

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

WS-04235A

Utility Source LLC
20525 E. Chandler Heights Rd.
Queen Creek, AZ 85142-9500

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

ANNUAL REPORT
Water & Wastewater

FOR YEAR ENDING

12	31	2015
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FOR COMMISSION USE

ANN 04-05	15
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4-26-16

COMPANY INFORMATION

Company Name (Business Name) <u>UTILITY SOURCE, LLC</u>		
Mailing Address <u>20525 E Chandler Heights Road</u>		
<u>Queen Creek</u> <small>(City)</small>	<u>Arizona</u> <small>(State)</small>	<u>85142-9500</u> <small>(Zip)</small>
<u>480-892-8756</u>		
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>
Email Address _____		
Local Office Mailing Address <u>SAA</u>		
<small>(Street)</small>		
<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>Local Customer Service Phone No. (Include Area Code)</u> <u>(1-800 or other long distance Customer Service Phone No.)</u>		
Email Address _____ Website address _____		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: <u>Lonnie Mc Cleve</u>			
<small>(Name)</small>		<small>(Title)</small>	
<u>20525 E Chandler Heights Road</u>			
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>Queen Creek</u>		<u>Arizona</u>	<u>85142-9500</u>
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address _____			
On Site Manager: <u>Jeremy McCaleb</u>			
<small>(Name)</small>			
<u>4711 N Bellemont Springs</u>		<u>Bellemont</u>	<u>Arizona</u>
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>928-699-2226</u>			
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address _____			

Statutory Agent: <u>Kent MacKinlay</u>			
(Name)			
<u>1019 S Stapley</u>	<u>Mesa</u>	<u>Arizona</u>	<u>85204</u>
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
Attorney: <u>Moyes, Stellers & Hendricks</u>			
(Name)			
<u>1850 N Central Ave #1100</u>	<u>Phoenix</u>	<u>Arizona</u>	<u>85004</u>
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input checked="" type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input checked="" type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

WATER UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	210,000.00	0	210,000.00
304	Structures and Improvements	97,094.64	30,550.25	66,544.39
307	Wells and Springs	2,831,962.42	970,126.00	1,861,836.42
311	Pumping Equipment	89,125.00 161,618.97	50,950.00 159,438.00	38,175.00 2,180.97
320	Water Treatment Equipment	5,487.00	2,109.00	3,378.00
330	Distribution Reservoirs and Standpipes	491,330.31	85,835.53	405,494.78
331	Transmission and Distribution Mains	161,632.00	35,301.00	126,331.00
333	Services	86,250.00	33,028.00	53,222.00
334	Meters and Meter Installations			
335	Hydrants	34,500.00	7,935.00	26,565.00
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,671.55	1,928.00	2,743.55
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	4,173,671.89	1,377,200.78	2,796,471.11

*This amount goes on the Balance Sheet Acct 108



WATER CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	210,000.00		0
304	Structures and Improvements	97,094.64	3.33%	3,333.25
307	Wells and Springs	2,831,962.42	3.33%	94,304.00
311	Pumping Equipment	89,125.00	5%	4,456.00
		161,618.97	12.5%	363.50
320	Water Treatment Equipment	5,487.00	3.33%	183.00
330	Distribution Reservoirs and Standpipes	491,330.31	2.22%	10,907.53
331	Transmission and Distribution Mains	161,632.00	2%	3,233.00
333	Services	86,250.00	3.33%	2,872.00
334	Meters and Meter Installations			
335	Hydrants	34,500.00	2%	690.00
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,671.55	6.67%	312.00
340.1	Computers & Software			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTAL	4,173,671.89		120,654.28
	Less CIAC Amortization			(10,807.00)
	TOTALS*			109,847.28

This amount goes on the Comparative Statement of Income and Expense Acct No 403

COMPANY NAME *UTILITY SOURCE, LLC*

SEWER UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights	105,000.00	0	105,000.00
354	Structures and Improvements	56,350.00	21,578.00	34,772.00
355	Power Generation Equipment	2,879.00	2,087.00	792.00
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	260,553.00	59,927.00	200,626.00
362	Special Collecting Structures			
363	Services to Customers	60,375.00	13,889.00	46,486.00
364	Flow Measuring Devices			
365	Flow Measuring Installations	3,450.00	3,450.00	0.00
370	Receiving Wells			
380	Treatment and Disposal Equip.	903,992.00	517,434.00	386,558.00
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment	4,671.56	1,928.00	2743.56
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	1,397,270.56	620,293.00	776,977.56

