

ANNUAL REPORT

Of

Company Name:

Forest Highlands Water Company
2425 William Palmer

Mailing Address:

Flagstaff AZ
86005

Docket No.:

W-02493A

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

59-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Forest Highlands Water Company
A Class Utility

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

2. Address:

2425 William Palmer			
City: Flagstaff	State: Arizona	Zip Code: 86005	

3. Telephone Number:

928-525-5219

4. Date of Original Organization of Utility:

9/22/1987

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

Name:

Caitlin Ebbs

Telephone No. :

928-525-5219

Address:

2425 William Palmer			
City: Flagstaff	State: Arizona	Zip Code: 86005	

Email:

cebbs@fhgc.com

6. On-Site Manager:

Name:

Bill Strauss

Telephone No. :

928-525-5254

Address:

2425 William Palmer			
City: Flagstaff	State: Arizona	Zip Code: 86005	

Email:

bstrauss@fhgc.com; pashbrook@fhgc.com

7. Ownership:

"C" Corporation

8. Counties Served:

Coconino

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	\$104,284	\$0	\$0	\$104,284	\$0	\$104,284
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	202,124	0	0	202,124	113,038	89,086
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	1,586,401	0	0	1,586,401	1,059,790	526,612
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	1,445,598	14,644	0	1,460,243	1,295,165	165,078
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	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	191,269	0	0	191,269	118,225	73,044
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,687,340	0	0	1,687,340	952,527	734,813
333	Services	175,200	0	0	175,200	129,344	45,856
334	Meters and Meter Installations	62,547	1,044	0	63,591	59,987	3,604
335	Hydrants	226,995	0	0	226,995	128,252	98,743
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	67,199	0	0	67,199	63,574	3,626
340	Office Furniture and Equipment	6,781	0	0	6,781	6,781	0
340.1	Computer & Software	32,801	0	0	32,801	28,937	3,864
341	Transportation Equipment	301,315	0	0	301,315	191,313	110,002
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,252	725
344	Laboratory Equipment	1,327	0	0	1,327	1,327	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	9,203	0	0	9,203	8,283	920
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	601,302	462,949
	Totals	\$7,166,614	\$15,688	\$0	\$7,182,302	\$4,759,097	\$2,423,205

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.

May 8, 2017

To Whom it May Concern,

We do not calculate depreciation the same way your spreadsheet does. The Depreciation Expense calculated on AR4, J56 is not correct. Our Depreciation Expense in 2016 was \$106,716. To achieve the correct Net Income on AR6, C57, we added the remainder of our Depreciation on AR6, C55.

Thank you,

Caitlin Ebbs

Assistant Controller
Forest Highlands Utilities
2425 William Palmer
Flagstaff, AZ 86005
928-525-5219

Forest Highlands Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/16

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	\$104,284	\$0	\$0	\$104,284	\$104,284	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	
303	Land and Land Rights	0	0	0	0	0	0.00%	
304	Structures and Improvements	202,124	0	0	202,124	113,038	3.33%	6,737
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	
307	Wells and Springs	1,586,401	0	0	1,586,401	1,059,790	3.33%	55,954
308	Infiltration Galleries	0	0	0	0	0	0.00%	
309	Supply Mains	0	0	0	0	0	0.00%	
310	Power Generation Equipment	0	0	0	0	0	0.00%	
311	Pumping Equipment	1,445,598	14,644	0	1,460,243	1,294,311	12.50%	22,599
320	Water Treatment Equipment	0	0	0	0	0	-	
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	-	
330.1	Storage Tanks	191,269	0	0	191,269	118,225	2.50%	4,782
330.2	Pressure Tanks	0	0	0	0	0	0.00%	
331	Transmission and Distribution Mains	1,687,340	0	0	1,687,340	952,527	2.00%	34,079
333	Services	175,200	0	0	175,200	129,344	3.33%	5,840
334	Meters and Meter Installations	62,547	1,044	0	63,591	59,947	8.33%	810
335	Hydrants	226,995	0	0	226,995	128,252	2.00%	4,540
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	
339	Other Plant and Misc. Equipment	67,199	0	0	67,199	63,574	6.67%	4,401
340	Office Furniture and Equipment	6,781	0	0	6,781	6,781	33.33%	377
340.1	Computer & Software	32,801	0	0	32,801	28,937	33.33%	4,926
341	Transportation Equipment	301,315	0	0	301,315	191,313	20.00%	45,760
342	Stores Equipment	0	0	0	0	0	0.00%	
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,252	5.00%	99
344	Laboratory Equipment	1,327	0	0	1,327	1,327	10.00%	
345	Power Operated Equipment	0	0	0	0	0	0.00%	
346	Communication Equipment	9,203	0	0	9,203	8,283	16.66%	920
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	
348	Other Tangible Plant	1,064,251	0	0	1,064,251	601,302	2.00%	21,285
	Subtotal	\$7,166,614	\$15,688	\$0	\$7,182,302	\$4,862,487		\$213,109

