

OFFICIAL COPY

DIVISION OF

WATER AND SEWER

DO NOT REMOVE FROM FILE OF SC

CLASS "A" OR "B"

WATER and/or WASTEWATER UTILITIES

(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

SU572-03-AR

Fountain Lakes Sewer Corp.

Exact Legal Name of Respondent

442-S

Certificate Numbers

Submitted To The

STATE OF FLORIDA



04 MAR 30 AM 10:36
ECONOMIC REGULATION
PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
SHAWN M. FOLBERG, C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
JEANETTE SUNG, C.P.A.
HOLLY M. TOWNER, C.P.A.
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February 20, 2004

Officers and Directors
Fountain Lakes Sewer Corp.

We have compiled the 2003 Annual Report of Fountain Lakes Sewer Corp. in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Fountain Lakes Sewer Corp. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

Cronin, Jackson, Nixon & Wilson
CRONIN, JACKSON, NIXON & WILSON

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B**

Company: Fountain Lakes Sewer Corp.

For the Year Ended December 31, 2003

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate revenues (521.1 - 521.6)	\$ -	\$ -	\$ -
Total Measured Revenues (522.1 - 522.5)	443,768	443,768	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	1,395	1,395	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
Total Wastewater Operating Revenue	\$ 445,163	\$ 445,163	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 445,163	\$ 445,163	\$ -

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

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EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT December 31, 2003


UTILITY NAME: Fountain Lakes Sewer Corp.

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | |
|------------|-----------|--|
| YES | NO | |
| (X) | () | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES | NO | |
| (X) | () | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES | NO | |
| (X) | () | 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES | NO | |
| (X) | () | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified

1.	2.	3.	4.
(X)	(X)	(X)	(X)



 (signature of the chief executive officer of the utility)
 Bruce W. Engelsma, President

1.	2.	3.	4.
()	()	()	()

 (signature of the chief financial officer of the utility)

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

NOTICE: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

YEAR OF REPORT December 31, 2003

Fountain Lakes Sewer Corp.
 (Exact Name of Utility)

County: Lee

List below the exact mailing address of the utility for which normal correspondence should be sent:

523 South 8th Street
 Minneapolis, MN 55404

Telephone: (612) 305-2927

e-Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number FLS 834

Name and address of person to whom correspondence concerning this report should be addressed:

Robert C. Nixon, CPA
 Cronin, Jackson, Nixon & Wilson, CPA's, PA
 2560 Gulf-to-Bay Blvd, Suite 200
 Clearwater, Florida 34625

Telephone: (727) 791-4020

List below the address of where the utility's books and records are located:

523 South 8th Street
 Minneapolis, MN 55404

Telephone: (612) 305-2927

List below any groups auditing or reviewing the records and operations:

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: 04/01/88

Check the appropriate business entity of the utility as filed with the Internal Revenue Service:

Individual
 Partnership
 Sub S Corporation
 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the utility:

Name	Percent Ownership
1. Kraus-Anderson, Incorporated	75 %
2. Osborne Properties Limited Partnership	25 %
3.	%
4.	%
3.	%
4.	%
5.	%
6.	%
7.	%
8.	%
9.	%
10.	%

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 2003

**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Mary Jo Kelly	Secretary/ Treasurer	Fountain Lakes Sewer Corp	Utility matters
Robert C. Nixon (727) 791-4020	CPA	Cronin, Jackson, Nixon & Wilson	Accounting & rate matters
Martin S. Friedman, Esq (850) 877-6555	Attorney	Rose, Sundstrom & Bentley	Legal matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

UTILITY NAME: Fountain Lakes Sewer Corp.