This amount goes on the Balance Sheet Acct No 108

COMPANY NAME *UTILITY SOURCE, LLC*

SEWER CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights	105,000.00		0
354	Structures and Improvements	56,350.00	3.33%	1,876
355	Power Generation Equipment	2,879.00	5%	144
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	260,553.00	2%	5,211
362	Special Collecting Structures			
363	Services to Customers	60,375.00	2%	1,208
364	Flow Measuring Devices			
365	Flow Measuring Installations	3,450.00	10%	0
370	Receiving Wells			
380	Treatment and Disposal Equip.	903,992.00	5%	45,200
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment	4,671.56	6.67%	312
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	SUBTOTAL	1,397,270.56		53,951
	Less CIAC Amortization			(8,283)
	TOTALS*			45,668

*This amount goes on the Comparative Statement of Income and Expense Acct No 403.

Revised

COMPANY NAME *UTILITY SOURCE, LLC*

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3,584.86	\$ 365,524.30
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	100,036.81	109,352.72
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	319.00	319.00
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 103,940.67	\$ 475,196.02
	FIXED ASSETS		
101	Utility Plant in Service	\$ 5,385,717.17	\$ 5,570,942.45
103	Property Held for Future Use		
105	Construction Work in Progress	185,390.06	0.00
108	Accumulated Depreciation – Utility Plant	(1,822,888.50)	(1,997,493.78)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 3,748,218.73	\$ 3,573,448.67
186	Deferred Rate Case Expense	25,369.00	76,971.00
	TOTAL ASSETS	\$ 3,877,528.40	\$ 4,125,615.69

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

revised

COMPANY NAME *UTILITY SOURCE, LLC*

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITES			
231	Accounts Payable	\$ 19,809.07	\$ 2,482.00
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	16,600.00	17,950.00
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	19,067.16	24,423.96
	TOTAL CURRENT LIABILITIES	\$ 55,476.23	\$ 42,373.96
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$ 120,262.28	\$ 100,262.28
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		350,000.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	495,218.00	492,718.00
272	Less: Amortization of Contributions	(200,516.00)	(219,606.00)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 294,702.00	\$ 623,112.00
	TOTAL LIABILITIES	\$ 470,440.51	\$ 768,230.24
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(791,828.86)	(841,531.30)
218	Proprietary Capital (Sole Props and Partnerships)	4,198,916.75	4,198,916.75
	TOTAL CAPITAL	\$ 3,407,087.89	\$ 3,357,385.45
	TOTAL LIABILITIES AND CAPITAL	\$ 3,877,528.40	\$4,125,615.69

revised

COMPANY NAME *UTILITY SURCE, LLC*

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 128,584.30	\$ 229,854.09
460	Unmetered Water Revenue	79,439.00	78,923.00
474	Other Water Revenues	11,807.35	12,217.84
	TOTAL REVENUES	\$ 219,830.65	\$ 320,994.93
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	64,784.27	78,095.29
618	Chemicals		
620	Repairs and Maintenance	2,458.19	6,228.73
621	Office Supplies and Expense	2,386.73	1,991.03
630	Outside Services	9,133.76	28,031.23
635	Water Testing	285.00	136.00
641	Rents		
650	Transportation Expenses	121.16	
657	Insurance – General Liability	2,206.72	2,206.72
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	0.00	0.00
675	Miscellaneous Expense	38,470.18	35,683.55
403	Depreciation Expense	105,350.50	109,847.28
408	Taxes Other Than Income		
408.11	Property Taxes	21,376.68	16,046.80
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 246,573.19	\$ 278,266.63
	OPERATING INCOME/(LOSS)	\$ (26,742.54)	\$ 42,728.30
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$.02	\$ 8.55
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	891.25	127.16
	TOTAL OTHER INCOME/(EXPENSE)	\$ (891.23)	\$ (118.61)
	NET INCOME/(LOSS)	\$ (27,633.77)	\$ 42,609.69

