

ANNUAL REPORT

Of

Company Name:
2425 William Palmer

Mailing Address: Flagstaff AZ
86005

Docket No.: W-02493A
For the Year Ended:

RECEIVED
APR 13 2018
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:
Application Date:

4-16-18

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

1. For the Calendar Year Ended: 12/31/17

2. Address:

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

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:

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

Email:

6. On-Site Manager:

Name:
Telephone No. :
Address:

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

Email:

7. Ownership:

8. Counties Served:

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	\$104,284	\$0
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	107,080	95,044
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	1,023,510	562,891
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	1,460,242	32,833	\$0	1,493,075	977,287	515,788
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	98,233	93,036
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,687,340	0	0	1,687,340	1,280,352	406,988
333	Services	175,200	0	0	175,200	0	175,200
334	Meters and Meter Installations	63,591	1,583	\$0	65,174	55,947	9,228
335	Hydrants	226,995	0	0	226,995	0	226,995
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	67,199	0	0	67,199	63,574	3,625
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	44,229	0	345,544	191,313	154,231
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	0	1,977
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	8,284	919
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	1,024,281	39,970
	Totals	\$7,182,300	\$78,645	\$0	\$7,260,945	\$4,971,189	\$2,289,756

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
 Depreciation Expense for the Current Year (Water)
 12/31/17

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	0	3.33%	0
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	1,586,401	0	0	1,586,401	0	3.33%	0
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	1,460,242	32,833	0	1,493,075	1,086,089	12.50%	20,577
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
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	0.00%	0
330.1	Storage Tanks	191,269	0	0	191,269	0	2.50%	6,137
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	1,687,340	0	0	1,687,340	0	2.00%	17,872
333	Services	175,200	0	0	175,200	0	3.33%	0
334	Meters and Meter Installations	63,591	1,583	0	65,174	54,410	8.33%	756
335	Hydrants	226,995	0	0	226,995	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	67,199	0	0	67,199	15,437	6.67%	0
340	Office Furniture and Equipment	6,781	0	0	6,781	0	33.33%	0
340.1	Computer & Software	32,801	0	0	32,801	1,522	33.33%	1,362
341	Transportation Equipment	301,315	44,229	0	345,544	72,517	20.00%	53,868
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	0	5.00%	0
344	Laboratory Equipment	1,327	0	0	1,327	1,327	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	9,203	0	0	9,203	0	16.66%	920
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	0	2.00%	110,600
	Subtotal	\$7,182,300	\$78,645	\$0	\$7,260,945	\$1,335,586		\$212,092

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 3.58%
 Amortization of CIAC \$64,489

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.

**This is not our Depreciation Expense. See attached financials* Page 4

Forest Highlands Water Company
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$149,113	\$156,777
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		(5,524)	9,427
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		971	287
162	Prepayments		(318)	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$144,242	\$166,492
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$7,182,300	\$7,260,945
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(4,759,097)	(4,971,189)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,423,203	\$2,289,756
	Total Assets		\$2,567,445	\$2,456,248

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 (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$2,130	\$1,788
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		264,239	405,737
	Total Current Liabilities		\$266,369	\$407,525
	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		1,814,565	1,711,447
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$1,814,565	\$1,711,447
	Total Liabilities		\$2,080,934	\$2,118,972
	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		(5,741,220)	(5,890,449)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$486,513	\$337,284
	Total Liabilities and Capital		\$2,567,447	\$2,456,256

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
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$492,971	\$460,431
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	8,634	8,281
	Total Revenues	\$501,605	\$468,712
	Operating Expenses		
601	Salaries and Wages	\$237,569	\$225,841
604	Employee Pensions and Benefits	67,203	66,256
610	Purchased Water	0	0
615	Purchased Power	69,488	56,376
618	Chemicals	178	348
620	Materials and Supplies	19,107	15,876
620.1	Repairs and Maintenance	15,286	3,344
620.2	Office Supplies and Expense	8,175	7,712
630	Contractual Services	4,166	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	46,900	29,960
633	Contractual Services - Legal	488	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,872	(592)
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	11,784	11,784
642	Rental of Equipment	0	2,609
650	Transportation Expenses	16,034	11,488
657	Insurance - General Liability	17,358	20,139
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,247	0
675	Miscellaneous Expense	13,962	18,698
403	Depreciation Expense (From Schedule AR4)	147,603	47,599
408	Taxes Other Than Income	0	13
408.11	Property Taxes	14,850	16,071
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$693,320	\$533,572
	Operating Income / (Loss)	(\$191,715)	(\$64,860)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	(581)
427	Interest (Expense)	0	(58,536)
	Total Other Income / (Expense)	\$0	(\$59,117)
	Net Income / (Loss)	(\$191,715)	(\$123,977)