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

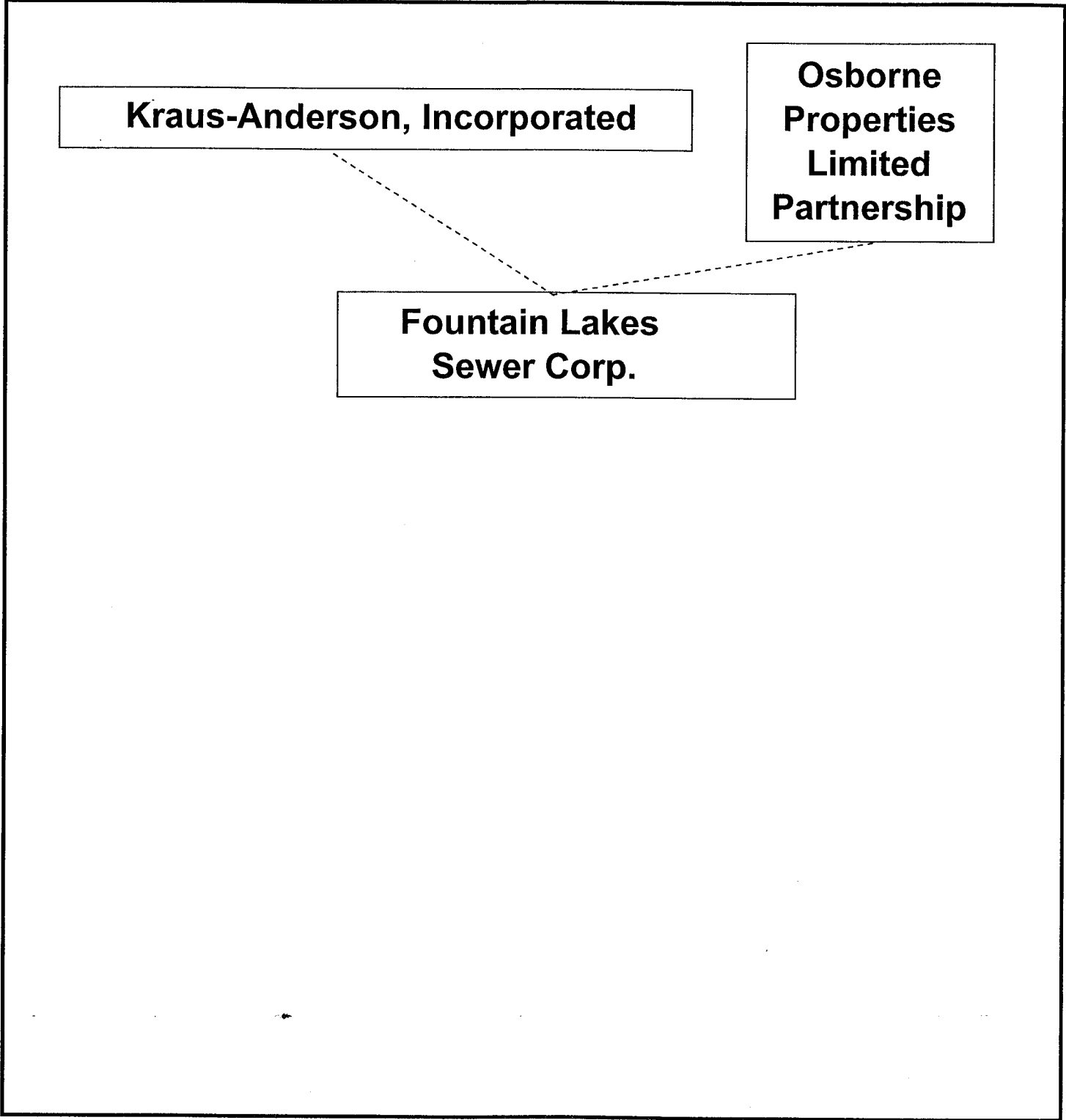
- A. The Company was formed on April 1, 1988, to provide sewer service to the residents of the Fountain Lakes and Marsh Landing Developments, located in Lee County. Water Service is provided by Bonita Springs Utilities, Inc.
- B. The Company provides sewer service only.
- C. To provide quality sewer service to the residents of the Fountain Lakes and Marsh Landing and a fair rate of return to its stockholders.
- D. The Company only provides sewer services.
- E. None - the service area is now built-out
- F. None

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 2003

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/03

Complete below an organizational chart that shows all parents and subsidiaries of the utility. The chart must also show the relationship between the utility and the affiliates listed on E-7, E-10(a) and E-10(b).



UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT December 31, 2003
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
Bruce W. Engelsma	President	5 %	\$ None
Daniel W. Engelsma	Vice President & COO	5 %	\$ None
Janice R. Goebel	Assistant Secretary	1 %	\$ None
Mary Jo Kelly	Secretary/Treasurer	5 %	\$ None
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as an director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Bruce W. Engelsma	Director	1	\$ None
Daniel W. Engelsma	Director	1	\$ None
Janice R. Goebel	Director	1	\$ None
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Fountain Lakes Sewer Corp.

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, and other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on Page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
None		\$	

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 2003

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principal occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Bruce W. Engelsma	Developer	Officer/Director	Fountain Lakes Sewer Corp 523 South 8th Street Minneapolis, MN 55404
		Officer/Director	Kraus-Anderson, Incorporated 523 South 8th Street Minneapolis, MN 55404
		Limited Partner	Osborne Properties 523 South 8th St Minneapolis, MN 55404
Daniel W. Engelsma	Developer	Officer/Director	Fountain Lakes Sewer Corp 523 South 8th St Minneapolis, MN 55404
		Officer/Director	Kraus-Anderson, Incorporated 4210 W. Old Shakopee Rd #200 Bloomington, MN 55437
		Limited Partner	Osborne Properties 523 South 8th St Minneapolis, MN 55404
Janice R. Goebel	Developer	Officer/Director	Fountain Lakes Sewer Corp 523 South 8th St Minneapolis, MN 55404
		Officer	Kraus-Anderson, Incorporated 523 South 8th St Minneapolis, MN 55404

UTILITY NAME: Fountain Lakes Sewer Corp.

BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water and/or sewer service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT December 31, 2003
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6 identifying the parties, amounts, dates and product, asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
 - management, legal and accounting services
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land and equipment
 - rental transactions
 - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Kraus-Anderson, Incorporated	Management, utility development financing, supervision	Open	P	\$ 77,000
	Accounting, tax, billing, all administrative and general activities	Open	P	68,800

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT December 31, 2003
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

- | | |
|--|---|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> - purchase, sale or transfer of equipment. - purchase, sale or transfer of land and structures. - purchase, sale or transfer of securities. - noncash transfers of assets. - noncash dividends other than stock dividends. - writeoff of bad debts or loans. | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (a) Enter name of related party or company. (b) Describe briefly the type of assets purchased, sold or transferred. (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S". (d) Enter the net book value for each item reported. (e) Enter the net profit or loss for each item (column (c) - column (d)). (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value. |
|--|---|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

FINANCIAL

SECTION

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 2003

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 2,193,499	\$ 2,150,851
108-110	Less: Accumulated Depreciation and Amortization	F-8	(879,948)	(809,463)
Net Plant			<u>1,313,551</u>	<u>1,341,388</u>
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			<u>1,313,551</u>	<u>1,341,388</u>
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10	177,795	246,530
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments			<u>177,795</u>	<u>246,530</u>
CURRENT AND ACCRUED ASSETS				
131	Cash		41,640	43,886
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	59,855	66,375
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments		408	524
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			<u>101,903</u>	<u>110,785</u>

* Not Applicable for Class B Utilities

UTILITY NAME: Fountain Lakes Sewer Corp.