Revised

COMPANY NAME *UTILITY SOURCE, LLC*

WASTEWATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 118,446.28	\$ 115,802.33
522	Measured Revenues		520.00
536	Other Wastewater Revenues		
	TOTAL REVENUES	\$ 118,446.28	\$ 116,322.33
	OPERATING EXPENSES		
701	Salaries and Wages	\$	\$
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	8,160.00	5,460.00
715	Purchased Power	41,713.09	34,049.73
716	Fuel for Power Production		
718	Chemicals	2,465.92	1,116.20
720	Materials and Supplies	2,154.26	6,247.41
731	Contractual Services – Professional	1,054.24	2,393.75
735	Contractual Services – Testing	14,048.00	12,506.00
736	Contractual Services – Other	43,350.00	48,350.00
740	Rents		
750	Transportation Expense	12.66	317.75
755	Insurance Expense	2,206.73	2,206.73
765	Regulatory Commission Expense		
775	Miscellaneous Expense	42,404.24	44,142.88
403	Depreciation Expense	45,840.00	45,668.00
408	Taxes Other Than Income		
408.11	Property Taxes	6,388.31	6,057.40
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 209,797.45	\$ 208,515.85
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$.02	\$ 8.55
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	12.82	127.16
	TOTAL OTHER INCOME/EXPENSE	\$ (12.80)	\$ (118.61)
	NET INCOME/(LOSS)	\$ (91,363.97)	\$ (92,312.13)

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3,584.86	\$ 380,685.05
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	100,036.81	80,242.57
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	319.00	319.00
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 103,940.67	\$ 461,246.62
	FIXED ASSETS		
101	Utility Plant in Service	\$ 5,385,717.17	\$ 5,570,942.45
103	Property Held for Future Use		
105	Construction Work in Progress	185,390.06	0.00
108	Accumulated Depreciation – Utility Plant	(1,822,888.50)	(1,997,493.78)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 3,748,218.73	\$ 3,573,448.67
186	Deferred Rate Case Expense	25,369.00	76,971.00
	TOTAL ASSETS	\$ 3,877,528.40	\$ 4,111,666.29

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 19,809.07	\$ 2,482.00
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	16,600.00	17,950.00
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	19,067.16	38,427.74
	TOTAL CURRENT LIABILITIES	\$ 55,476.23	\$ 58,859.74
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 120,262.28	\$ 100,262.28
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		350,000.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	495,218.00	492,718.00
272	Less: Amortization of Contributions	(200,516.00)	(219,606.00)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 294,702.00	\$ 623,112.00
	TOTAL LIABILITIES	\$ 470,440.51	\$ 782,234.02
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(791,828.86)	(869,484.48)
218	Proprietary Capital (Sole Props and Partnerships)	4,198,916.75	4,198,916.75
	TOTAL CAPITAL	\$ 3,407,087.89	\$ 3,329,432.27
	TOTAL LIABILITIES AND CAPITAL	\$ 3,877,528.40	\$4,111,666.29

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 128,584.30	\$ 219,711.03
460	Unmetered Water Revenue	79,439.00	72,300.00
474	Other Water Revenues	11,807.35	10,802.33
	TOTAL REVENUES	\$ 219,830.65	\$ 302,813.36
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	64,784.27	78,095.29
618	Chemicals		
620	Repairs and Maintenance	2,458.19	6,228.73
621	Office Supplies and Expense	2,386.73	1,991.03
630	Outside Services	9,133.76	28,031.23
635	Water Testing	285.00	136.00
641	Rents		
650	Transportation Expenses	121.16	
657	Insurance – General Liability	2,206.72	2,206.72
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	0.00	0.00
675	Miscellaneous Expense	38,470.18	35,683.55
403	Depreciation Expense	105,350.50	109,847.28
408	Taxes Other Than Income		
408.11	Property Taxes	21,376.68	16,046.80
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 246,573.19	\$ 278,266.65
	OPERATING INCOME/(LOSS)	\$ (26,742.54)	\$ 24,546.73
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$.02	\$ 8.55
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	891.25	127.16
	TOTAL OTHER INCOME/(EXPENSE)	\$ (891.23)	\$ (118.61)
	NET INCOME/(LOSS)	\$ (27,633.77)	\$ 24,428.12

WASTEWATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 118,446.28	\$ 106,030.72
522	Measured Revenues		520.00
536	Other Wastewater Revenues		
	TOTAL REVENUES	\$ 118,446.28	\$ 106,550.72
	OPERATING EXPENSES		
701	Salaries and Wages	\$	\$
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	8,160.00	5,460.00
715	Purchased Power	41,713.09	34,049.73
716	Fuel for Power Production		
718	Chemicals	2,465.92	1,116.20
720	Materials and Supplies	2,154.26	6,247.41
731	Contractual Services – Professional	1,054.24	
735	Contractual Services – Testing	14,048.00	12,506.00
736	Contractual Services – Other	43,350.00	48,350.00
740	Rents		
750	Transportation Expense	12.66	317.75
755	Insurance Expense	2,206.73	2,206.73
765	Regulatory Commission Expense		
775	Miscellaneous Expense	42,404.24	44,142.88
403	Depreciation Expense	45,840.00	45,668.00
408	Taxes Other Than Income		
408.11	Property Taxes	6,388.31	6,057.40
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 209,797.45	\$ 206,122.10
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$.02	\$ 8.55
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	12.82	127.16
	TOTAL OTHER INCOME/EXPENSE	\$ (12.80)	\$ (118.61)
	NET INCOME/(LOSS)	\$ (91,363.97)	\$ (99,689.99)

COMPANY NAME *UTILITY SOURCE, LLC*

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	Various dates 2013	Various dates 2014		
Source of Loan	Lonnie Mc Cleve	Lonnie Mc Cleve		
ACC Decision No.				
Reason for Loan	Supplement construction and operating expenses	Supplement construction and operating expenses		
Dollar Amount Issued	\$ 41,562.51	\$ 58,699.77	\$	\$
Amount Outstanding	\$ 41,562.51	\$ 100,262.28	\$	\$
Date of Maturity	1/02/2019	1/02/2019		
Interest Rate	2%	2%	%	%
Current Year Interest	\$ 831.25	\$ 2,005.25	\$	\$
Current Year Principle	\$ 41,562.51	\$ 100,262.28	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME *UTILITY SOURCE, LLC*

Name of System: *Flagstaff Meadows Water System*

ADEQ Public Water System Number: *03300*

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-203241	125 HP	72 gpm	2,801'	10"	2"	2004
55-598834	50 HP	23 gpm	2,100'	8"	1"	2003
55-593267	10 HP	11 gpm	1,947'	8"	3/4"	2002
55-559096	2 HP	7 gpm	240'	6"	3/4"	1997
See attached for	Additional	Wells				

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15 HP	2	34	
75 HP	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
442,000 gal	1	200 gal	1
258,000 gal	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

ADWR ID Number	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-598623	2 hp	10 gpm	300'	6"		2004
55-564258	2 hp	12 gpm	300'	7"		1998
55-515324	1 hp	5 gpm	105'	8"	3/4	1987
55-503545	1hp	10 gpm	215'	7"	3/4	1982
55-206887	210 hp	280 gpm	2900'	10"	4	2005

COMPANY NAME *UTILITY SOURCE, LLC*

Name of System: *Flagstaff Meadows Water System*

ADEQ Public Water System Number: *03300*

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	C-900	900
8	C-900	14,563
10		
12	C-900	5,890

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	328
1	
1 1/2	
2	4
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT: Peristaltic pump for CL2 injection

STRUCTURES: One pump house, 3 well houses & storage facility, 6' retaining wall around facility, 400' in length

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

Revised

COMPANY NAME: *UTILITY SOURCE, LLC*

Name of System: *Flagstaff Meadows Water System*

ADEQ Public Water System Number: *03300*

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	331	1,633,300	2,284,148	
FEBRUARY	332	1,810,500	2,374,273	
MARCH	329	1,432,317	2,087,198	
APRIL	330	1,703,524	2,483,497	
MAY	332	3,394,070	4,596,988	
JUNE	332	2,191,364	3,243,173	
JULY	330	2,052,577	3,228,056	
AUGUST	332	1,910,980	2,858,613	
SEPTEMBER	332	1,790,132	2,832,802	
OCTOBER	332	1,618,430	2,381,183	
NOVEMBER	330	1,476,430	2,546,628	
DECEMBER	332	2,191,364	2,284,150	
TOTALS →		23,204,988	33,200,709	0

