ANNUAL REPORT

Of

Company Name: AVM-2005, LLC
6263 N. Scottsdale Rd., Ste. 265

Mailing Address: Scottsdale
85250

Docket No.: W-20496A
For the Year Ended: 12/31/16

RECEIVED
MAY 08, 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

S-8-17
1. For the Calendar Year Ended: 12/31/16

2. Address: 1263 N. Scottsdale Rd. #265
   City: Scottsdale  
   State: AZ  
   Zip Code: 85250

3. Telephone Number: (480) 998-5440

4. Date of Original Organization of Utility: 2005

5. Person to whom correspondence should be addressed concerning this report:
   Name: Sinead Cummins
   Telephone No.: (480) 998-5440
   Address: 1263 N. Scottsdale Rd. #265
   City: Scottsdale  
   State: AZ  
   Zip Code: 85250
   Email: sinead@areadinc.com

6. On-Site Manager:
   Name: Norm Baker
   Telephone No.: (480) 998-5440
   Address: 1263 N. Scottsdale Rd. #265
   City: Scottsdale  
   State: AZ  
   Zip Code: 85250
   Email: norm@areadinc.com

7. Ownership: LIMITED LIABILITY CO.

8. Counties Served: PINAL
<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Original Cost</th>
<th>Accumulated Depreciation</th>
<th>OCLD (OC less AD)</th>
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<td>Structures and Improvements</td>
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<td>Collecting &amp; Improving Reservoirs</td>
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<td>307</td>
<td>Wells and Springs</td>
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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.
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<td>348</td>
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<tr>
<td>Subtotal</td>
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Contribution(s) in Aid of Construction (Gross)
Less: Non Amortizable Contribution(s)
Fully Amortized Contribution(s)
Amortizable Contribution(s)
Times: Proposed Amortization Rate
Amortization of CIAC

Less: Amortization of CIAC

DEPRECIATION EXPENSE: $21,926

Instructions: Fill out the Gray 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.
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<td>2087</td>
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<td>Plant Material and Supplies</td>
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<td>Property Held for Future Use</td>
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<td>292,898</td>
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<td>Construction Work in Progress</td>
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<td>121</td>
<td>Non-Utility Property</td>
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<td>&lt;188,752&gt;</td>
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<td>122</td>
<td>Accumulated Depreciation - Non Utility</td>
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</table>

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
### Balance Sheet Liabilities and Owners Equity

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<td>Notes Payable (Current Portion)</td>
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<td>Notes Payable to Associated Companies</td>
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<td>Accrued Taxes</td>
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<tr>
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<td>Unamortized Premium on Debt</td>
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<td>Advances in Aid of Construction</td>
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<td>255</td>
<td>Accumulated Deferred Investment Tax Credits</td>
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<td>Contributions in Aid of Construction</td>
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<td>Less: Amortization of Contributions</td>
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<td>Total Liabilities and Capital</td>
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**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!
## Water Comparative Income Statement