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	none	none	none	none
ACC Decision No.	none	none	none	none
Reason for Loan	none	none	none	none
Dollar Amt. Issued	none	none	none	none
Amount Outstanding	none	none	none	none
Date of Maturity	none	none	none	none
Interest Rate	none	none	none	none
Current Year Interest	none	none	none	none
Current Year Principal	none	none	none	none

Meter Deposit Balance at Test Year End:	\$16,750
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Meter Deposits Refunded During the Test Year:	\$2,715
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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	
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	
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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	none	none
none	none	none

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10		5
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard ***	180
Other	0

STORAGE TANKS		
Capacity	Material	Quantity
500,000	Steel	1
0	0	0
0	0	0

PRESSURE/BLADDER TANKS	
Capacity	Quantity
none	none
none	none
none	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. Copy and paste this sheet as many times as is necessary.

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

** 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)			CUSTOMER METERS	
MAINS			Size (inches)	Quantity
Sizes (inches)	Material	Length (feet)		
2.00	ACP, C900	130	0.75	736
3.00	ACP, C900	2,640	1	3
4.00			1.5	3
5.00			2	2
6.00	ACP, C900	17,383		
8.00	ACP, C900	59,292		
10.00	ACP, C900	25,154		
12.00	ACP, C900	3,162		

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

TREATMENT EQUIPMENT:	n/a
STRUCTURES:	Five 10HP Booster Pumps; Diesel Fire Pump; 3 Well Houses; Booster Station Building; Well Vault
OTHER:	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.

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	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	753	2	1,529	0	0	\$313	n/a
February	753	3,445	1,771	0	0	7,725	n/a
March	753	806	1,603	0	0	3,597	n/a
April	754	14,048	14,660	0	0	3,469	n/a
May	754	25,158	25,223	0	0	7,827	n/a
June	756	28,633	29,285	0	0	503	n/a
July	756	9,340	13,770	0	0	7,612	n/a
August	756	6,478	6,007	0	0	8,662	n/a
September	758	9,021	10,323	0	0	14,494	n/a
October	759	12,368	14,455	0	0	5,832	n/a
November	760	7,461	9,039	0	0	4,498	n/a
December	762	1,248	1,520	0	0	5,121	n/a
Totals		118,008	129,185	0	0	\$69,651	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:
 n/a however, regarding Column G and H, we have no data as to the kWh used for solely the water company because we have shared facilities and the water company is a wholly owned subsidiary of a larger corporation. There are not separate Utility meters for the water company by itself as we have shared facilities. We know the costs allocated, but not the kWh.

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.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Forest Highlands Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

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	n/a	n/a	n/a
February	n/a	n/a	n/a
March	n/a	n/a	n/a
April	n/a	n/a	n/a
May	n/a	n/a	n/a
June	n/a	n/a	n/a
July	n/a	n/a	n/a
August	n/a	n/a	n/a
September	n/a	n/a	n/a
October	n/a	n/a	n/a
November	n/a	n/a	n/a
December	n/a	n/a	n/a
Total	0	0	0

Other (description):

n/a

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2017 was \$15,461

If no property taxes paid, explain why.
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.

Forest Highlands Water Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/17

Verification and Sworn Statement (Taxes)

RECEIVED
APR 13 2018

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 Ashbrooke, CEO / 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: 12/31/17

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 12th DAY OF Coconino April 2018
(county name) (month) and (year)

MY COMMISSION EXPIRES 9/13/2019
(date)



Robin Lee Ayers
(signature of notary public)

Verification and Sworn Statement

RECEIVED

APR 13 2018

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 Ashlock, CEO / Secretary UTIL

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: 12/31/17

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 (\$)

\$501,606

(The amount in the box above includes

\$34,912 in sales taxes

billed or collected)

signature of owner/official

928-525-9014

telephone no.

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

THIS

12th

DAY OF

Coconino
(county name)
April 2018
(month) and (year)

MY COMMISSION EXPIRES

9/13/2019
(date)



Robin Lee Ayers
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): COCONINO
Name (owner or official) title: Public Utility
Company name: Forest Highlands Water Company

RECEIVED
APR 13 2018
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: 12/31/17

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 (\$)
\$396,576
(The amount in the box above includes
\$0 in sales taxes
billed or collected)

[Signature]
signature of owner/official
928 525 9014
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Coconino
(county name)
THIS 12th DAY OF April 2018
(month) and (year)
MY COMMISSION EXPIRES 9/13/2019
(date)



Robin Lee Ayers
(signature of notary public)