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ 2,302	\$ 2,834
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	3,775	5,525
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes		749	5,744
Total Deferred Debits			6,826	14,103
TOTAL ASSETS AND OTHER DEBITS			\$ 1,600,075	\$ 1,712,806

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 7,500	\$ 7,500
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital		200,000	200,000
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(542,109)	(556,194)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital (Deficit)			(334,609)	(348,694)
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	683,380	738,789
Total Long Term Debt			683,380	738,789
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		83,158	20,080
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18	21,728	215
234	Notes Payable to Associated Co.	F-18		84,548
235	Customer Deposits		1,055	1,070
236	Accrued Taxes		20,032	22,656
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	8,066	7,327
Total Current and Accrued Liabilities			134,039	135,896

* Not Applicable for Class B Utilities

UTILITY NAME: Fountain Lakes Sewer Corp.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits	F-21	86,739	102,166
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			86,739	102,166
OPERATING RESERVES				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	1,547,985	1,536,785
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(541,796)	(480,235)
Total Net C.I.A.C.			1,006,189	1,056,550
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		24,337	28,099
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes			24,337	28,099
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 1,600,075	\$ 1,712,806

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 440,634	\$ 445,163
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			440,634	445,163
401	Operating Expenses	F-3(b)	360,897	385,486
403	Depreciation Expense	F-3(b)	81,054	82,234
	Less: Amortization of CIAC	F-22	(60,795)	(61,561)
Net Depreciation Expense			20,259	20,673
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	27,758	24,583
409	Current Income Taxes	W/S-3	2,827	
410.10	Deferred Federal Income Taxes	W/S-3	1,365	1,233
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			413,106	431,975
Net Utility Operating Income			27,528	13,188
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			27,528	13,188

* For each account, column e should agree with columns f, g + h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
N/A	\$ 445,163	N/A
-	445,163	-
	385,486	
-	82,234 (61,561)	
-	20,673	-
	24,583	
	1,233	
	431,975	
N/A	13,188	
	13,188	N/A

* Total of Schedules W-3/S-3 for all rate groups

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ 27,528	\$ 13,188
OTHER INCOME AND DEDUCTIONS				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		9,456	4,771
421	Miscellaneous Nonutility Revenue		29,232	28,243
426	Miscellaneous Nonutility Expenses		(2,880)	(3,586)
Total Other Income and Deductions			35,808	29,428
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		1,036	980
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable to Other Income			1,036	980
INTEREST EXPENSE				
427	Interest Expense	F-19	37,295	27,020
428	Amortization of Debt Discount & Expense	F-13	531	531
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			37,826	27,551
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			24,474	14,085

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	N/A	\$ 2,188,789
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8		(879,948)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22		(1,547,985)
252	Advances for Construction	F-20		
Subtotal				(239,144)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22		541,796
Subtotal				302,652
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)			48,186
	Other (Specify):			
RATE BASE			\$ -	\$ 350,838
NET UTILITY OPERATING INCOME			\$ -	\$ 13,188
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	3.76 %

NOTES:

- (1) Estimated if not known.
 - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
 - (3) Calculation consistent with last rate proceeding.
- In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
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**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A	\$ 2,188,789	N/A	\$ 2,188,789
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress		4,710		4,710
106	Completed Construction Not Classified				
Total Utility Plant		N/A	\$ 2,193,499	N/A	\$ 2,193,499

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	N/A	N/A	\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Plant Acquisition Adjustment		\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization			\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Accumulated Amortization		\$ -	\$ -	\$ -	\$ -
Total Acquisition Adjustments		\$ -	\$ -	\$ -	\$ -

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT December 31, 2003
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**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCTS. 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

UTILITY NAME: Fountain Lakes Sewer Corp.

**INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123-127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): N/A	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (Account 124): KA Mortgage, Inc.	\$ 177,795	\$ 177,795
Total Utility Investments		\$ 177,795
OTHER INVESTMENTS (Account 125): N/A	\$ -	\$ -
Total Other Investments		\$ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
Total Special Funds		\$ -

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
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ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ -	
Wastewater	57,732	
Other	2,122	
Total Customer Accounts Receivable		\$ 59,854
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
_____	\$ -	

Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
_____	\$ -	

Total Notes Receivable		
Total Accounts and Notes Receivable		59,854
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year		
Collections of accounts previously written off		
Utility accounts		
Others		
Total Additions		
Deduct accounts written off during year:		
Utility accounts		
Others		
Total accounts written off		
Balance end of year		
Total Accounts and Notes Receivable - Net		\$ 59,854

UTILITY NAME: Fountain Lakes Sewer Corp.

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ -
Total	\$ -

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
None	\$ -
Total	\$ -

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT December 31, 2003

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
 Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
Long Term Debt - Bank of America	\$ 531	\$ 2,302
Total Unamortized Debt Discount and Expense	\$ 531	\$ 2,302
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
Total Unamortized Premium on Debt	\$ -	\$ -

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$ -
Total Extraordinary Property Losses	\$ -

UTILITY NAME: Fountain Lakes Sewer Corp.

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share	\$ 0.10	\$ 0.10
Shares authorized		75,000
Shares issued and outstanding		75,000
Total par value of stock issued	7,500	7,500
Dividends declared per share for year	None	None
PREFERRED STOCK		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

* Account 204 not applicable for Class B utilities

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A			\$ -
Total			\$ -

* For variable rate obligations, provide the basis for the rate. (I.e.. Prime + 2%, etc)

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 2003

STATEMENT OF RETAINED EARNINGS

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year (Deficit)	\$ (556,194)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	_____
	Total Credits	_____
	Debits: _____	_____
	Total Debits	_____
435	Balance transferred from Income	14,085
436	Appropriations of Retained Earnings: _____	_____
	Total appropriations of Retained Earnings	_____
437	Dividends declared: Preferred stock dividends declared _____	_____
438	Common stock dividends declared _____	_____
	Total Dividends Declared	_____
	Year end Balance	(542,109)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	_____
	Total Retained Earnings (Deficit)	\$ (542,109)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 2003

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			

* For variable rate obligations, provide the basis for the rate. (i.e.. Prime +2%, etc)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Due to Kraus Anderson, Inc.	\$ 21,728
Total	\$ 21,728

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Bank of America	\$ -	427.3	\$ 26,977	\$ 26,977	\$ -
Kraus-Anderson, Inc.	-	427.3	43	43	
Total Account No. 237.1	-		27,020	27,020	-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
None					-
Total Account 237.2	-				
Total Account 237 (1)	\$ -		\$ 27,020	\$ 27,020	\$ -
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 27,020		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 27,020		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest
(2) Must agree to F-3(c), Current Year Interest Expense

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 2003

**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1)		
Contributed Taxes	\$ 7,028	\$ 86,739
Total Regulatory Liabilities	\$ 7,028	\$ 86,739
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
N/A	\$ -	\$ -
Total Deferred Liabilities	\$ -	\$ -
TOTAL OTHER DEFERRED CREDITS	\$ 7,028	\$ 86,739

UTILITY NAME: Fountain Lakes Sewer Corp.

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	N/A	\$ 1,536,785	N/A	\$ 1,536,785
Add credits during year:		11,200		11,200
Less debits charged during				-
Total Contributions In Aid of Construction	\$ -	\$ 1,547,985	\$ -	\$ 1,547,985

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	N/A	\$ 480,235	N/A	\$ 480,235
Debits during year:		61,561		61,561
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction		\$ 541,796		\$ 541,796

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 2003

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)**

<p>1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.</p> <p>2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.</p>		
DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year	F-3 (c)	\$ 14,085
Reconciling items for the year:		
Taxable income not reported on the books:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deductions recorded on books not deducted for return:		
Deferred Taxes		1,233
_____	_____	_____
_____	_____	_____
_____	_____	_____
Income recorded on books not included in return:		
Amortization of Contributed Taxes		7,028
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
Book-Tax depreciation timing difference		6,978
Loss on property disposal		10,498
_____	_____	_____
_____	_____	_____
Federal tax net income (loss)		\$ (9,186)
Computation of tax:		
Estimated net taxable income	\$ (9,186)	
Marginal tax rate	0%	
Estimated tax	\$ -	

WATER OPERATING SECTION

Note: This utility is a wastewater only service; therefore, Pages W-1 through W-14 have been omitted from this report.