*includes gallons pumped at bulk standpipe

What is the level of arsenic for each well on your system? <.001 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes () No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: <i>UTILITY SOURCE, LLC</i>	
Name of System: <i>Flagstaff Meadows Water System</i>	ADEQ Public Water System Number: <i>03300</i>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2014

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	331	1,633,300	2,284,148	
FEBRUARY	332	1,810,500	2,374,273	
MARCH	329	1,432,317	2,087,198	
APRIL	330	1,703,524	2,483,497	
MAY	332	3,394,070	4,596,988	
JUNE	332	2,191,364	3,243,173	
JULY	330	2,052,577	3,228,056	
AUGUST	332	1,910,980	2,858,613	
SEPTEMBER	332	1,790,132	2,832,802	
OCTOBER	332	1,618,430	2,381,183	
NOVEMBER	0	-	2,289,494	
DECEMBER	330	1,476,430	2,546,628	
TOTALS →		21,013,624	3,320,605*	0

*includes gallons pumped at bulk standpipe

What is the level of arsenic for each well on your system? <.001 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes () No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: UTILITY SOURCE, LLC

Name of System: *Flagstaff Meadows Water System*

ADEQ Public Water System Number: *03300*

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	
FEBRUARY	0	0	
MARCH	0	2	
APRIL	0	1	
MAY	0	0	
JUNE	0	1	
JULY	0	4	
AUGUST	0	1	
SEPTEMBER	0	0	
OCTOBER	0	1	
NOVEMBER	0	3	
DECEMBER	0	5	
TOTALS →	0	18	0

OTHER (description):

COMPANY NAME *UTILITY SOURCE, LLC*

Name of System: *Flagstaff Meadows Wastewater Treatment Plant* **Wastewater Inventory Number (if applicable):**

WASTEWATER COMPANY PLANT DESCRIPTION
TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Extended aeration, stepfeed system
DESIGN CAPACITY OF PLANT (Gallons Per Day)	37,500 gpd Plant #1 100,000 gpd Plant #2

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Pilot Travel Center	2	1.5 HP	50 gpm	1,500 gal
Flagstaff Meadows WWTP	2	3 HP	150gpm	8,000 gal

FORCE MAINS

Size	Material	Length (Feet)
4-inch	SDR-35	2,200'
6-inch		

MANHOLES

Type	Quantity
Standard	60
Drop	

CLEANOUTS

Quantity
1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME <i>UTILITY SOURCE, LLC</i>
Name of System: <i>Flagstaff Meadows Wastewater Treatment Plant</i> Wastewater Inventory Number (if applicable):

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

SERVICES

Size (in inches)	Material	Length (in feet)
4		
6		
8	SDR-35	16,224
10		
12	SDR-35	360
15		
18		
21		
24		
30		

Size (in inches)	Material	Quantity
4	SDR-35	327
6	SDR-35	3
8		
12		
15		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM

SOLIDS PROCESSING AND HANDLING FACILITIES	21,928 gal sludge holding tank-sludge hauled away 3,500 gal sludge holding tank-sludge hauled away
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	1 Peristaltic chemical pump
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Mixed media filter continuous backwash
STRUCTURES (Buildings, Fences, Etc.)	700 sq ft building 2 – 12’ wide rolling gates 6’ cinder block fence; 376 in length
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	

Note: If you are filing for more than one system, please provide separate sheets for each system.