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<th>Last Year 01/01/2015 - 12/31/2015</th>
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<td>Fire Protection Revenue</td>
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<td>Total Revenues</td>
<td>10,960</td>
<td>11,132</td>
</tr>
<tr>
<td>601</td>
<td>Salaries and Wages</td>
<td>5,561</td>
<td>5,561</td>
</tr>
<tr>
<td>604</td>
<td>Employee Pensions and Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>610</td>
<td>Purchased Water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>615</td>
<td>Purchased Power</td>
<td></td>
<td></td>
</tr>
<tr>
<td>618</td>
<td>Chemicals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>620</td>
<td>Materials and Supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>620.1</td>
<td>Repairs and Maintenance</td>
<td>5,557</td>
<td>4,042</td>
</tr>
<tr>
<td>620.2</td>
<td>Office Supplies and Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>630</td>
<td>Contractual Services</td>
<td>2,400</td>
<td>2,250</td>
</tr>
<tr>
<td>631</td>
<td>Contractual Services - Engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>632</td>
<td>Contractual Services - Accounting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>633</td>
<td>Contractual Services - Legal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>634</td>
<td>Contractual Services - Management Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>635</td>
<td>Contractual Services - Water Testing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>636</td>
<td>Contractual Services - Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>635</td>
<td>Water Testing</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>640</td>
<td>Rents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>641</td>
<td>Rental of Building/Real Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>642</td>
<td>Rental of Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>650</td>
<td>Transportation Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>657</td>
<td>Insurance - General Liability</td>
<td>906</td>
<td>906</td>
</tr>
<tr>
<td>657.1</td>
<td>Insurance - Health and Life</td>
<td></td>
<td></td>
</tr>
<tr>
<td>665</td>
<td>Regulatory Commission Expense - Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>675</td>
<td>Miscellaneous Expense</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>403</td>
<td>Depreciation Expense (From Schedule AR4)</td>
<td>21,926</td>
<td>21,926</td>
</tr>
<tr>
<td>408</td>
<td>Taxes Other Than Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>408.11</td>
<td>Property Taxes</td>
<td>334</td>
<td>571</td>
</tr>
<tr>
<td>409</td>
<td>Income Taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Operating Expenses</td>
<td>59,134</td>
<td>57,986</td>
</tr>
<tr>
<td></td>
<td>Operating Income / (Loss)</td>
<td>(&lt;48,154)</td>
<td>(&lt;46,854)</td>
</tr>
<tr>
<td></td>
<td>Other Income / (Expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>419</td>
<td>Interest and Dividend Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>421</td>
<td>Non-Utility Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>426</td>
<td>Miscellaneous Non-Utility (Expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>427</td>
<td>Interest (Expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Other Income / (Expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net Income / (Loss)</td>
<td>(&lt;48,154)</td>
<td>(&lt;46,854)</td>
</tr>
</tbody>
</table>

**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)

<table>
<thead>
<tr>
<th></th>
<th>Loan #1</th>
<th>Loan #2</th>
<th>Loan #3</th>
<th>Loan #4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Issued</td>
<td>05-04-07</td>
<td>09-01-07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source of Loan</td>
<td>Related Party</td>
<td>Related Party</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACC Decision No.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reason for Loan</td>
<td>Purchase</td>
<td>Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollar Amt. Issued</td>
<td>350,000</td>
<td>44,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount Outstanding</td>
<td>250,000</td>
<td>43,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of Maturity</td>
<td>None</td>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Rate</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Year Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Year Principal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Meter Deposit Balance at Test Year End: 0

Meter Deposits Refunded During the Test Year: 300

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:**

**ADBQ Public Water System Number:**

## Wells

<table>
<thead>
<tr>
<th>ADWR ID No *</th>
<th>Pump Horsepower</th>
<th>Pump Yield (gpm)</th>
<th>Casing Depth (feet)</th>
<th>Casing Diameter (inches)</th>
<th>Pump Motor Type **</th>
<th>Meter Size (inches)</th>
<th>Year Drilled</th>
<th>Arsenic Level (mg/L)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Other Water Sources

<table>
<thead>
<tr>
<th>Name or Description</th>
<th>Capacity (gpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona Water Co.</td>
<td>2400</td>
</tr>
</tbody>
</table>

## Booster Pumps

<table>
<thead>
<tr>
<th>Horsepower</th>
<th>GPM</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Fire Hydrants

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard ***</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

## Storage Tanks

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Material</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Pressure/Bladder Tanks

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

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-XXXXX.

** 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)

<table>
<thead>
<tr>
<th>MAINS</th>
<th>CUSTOMER METERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sizes (inches)</td>
<td>Material</td>
</tr>
<tr>
<td>2</td>
<td>PVC</td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>PVC</td>
</tr>
<tr>
<td>8</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>