Contribution(s) in Aid of Construction (Gross)	\$5,642,728
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	3,841,056
Amortizable Contribution(s)	\$1,801,672
Times: Proposed Amortization Rate	9.19%
Amortization of CIAC	\$165,510

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Forest Highlands 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.	Current and Accrued Assets			
131	Cash		\$67,911	\$149,113
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		9,257	(5,524)
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		126	971
162	Prepayments		0	(318)
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$77,294	\$144,241
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$7,166,614	\$7,182,302
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(4,545,986)	(4,759,097)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,620,627	\$2,423,205
	Total Assets		\$2,697,921	\$2,567,446

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

Forest Highlands Water Company
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		\$2,613	\$2,130
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		164,386	264,239
	Total Current Liabilities		\$166,999	\$266,369
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,920,432	1,814,565
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$1,920,432	\$1,814,565
	Total Liabilities		\$2,087,431	\$2,080,933
	Capital Accounts			
201	Common Stock Issued		\$4,861,824	\$4,861,824
211	Other Paid-In Capital		1,365,909	1,365,909
215	Retained Earnings		(5,617,242)	(5,741,220)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$610,490	\$486,513
	Total Liabilities and Capital		\$2,697,921	\$2,567,446

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!

Forest Highlands Water Company
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	\$460,431	\$457,529
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	8,281	9,057
	Total Revenues	\$468,712	\$466,586
	Operating Expenses		
601	Salaries and Wages	\$225,841	\$231,456
604	Employee Pensions and Benefits	66,256	67,545
610	Purchased Water		
615	Purchased Power	56,376	53,011
618	Chemicals	348	(70)
620	Materials and Supplies	15,876	18,697
620.1	Repairs and Maintenance	3,344	15,784
620.2	Office Supplies and Expense	7,712	9,244
630	Contractual Services		
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	29,960	29,960
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	(592)	868
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property	11,784	11,784
642	Rental of Equipment	2,609	28
650	Transportation Expenses	11,488	12,180
657	Insurance - General Liability	20,139	21,400
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
675	Miscellaneous Expense	18,698	12,773
403	Depreciation Expense (From Schedule AR4)	47,599	103,514
408	Taxes Other Than Income	13	5
408.11	Property Taxes	16,071	18,095
409	Income Taxes	50	50
	Total Operating Expenses	\$533,573	\$606,321
	Operating Income / (Loss)	(\$64,861)	(\$139,735)
	Other Income / (Expense)		
419	Interest and Dividend Income		\$500
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)	(581)	(78)
427	Interest (Expense)	(58,536)	
	Total Other Income / (Expense)	(\$59,117)	\$422
	Net Income / (Loss)	(\$123,978)	(\$139,313)

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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	none	none	none	none
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	none	none	none	none
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:	\$12,893
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Meter Deposits Refunded During the Test Year:	\$1,044
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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.