Revised

COMPANY NAME *UTILITY SOURCE, LLC*

Name of System: *Flagstaff Meadows Wastewater Treatment Plant* Wastewater Inventory Number (if applicable):

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	331	2,087,918	72,064
February	332	1,565,963	68,354
March	329	2,006,223	78,905
April	330	1,830,630	68,776
May	332	1,775,113	78,407
June	332	1,899,721	86,994
July	330	1,838,263	89,962
August	332	2,060,051	85,488
September	332	1,839,045	79,830
October	332	1,905,877	86,561
November	330	1,654,941	89,120
December	332	2,087,918	72,064

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE
PER WASTEWATER SYSTEM**

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Surface Water Discharge
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit Number	P104083
ADEQ Reuse Permit Number	R-104083
EPA NPDES Permit Number	AZ 0024708

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME <i>UTILITY SOURCE, LLC</i>
Name of System: <i>Flagstaff Meadows Wastewater Treatment Plant</i> Wastewater Inventory Number (if applicable):

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	331	2,087,918	72,064
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July	330	1,838,263	89,962
August	332	2,060,051	85,488
September	332	1,839,045	79,830
October	332	1,905,877	86,561
November	0	1,511,041	83,205
December	330	1,654,941	89,120

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE
PER WASTEWATER SYSTEM**

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Surface Water Discharge
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit Number	P104083
ADEQ Reuse Permit Number	R-104083
EPA NPDES Permit Number	AZ 0024708

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: UTILITY SOURCE, LLC

Name of System: *Flagstaff Meadows Wastewater Treatment Plant* **Wastewater Inventory Number (if applicable):**

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2- 609.B	Termination with Notice R14-2- 609.C	OTHER
JANUARY	0	0	
FEBRUARY	0	0	
MARCH	0	0	
APRIL	0	2	
MAY	0	3	
JUNE	0	0	
JULY	0	1	
AUGUST	0	0	
SEPTEMBER	0	2	
OCTOBER	0	1	
NOVEMBER	0	0	
DECEMBER	0	0	
TOTALS →	0	9	0

OTHER (description):

COMPANY NAME UTILITY SOURCE, LLC YEAR ENDING 12/31/2015

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2015 was: \$ 22,104.20

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 18 2016

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	AZ CORP COMM Director - Utilities
NAME (OWNER OR OFFICIAL) TITLE Lonnie Mc Cleve	
COMPANY NAME UTILITY SOURCE, LLC	

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

FOR THE YEAR ENDING

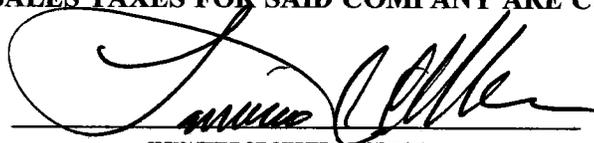
MONTH	DAY	YEAR
12	31	2015

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.



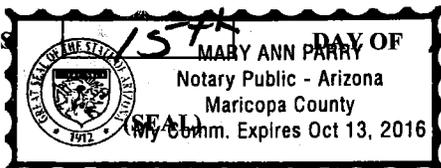
SIGNATURE OF OWNER OR OFFICIAL

480-892-8756
TELEPHONE NUMBER

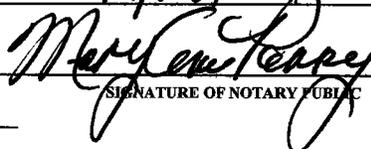
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15TH DAY OF April



COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	20 <u>16</u>


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 10-13-16

COMPANY NAME UTILITY SOURCE, LLC YEAR ENDING 12/31/2015

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported 0
Estimated or Actual State Tax Liability _____

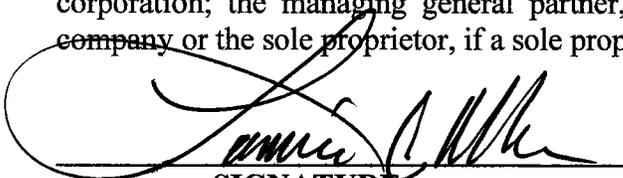
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-15-16
DATE

Lonnie McCleve

PRINTED NAME

Managing Member

TITLE

VERIFICATION AND SWORN STATEMENT () Intrastate Revenues Only

RECEIVED

AUG 29 2016

VERIFICATION STATE OF Arizona I, THE UNDERSIGNED OF THE

Table with 3 rows: COUNTY OF (COUNTY NAME) Maricopa, NAME (OWNER OR OFFICIAL) TITLE Lonnie McCleve, COMPANY NAME UTILITY SOURCE, LLC. Includes stamp: AZ CORP COMM Director - Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with 3 columns: MONTH 12, DAY 31, YEAR 2015

