	Number of Customers	Gallons Sold (thousands) <sup>1</sup>	Gallons Pumped (thousands) <sup>2</sup>	Gallons Purchased (thousands) <sup>3</sup>	Estimated Gallons Authorized Use (thousands) <sup>4</sup>
January	576	2,604	2,927	0	0
February	579	2,128	2,927	0	0
March	580	2,311	3,300	0	0
April	577	2,886	4,118	0	0
May	580	2,968	4,139	0	0
June	581	3,076	4,397	0	0
July	582	4,616	4,595	0	0
August	581	3,936	2,403	0	0
September	583	3,539	1,877	0	0
October	582	3,211	2,569	0	0
November	581	2,656	3,450	0	0
December	585	2,974	3,588	0	0
<b>Totals</b>		<b>36,905</b>	<b>40,290</b>	<b>0</b>	<b>0</b>

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:**  
 None

**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.

Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/16

ADEQ System No. :	13-062
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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	8	0
February	0	7	0
March	0	8	0
April	0	2	0
May	0	5	0
June	0	6	0
July	0	4	0
August	0	3	0
September	0	6	0
October	0	9	0
November	0	2	0
December	0	6	0
<b>Total</b>	<b>0</b>	<b>66</b>	<b>0</b>

**Other (description):** none

**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.

Kyllo Development Corp. DBA Bradshaw Mountainview Water Company  
Annual Report  
Property Taxes  
12/31/16

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2015 was	
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\$10,917
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If no property taxes paid, explain why.
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None
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<b>Instructions:</b> 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.
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Verification and Statement (Taxes)

APR 19 2017

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

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

County of (county name): Yavapai  
Name (owner or official) title: Stuart McLean  
Company name: Kyllo Development Corp. DBA Bradshaw Mountainview Water Company

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

FOR THE YEAR ENDING: 12/31/16

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.



signature of owner/official

928-300-5764

telephone no.

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

THIS

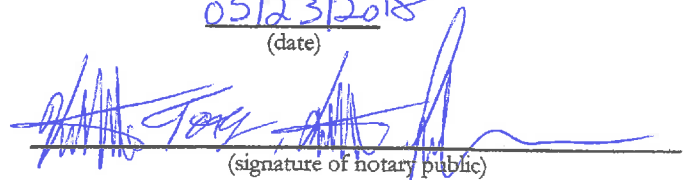
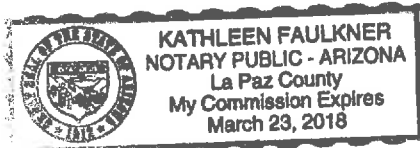
13th

DAY OF

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

MY COMMISSION EXPIRES

03/23/2018  
(date)

  
(signature of notary public)

RECEIVED

APR 19 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement

Verification:

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Yavapai  
Name (owner or official) title: Stuart McLean  
Company name: Kylo Development Corp. DBA Bradshaw Mountainview Water Com

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:

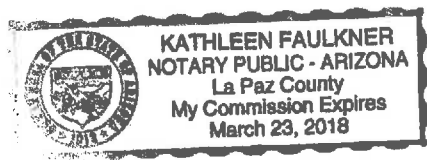
Arizona Intrastate Gross Operating Revenues Only (\$) \$229,575  
(The amount in the box above includes \$12,624 in sales taxes billed or collected)

[Signature]  
signature of owner/official

928-300-5764  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Yavapai  
THIS 13th DAY OF April, 2017  
(month) and (year)

MY COMMISSION EXPIRES 03/23/2018  
(date)



[Signature]  
(signature of notary public)

RECEIVED

Verification and Statement (Residential Revenue)

Verification:

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

APR 19 2017

County of (county name): Yavapai  
Name (owner or official) title: Stuart McLean  
Company name: Kylo Development Corp. DBA Bradshaw Mountainview Water

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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 (\$)

\$229,575  
(The amount in the box above includes  
\$12,624 in sales taxes  
billed or collected)

[Signature]

signature of owner/official

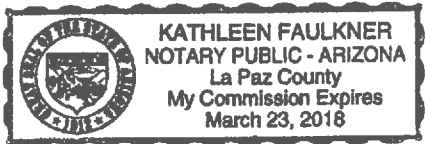
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IN AND FOR THE COUNTY

Yavapai  
(county name)

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(month) and (year)

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[Signature]  
(signature of notary public)