**WASTEWATER
OPERATING
SECTION**

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 2,188,789
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	(879,948)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(1,547,985)
252	Advances for Construction	F-20	
	Subtotal		(239,144)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	541,796
	Subtotal		302,652
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		48,186
	Other (Specify):		-
	WASTEWATER RATE BASE		\$ 350,838
	UTILITY OPERATING INCOME	S-3	\$ 13,188
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		3.76 %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	S-9	\$ 445,163
530	Less: Guaranteed Revenue and AFPI	S-9	
	Net Operating Revenues		445,163
401	Operating Expenses	S-10(a)	385,486
403	Depreciation Expense	S-6(a)	82,234
	Less: Amortization of CIAC	S-8(a)	(61,561)
	Net Depreciation Expense		20,673
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		17,086
408.11	Property Taxes		7,497
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		
408	Total Taxes Other Than Income		24,583
409.1	Income Taxes	F-16	
410.10	Deferred Federal Income Taxes		1,233
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		431,975
	Utility Operating Income		13,188
530	Add Back: Guaranteed Revenue (and AFPI)		
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 13,188

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
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WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 19,419	\$ -	\$ -	\$ 19,419
352	Franchises				
353	Land and Land Rights	72,352			72,352
354	Structure and Improvements	5,010			5,010
355	Power Generation Equipment				
360	Collection Sewers - Force	86,801	15,663	3,936	98,528
361	Collection Sewers - Gravity	740,659			740,659
362	Special Collecting Structures				
363	Services to Customers	122,951			122,951
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	188,892	34,024	7,813	215,103
371	Pumping Equipment				
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	912,763			912,763
381	Plant Sewers	2,004			2,004
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment				
390	Office Furniture & Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Total Wastewater Plant	\$ 2,150,851	\$ 49,687	\$ 11,749	\$ 2,188,789

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.
 Note (1): Rounding

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
 December 31, 2003

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ 19,419						
352	Franchises							
353	Land and Land Rights							
354	Structure and Improvements				\$ 72,352			
355	Power Generation Equipment				5,010			
360	Collection Sewers - Force		98,528					
361	Collection Sewers - Gravity		740,659					
362	Special Collecting Structures							
363	Services to Customers		122,951					
364	Flow Measuring Devices							
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells			215,103				
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment & Disposal Equipment				912,763			
381	Plant Sewers				2,004			
382	Outfall Sewer Lines							
389	Other Plant / Miscellaneous Equipment							
390	Office Furniture & Equipment							
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 19,419	\$ 962,138	\$ 215,103	\$ 992,129	\$ -	\$ -	\$ -

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
351	Organization	40.00	%	2.50 %
352	Franchises		%	%
354	Structure and Improvements	32.00	%	3.13 %
355	Power Generation Equipment		%	%
360	Collection Sewers - Force	30.00	%	3.33 %
361	Collection Sewers - Gravity	45.00	%	2.22 %
362	Special Collecting Structures		%	%
363	Services to Customers	38.00	%	2.63 %
364	Flow Measuring Devices		%	%
365	Flow Measuring Installations		%	%
366	Reuse Services		%	%
367	Reuse Meters and Meter Installations		%	%
370	Receiving Wells	25.00	%	4.00 %
371	Pumping Equipment		%	%
374	Reuse Distribution Reservoirs		%	%
375	Reuse Transmission and Distribution System		%	%
380	Treatment & Disposal Equipment	18.00	%	5.56 %
381	Plant Sewers	35.00	%	2.86 %
382	Outfall Sewer Lines		%	%
389	Other Plant / Miscellaneous Equipment		%	%
390	Office Furniture & Equipment		%	%
391	Transportation Equipment		%	%
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment		%	%
394	Laboratory Equipment		%	%
395	Power Operated Equipment		%	%
396	Communication Equipment		%	%
397	Miscellaneous Equipment		%	%
398	Other Tangible Plant		%	%
Wastewater Plant Composite Depreciation Rate *			%	%