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 REQUIREMENT 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 CALENDAR YEAR 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ 334,757.12

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 15,762.49 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Signature of Lonnie McCleve, SIGNATURE OF OWNER OR OFFICIAL, TELEPHONE NUMBER 480-892-8756

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA THIS DAY OF MARY ANN PARRY Notary Public - Arizona Maricopa County My Comm. Expires Oct 13, 2016

Table with 2 rows: COUNTY NAME MARICOPA, MONTH August 2016

MY COMMISSION EXPIRES 10-13-16

Signature of Mary Ann Parry, SIGNATURE OF NOTARY PUBLIC

Revised

RECEIVED

AUG 18 2016

AZ CORP COMM
Director - Utilities

**VERIFICATION
AND
SWORN STATEMENT (SEWER)
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	Lonnie McCleve
COMPANY NAME	UTILITY SOURCE, LLC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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.

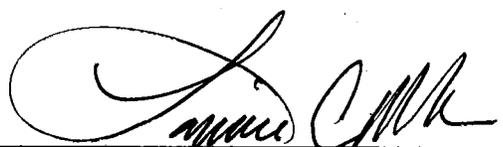
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT 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 CALENDAR YEAR 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>116,322.33</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ -0- IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

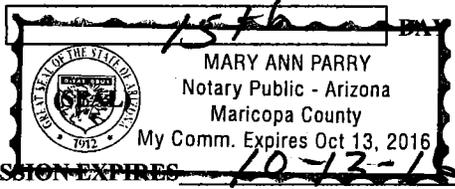


 SIGNATURE OF OWNER OR OFFICIAL
480-892-8756
 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

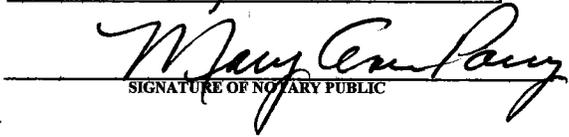
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF



MY COMMISSION EXPIRES 10-13-16

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>August</u> .20 <u>16</u>



 SIGNATURE OF NOTARY PUBLIC

Revised

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE (WATER) Intrastate Revenues Only

RECEIVED

AUG 18 2016 AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

Table with 3 rows: COUNTY OF (COUNTY NAME) Maricopa; NAME (OWNER OR OFFICIAL) Lonnie Mc Cleve TITLE Managing Member; COMPANY NAME UTILITY SOURCE, LLC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with 3 columns: MONTH 12 DAY 31 YEAR 2015

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 40-401.01, 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 CALENDAR YEAR 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 180,811.29

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 10,328.14 IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

Signature of Lonnie Mc Cleve, SIGNATURE OF OWNER OR OFFICIAL, 480-892-8756 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF THIS 15th DAY OF

NOTARY PUBLIC NAME MARY ANN PERRY COUNTY NAME Maricopa MONTH August 2016

(SEAL) MARY ANN PERRY Notary Public - Arizona Maricopa County My Commission Expires 10-13-16

Signature of Mary Ann Perry, SIGNATURE OF NOTARY PUBLIC

Revised

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE (SEWER) Intrastate Revenues Only

RECEIVED AUG 18 2016 AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

Table with 3 rows: COUNTY OF (COUNTY NAME) Maricopa; NAME (OWNER OR OFFICIAL) Lonnie Mc Cleve TITLE Managing Member; COMPANY NAME UTILITY SOURCE, LLC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with 3 columns: MONTH 12 DAY 31 YEAR 2015

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 40-401.01, 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 CALENDAR YEAR 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 83,911.40

THE AMOUNT IN BOX AT LEFT INCLUDES \$ -0- IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

Signature of Lonnie Mc Cleve

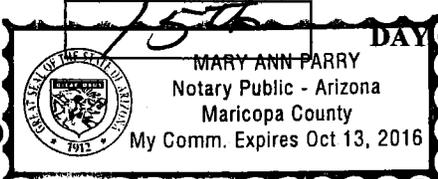
SIGNATURE OF OWNER OR OFFICIAL

480-892-8756 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF



(SEAL)