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

#### TREATMENT EQUIPMENT:

#### STRUCTURES:

#### OTHER:

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.
### Water Use Data Sheet

**Name of the System:** AVM-2005 848 Saguaro Peak Water

<table>
<thead>
<tr>
<th>Month</th>
<th>Number of Customers</th>
<th>Gallons Sold (thousands)</th>
<th>Gallons Pumped (thousands)</th>
<th>Gallons Purchased (thousands)</th>
<th>Estimated Gallons Authorized Use (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>36</td>
<td>1,514</td>
<td>1,724</td>
<td>1,670</td>
<td>1,724</td>
</tr>
<tr>
<td>February</td>
<td>36</td>
<td>1,742</td>
<td>1,670</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>36</td>
<td>2,704</td>
<td>1,921</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>36</td>
<td>2,694</td>
<td>2,463</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>37</td>
<td>2,404</td>
<td>2,509</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>37</td>
<td>2,498</td>
<td>2,199</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>37</td>
<td>2,157</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>36</td>
<td>2,324</td>
<td>2,053</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>36</td>
<td>1,794</td>
<td>2,575</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>36</td>
<td>2,055</td>
<td>2,026</td>
<td></td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>35</td>
<td>1,498</td>
<td>3,193</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>35</td>
<td>1,540</td>
<td>1,876</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>24,172</strong></td>
<td><strong>0</strong></td>
<td><strong>24,103</strong></td>
<td></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

If the system has fire hydrants, what is the fire flow requirements?  

GPM for ___________ hrs.

Does the system have chlorination treatment?  

**NO**

Is the Water Utility located in an ADWR Active Management Area (AMA)?  

**YES**

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?  

**NO**

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.
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.
### Utility Shutoffs / Disconnects

<table>
<thead>
<tr>
<th>Month</th>
<th>Termination without Notice R14-2-410.B</th>
<th>Termination with Notice R14-2-410.C</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
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<tr>
<td>July</td>
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<tr>
<td>August</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>September</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>November</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Other (description):**

---

**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.
<table>
<thead>
<tr>
<th>Property Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of actual property taxes paid during Calendar Year 2015 was</td>
</tr>
<tr>
<td>2015: 577</td>
</tr>
<tr>
<td>2016: 534</td>
</tr>
<tr>
<td>If no property taxes paid, explain why.</td>
</tr>
</tbody>
</table>

**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.
Verification and Statement (Taxes)

Verification: State of [ARIZONA], the undersigned of the

County of (county name): MARICOPA
Name (owner or official) title: AVM-2005, LLC
Company name: Alaa Alkhamis

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

FOR THE YEAR ENDING: 12/31/16

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

signature of owner/official

(480) 998-5440
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA THIS 18TH DAY OF MAY, 2017

MY COMMISSION EXPIRES 12/23/18

SINEAD SIMMONS
Notary Public, State of Arizona
Maricopa County
My Commission Expires December 28, 2018

Page 15
Verification and Statement

Verification:
State of ARIZONA, the undersigned of the
County of (county name): MARICOPA
Name (owner or official) title: NEIL R. "DAVE" REYNOLDS
Company name: AVM-2005, LLC dba SIGNAL PEAK WATER

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

FOR THE YEAR ENDING: 12/31/16

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREBIN 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 ($)

10,780

(The amount in the box above includes

in sales taxes billed or collected)

signature of owner/official

(480) 998-9140 telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA COUNTY, (county name) THIS 18TH DAY OF MAY, 2017 (month and year)

MY COMMISSION EXPIRES 12/28/18 (date)

SINEAD SIMMONS
Notary Public, State of Arizona
Maricopa County
My Commission Expires December 28, 2018
Verification and Statement (Residential Revenue)

Verification:

State of Arizona, I, the undersigned of the

County of (county name):

Name (owner or official) title: AVM-2005, LLC, dba Signal Peak Water

Company name:

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 HEREBIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

<table>
<thead>
<tr>
<th>Arizona Intrastate Gross Operating Revenues Only ($)</th>
<th>10,980</th>
</tr>
</thead>
</table>

(The amount in the box above includes sales taxes billed or collected)

signature of owner/official

480-998-5440 telephone no.

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

This 1st

DAY OF May, 2017

MY COMMISSION EXPIRES 12/28/18

SINEAD SIMMONS
Netary Public, State of Arizona
Maricopa County
My Commission Expires December 28, 2018
# Signal Peak Water Co.
## Balance Sheet
### As of December 31, 2016

### ASSETS

<table>
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<th>Dec 31, 15</th>
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### LIABILITIES & EQUITY

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Page 1