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
 December 31, 2003

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ 7,040	\$ 485	\$ -	\$ 485
352	Franchises				
354	Structure and Improvements	1,305	157		157
355	Power Generation Equipment				
360	Collection Sewers - Force	22,044	2,986		2,986
361	Collection Sewers - Gravity	210,802	16,443		16,443
362	Special Collecting Structures				
363	Services to Customers	32,276	3,233		3,233
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	70,480	8,081		8,081
371	Pumping Equipment				
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	464,685	50,792		50,792
381	Plant Sewers	831	57		57
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment				
390	Office Furniture & Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
Total Depreciable Wastewater Plant in Service		\$ 809,463	\$ 82,234	\$ -	\$ 82,234

* Specify nature of transaction.
 Use () to denote reversal entries.

UTILITY NAME Fountain Lakes Sewer Corp.

SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
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ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	7,525
352	Franchises					
354	Structure and Improvements					1,462
355	Power Generation Equipment					
360	Collection Sewers - Force	(3,936)			(3,936)	21,094
361	Collection Sewers - Gravity					227,245
362	Special Collecting Structures					
363	Services to Customers					35,509
364	Flow Measuring Devices					
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells	(7,813)			(7,813)	70,748
371	Pumping Equipment					
374	Reuse Distribution Reservoirs					
375	Reuse Transmission and Distribution System					
380	Treatment & Disposal Equipment					515,477
381	Plant Sewers					888
382	Outfall Sewer Lines					
389	Other Plant / Miscellaneous Equipment					
390	Office Furniture & Equipment					
391	Transportation Equipment					
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					
394	Laboratory Equipment					
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					
398	Other Tangible Plant					
Total Depreciable Wastewater Plant in Service		\$ (11,749)	\$ -	\$ -	\$ (11,749)	\$ 879,948

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT December 31, 2003
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**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (b)
Balance First of Year		\$ 1,536,785
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	S-8(a)	11,200
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	
Total Credits		11,200
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 1,547,985

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all Debits charged to Account 271 during the year below:

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
 December 31, 2003

WASTEWATER CIAC SCHEDULE "A"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY, MAIN
EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Service availability charges	8	\$ 1,400	\$ 11,200
			-
Total Credits			\$ 11,200

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 480,235
Debits during year:	
Accruals charged to Account	61,561
Other Debits (specify):	
Total debits	61,561
Credits during year (specify):	
Total credits	
Balance end of year	\$ 541,796

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
WASTEWATER SALES				
Flat Rate Revenues:				
521.1	Residential Revenues			\$ -
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues			
521.6	Other Revenues			
521	Total Flat Rate Revenues			-
Measured Revenues:				
522.1	Residential Revenues	753	760	\$ 285,659
522.2	Commercial Revenues	2	2	4,158
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	519	518	153,951
522	Total Measured Revenues	1,274	1,280	443,768
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	1,274	1,280	\$ 443,768
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ -
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			1,395
	Total Other Wastewater Revenues			\$ 1,395

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
	Flat Rate Reuse Revenues:			
540.1	Residential Reuse Revenues			\$ -
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
	Measured Reuse Revenues:			
541.1	Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 445,163