MY COMMISSION EXPIRES 10-13-16

NOTARY PUBLIC NAME MARY ANN PARRY COUNTY NAME Maricopa MONTH August 2016

Signature of Mary Ann Parry

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT (WATER)
Intrastate Revenues Only**

RECEIVED

APR 18 2016

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	Lonnie McCleve
COMPANY NAME	UTILITY SOURCE, LLC

AZ CORP COMM
Director - Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 REQUIREMENT 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 CALENDAR YEAR 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>315,418.58</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 12,605.52
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
480-892-8756

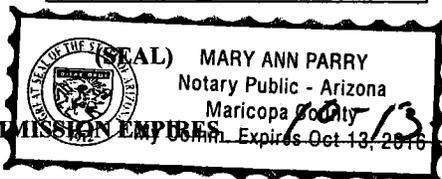
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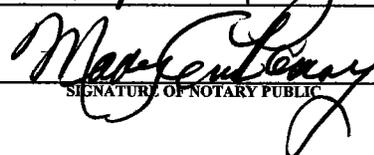
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April 2016</u>





SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 10-13-16

**VERIFICATION
AND
SWORN STATEMENT (SEWER)
Intrastate Revenues Only**

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	Lonnie McCleve
COMPANY NAME	UTILITY SOURCE, LLC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 REQUIREMENT 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 CALENDAR YEAR 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>106,550.72</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ -0-
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
480-892-8756

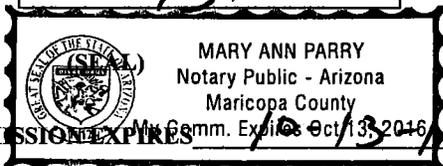
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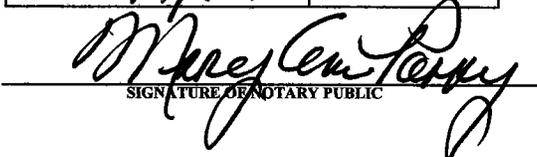
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

COUNTY NAME	Maricopa
MONTH	April 2016





SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Oct 13, 2016

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE (WATER)
Intrastate Revenues Only**

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Lonnie Mc Cleve	TITLE Managing Member
COMPANY NAME UTILITY SOURCE, LLC	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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.

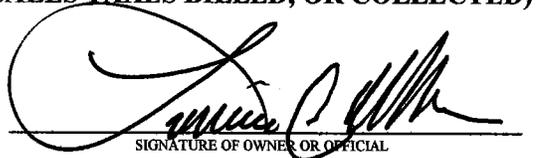
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, 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 CALENDAR YEAR 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>158,158.65</u>

**THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 9,429.94
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL
480-892-8756
TELEPHONE NUMBER

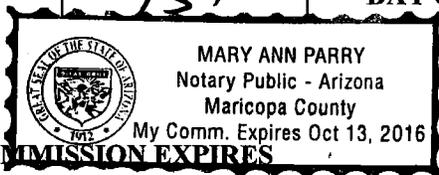
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th **DAY OF**

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME <u>Mary Ann Parry</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	<u>2016</u>


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE (SEWER)
Intrastate Revenues Only**

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Lonnie Mc Cleve	TITLE Managing Member
COMPANY NAME UTILITY SOURCE, LLC	

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 40-401.01, 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 CALENDAR YEAR 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>78,363.15</u>

THE AMOUNT IN BOX AT LEFT INCLUDES \$ -0- IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**

Lonnie C. Mc Cleve

SIGNATURE OF OWNER OR OFFICIAL

480-892-8756

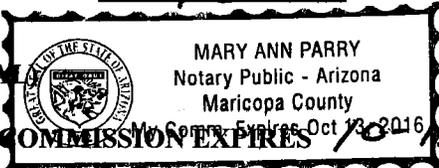
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th **DAY OF**

NOTARY PUBLIC NAME <i>Mary Ann Parry</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>April</i>	YEAR <i>2016</i>

(SEAL)  MY COMMISSION EXPIRES 10-13-16

Mary Ann Parry

SIGNATURE OF NOTARY PUBLIC