Water Utility Plant Description

Name of the System: Forest Highlands Water Company
 ADEQ Public Water System Number: 04-03-073

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)
55-514733	40	82	1,195	12	submersible	4	1986	0.0015
55-515547	40	68	1,405	12	submersible	4	1986	<.0010
55-517583	75	115	1,250	12	submersible	4	1987	0.0021
55-588893	30	60	1,380	10	submersible	4	2002	0.0026

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

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10		5

FIRE HYDRANTS	
Type	Quantity
Standard ***	180
Other	0

STORAGE TANKS		
Capacity	Material	Quantity
500,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
0	0

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	C-900	130	5/8 X 3/4		
3	C-900	2,640	3/4	736	
4			1	5	
5			1 1/2	3	
6	C-900	17,383	Compound 2	9	
8	C-900	59,292	Turbine 2	0	
10	C-900	25,154	Compound 3	0	
12	C-900	3,162	Turbine 3	0	
			Compound 4	0	
			Turbine 5	0	
			Compound 6	0	
			Turbine 6	0	
			6+	0	

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

TREATMENT EQUIPMENT:	
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STRUCTURES:	5 10 HP booster pumps; Diesel Fire Pump; 3 Well Houses; Booster Station Building, Well Vault,
--------------------	---

OTHER:	
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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:		Forest Highlands Water Company			
ADEQ Public Water System Number:		04-03-073			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	747	0	0	0	0
February	747	0	2,697	0	2,697
March	747	5,150	6,373	0	6,373
April	747	2,650	7,352	0	7,352
May	748	7,500	13,254	0	13,254
June	748	8,210	26,245	0	26,245
July	750	12,250	16,137	0	16,137
August	750	9,050	5,956	0	5,956
September	753	12,290	6,422	0	6,422
October	753	8,370	2,087	0	2,087
November	753	7,670	5,144	0	5,144
December	753	8,940	10	0	10
Totals		91,677	91,677	0	91,677

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, and other sold gallons such as Construction water.
- 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.

**Forest Highlands Arsenic Levels per Well
System # 04-03-073**

Results in mg/L

Well # 1 0.0015 (2011, next sample 2020)

Well # 3 <0.0010 (2008, next sample 2017)

Well # 4 0.0021 (2011, next sample 2020)

Well # 5b 0.0026 (2014, next sample 2017)

Forest Highlands Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	04-03-073
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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	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):

No Shutoffs

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.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2016 was

\$16,071

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.

Forest Highlands Water Company
Annual Report
Verification and Statement (Taxes)
12/31/16

RECEIVED
MAY 09 2017

Verification and Statement (Taxes)

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): COCONINO
Name (owner or official) title: PATRICIA ASHBROOK, SECRETARY
Company name: Forest Highlands 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]
signature of owner/official
928-525-5219
telephone no.

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

THIS 04th DAY OF Coconino
05-2017
(month) and (year)

MY COMMISSION EXPIRES 9-13-2019
(date)

[Signature]
(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: PATRICIA ARNBERG, SECRETARY

Company name: Forest Highlands Water Company

RECEIVED

MAY 09 2017

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 DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$468,712

(The amount in the box above includes

\$31,570 in sales taxes
billed or collected)

signature of owner/official

928-525-5219

telephone no.

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

THIS

8th

DAY OF

Coconino
(county name)

May 2017
(month) and (year)

MY COMMISSION EXPIRES

09-13-2019
(date)



Robin Lee Ayers
(signature of notary public)

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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): COCONINO
Name (owner or official) title: PATRICIA ASHBROOK, SECRETARY
Company name: Forest Highlands 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: 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 (\$)

\$468,712

(The amount in the box above includes

\$31,570 in sales taxes billed or collected)

[Handwritten Signature]

signature of owner/official

928-525-5219

telephone no.

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

Coconino
(county name)

THIS 8th DAY OF May 2017
(month) and (year)

MY COMMISSION EXPIRES 9-13-2019
(date)



[Handwritten Signature]
(signature of notary public)