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
 December 31, 2003

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 12,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits							
710	Purchased Sewage Treatment							
711	Sludge Removal Expense	1,674					1,674	
715	Purchased Power	25,781					25,781	
716	Fuel for Power Production							
718	Chemicals	3,327					3,327	
720	Materials and Supplies	69,597		19,437			34,340	14,730
731	Contractual Services - Engineering	6,898						
732	Contractual Services - Accounting	302						
733	Contractual Services - Legal	77,000						
734	Contractual Services - Mgt. Fees	221					221	
735	Contractual Services - Testing	149,886					79,692	1,394
736	Contractual Services - Other							
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense							
756	Insurance - Vehicle	487						
757	Insurance - General Liability							
758	Insurance - Workmens Comp.							
759	Insurance - Other							
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense	969			692			
775	Miscellaneous Expenses	36,421					2,350	
	Total Wastewater Utility Expenses	\$ 385,486	\$ -	\$ 19,437	\$ 692	\$ -	\$ 147,385	\$ 16,124

S-10(a)
 GROUP 1

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
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WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES - OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salaries and Wages - Employees	\$ -	\$ 12,923	\$ -		\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders						
704	Employee Pensions and Benefits						
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies		1,090				
731	Contractual Services - Engineering						
732	Contractual Services - Accounting		6,898				
733	Contractual Services - Legal		302				
734	Contractual Services - Mgt. Fees		77,000				
735	Contractual Services - Testing						
736	Contractual Services - Other		68,800				
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense						
756	Insurance - Vehicle		487				
757	Insurance - General Liability						
758	Insurance - Workmens Comp.						
759	Insurance - Other						
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense	969					
775	Miscellaneous Expenses		33,379				
	Total Wastewater Utility Expenses	\$ 969	\$ 200,879	\$ -	\$ -	\$ -	\$ -

S-10(b)
 GROUP 1

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
December 31, 2003

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	760	760
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0	70	350
2"	Displacement, Compound or Turbine	8.0	6	48
3"	Displacement	15.0		
3"	Compound	16.0	2	32
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				1,190

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).
 Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non-residential customer gallons from the total gallons treated.
 Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per

NOTE: Total gallons treated includes both treated and purchased treatment

ERC Calculation:	$\left(\frac{60,998,000}{\text{(total gallons treated)}} / 365 \text{ days} \right) / 250 \text{ gpd} =$	668
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UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT December 31, 2003

WASTEWATER TREATMENT PLANT INFORMATION
 Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	190,000 gpd		
Basis of Permit Capacity (1)	3 Month ADF		
Manufacturer	EMG		
Type (2)	Extended Air		
Hydraulic Capacity	190,000		
Average Daily Flow	167,118		
Total Gallons of Wastewater Treated	60,998,000		
Method of Effluent Disposal	3 Perc Ponds		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Fountain Lakes Sewer Corp.
SYSTEM NAME / COUNTY: Fountain Lakes S / Lee

YEAR OF REPORT
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OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * that system can efficiently serve. 705

2. Maximum number of ERC's * which can be served. 760

3. Present system connection capacity (in ERC's *) using existing lines. 705

4. Future system connection capacity (in ERC's *) upon service area buildout. 760

5. Estimated annual increase in ERC's * . None - service area is built-out

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
Per Consent Order, Carbon absorber odor control system, surge tank covers, additional sludge holding tank, equalization tank between clarifiers, fortify perc pond berms.

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No
If so, when? _____

9. Has the utility been required by the DEP or water management district to implement reuse? No
If so, what are the utility's plans to comply with the DEP? _____

10. When did the company last file a capacity analysis report with the DEP? October 10, 2000 (update July 2003)

11. If the present system does not meet the requirements of DEP rules:
a. Attach a description of the plant upgrade necessary to meet the DEP rules. See Item (8) above
b. Have these plans been approved by DEP? Yes
c. When will construction begin? 2004
d. Attach plans for funding the required upgrading To be funded internally
e. Is this system under any Consent Order of the Yes - Order No. 00-2251-36-DW

11. Department of Environmental Protection ID # 5236P05539

* An ERC is determined based on the calculation on the bottom of Page S-11