

# CLASS "A" OR "B"

## WATER and/or WASTEWATER UTILITIES

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

# ANNUAL REPORT

OF

SU572-06-AR

**Fountain Lakes Sewer Corp.**

---

Exact Legal Name of Respondent

**442-S**

---

Certificate Numbers

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

**YEAR ENDED DECEMBER 31, 2006**

07 MAR 16 AM 9:46  
ECONOMIC REGULATION

07 MAR 16 AM 9:46

07 MAR 16 AM 9:46

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

*JAMES L. CARLSTEDT, C.P.A.*  
*PAUL E. DECHARIO, C.P.A.*  
*KATHERINE U. JACKSON, C.P.A.*  
*ROBERT H. JACKSON, C.P.A.*  
*CHERYL T. LOSEE, C.P.A.*  
*ROBERT C. NIXON, C.P.A.*  
*JEANETTE SUNG, C.P.A.*  
*HOLLY M. TOWNER, C.P.A.*  
*JAMES L. WILSON, C.P.A.*

2560 GULF-TO-BAY BOULEVARD  
SUITE 200  
CLEARWATER, FLORIDA 33765-4432  
(727) 791-4020  
FACSIMILE  
(727) 797-3602  
e-mail  
[cpas@cjmw.net](mailto:cpas@cjmw.net)

March 12, 2007

Officers and Directors  
Fountain Lakes Sewer Corp.

We have compiled the balance sheet of Fountain Lakes Sewer Corp. as of December 31, 2006 and 2005, and the related statements of income and retained earnings for the year(s) then ended, included 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. We have also compiled the supplementary information presented in the prescribed form.

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 accompanying financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

We are not independent with respect to Fountain Lakes Sewer Corp.

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

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	Business Contracts With Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers and Directors	E-8
Directory of Personnel Who Contact the FPSC	E-3	Businesses Which Are A Byproduct, Coproduct or Joint Product of Providing Service	E-9
Company Profile	E-4	Business Transactions With Related Parties - Part I and II	E-10
Parent / Affiliate Organization Chart	E-5		
Compensation of Officers & Directors	E-6		
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Unamortized Debt Discount / Expense / Premium	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Extraordinary Property Losses	F-13
Comparative Operating Statement	F-3	Miscellaneous Deferred Debits	F-14
Schedule of Year End Rate Base	F-4	Capital Stock	F-15
Schedule of Year End Capital Structure	F-5	Bonds	F-15
Capital Structure Adjustments	F-6	Statement of Retained Earnings	F-16
Utility Plant	F-7	Advances From Associated Companies	F-17
Utility Plant Acquisition Adjustments	F-7	Long Term Debt	F-17
Accumulated Depreciation	F-8	Notes Payable	F-18
Accumulated Amortization	F-8	Accounts Payable to Associated Companies	F-18
Regulatory Commission Expense - Amortization of Rate Case Expense		Accrued Interest and Expense	F-19
Nonutility Property	F-9	Misc. Current and Accrued Liabilities	F-20
Special Deposits	F-9	Advances for Construction	F-21
Investments and Special Funds	F-10	Other Deferred Credits	F-21
Accounts and Notes Receivable - Net	F-11	Contributions In Aid Of Construction	F-22
Accounts Receivable From Associated Companies	F-12	Accum. Amortization of C.I.A.C.	F-23
Notes Receivable From Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income For Federal Income Taxes	F-23
Miscellaneous Current and Accrued Assets	F-12		

**TABLE OF CONTENTS**

SCHEDULE	PAGE	SCHEDULE	PAGE
<b>WATER OPERATION SECTION</b>			
Listing of Water System Groups	W-1	CIAC Additions / Amortization	W-8
Schedule of Year End Water Rate Base	W-2	Water Operating Revenue	W-9
Water Operating Statement	W-3	Water Utility Expense Accounts	W-10
Water Utility Plant Accounts	W-4	Pumping and Purchased Water,	
Basis for Water Depreciation Charges	W-5	Source Supply	W-11
Analysis of Entries in Water Depreciation		Water Treatment Plant Information	W-12
Reserve	W-6	Calculation of ERC's	W-13
Contributions in Aid of Construction	W-7	Other Water System Information	W-14
<b>WASTEWATER OPERATION SECTION</b>			
Listing of Wastewater System Groups	S-1	Contributions in Aid of Construction	S-7
Schedule of Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Operating Revenue	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Utility Expense Accounts	S-10
Analysis of Entries in Wastewater Depreciation		Calculation of ERC's	S-11
Reserve	S-5	Wastewater Treatment Plant Information	S-12
Basis for Wastewater Depreciation Charges	S-6	Other Wastewater System Information	S-13

**EXECUTIVE**

**SUMMARY**

**CERTIFICATION OF ANNUAL REPORT**

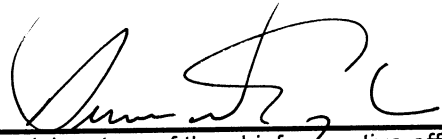
<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
---------------------------------------------------

UTILITY NAME: Fountain Lakes Sewer Corp.

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

- |              |           |                                                                                                                                                                                                                                                                                                                      |
|--------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| YES<br>( X ) | NO<br>( ) | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.                                                                                                                                                                                 |
| YES<br>( X ) | NO<br>( ) | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.                                                                                                                                                                                           |
| YES<br>( X ) | NO<br>( ) | 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<br>( X ) | NO<br>( ) | 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

\_\_\_\_\_  
 (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, 2006

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: maryjo.kelly@k-a-c.com

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, 2006

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

<b>NAME OF COMPANY REPRESENTATIVE (1)</b>	<b>TITLE OR POSITION (2)</b>	<b>ORGANIZATIONAL UNIT TITLE (3)</b>	<b>USUAL PURPOSE FOR CONTACT WITH FPSC</b>
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:

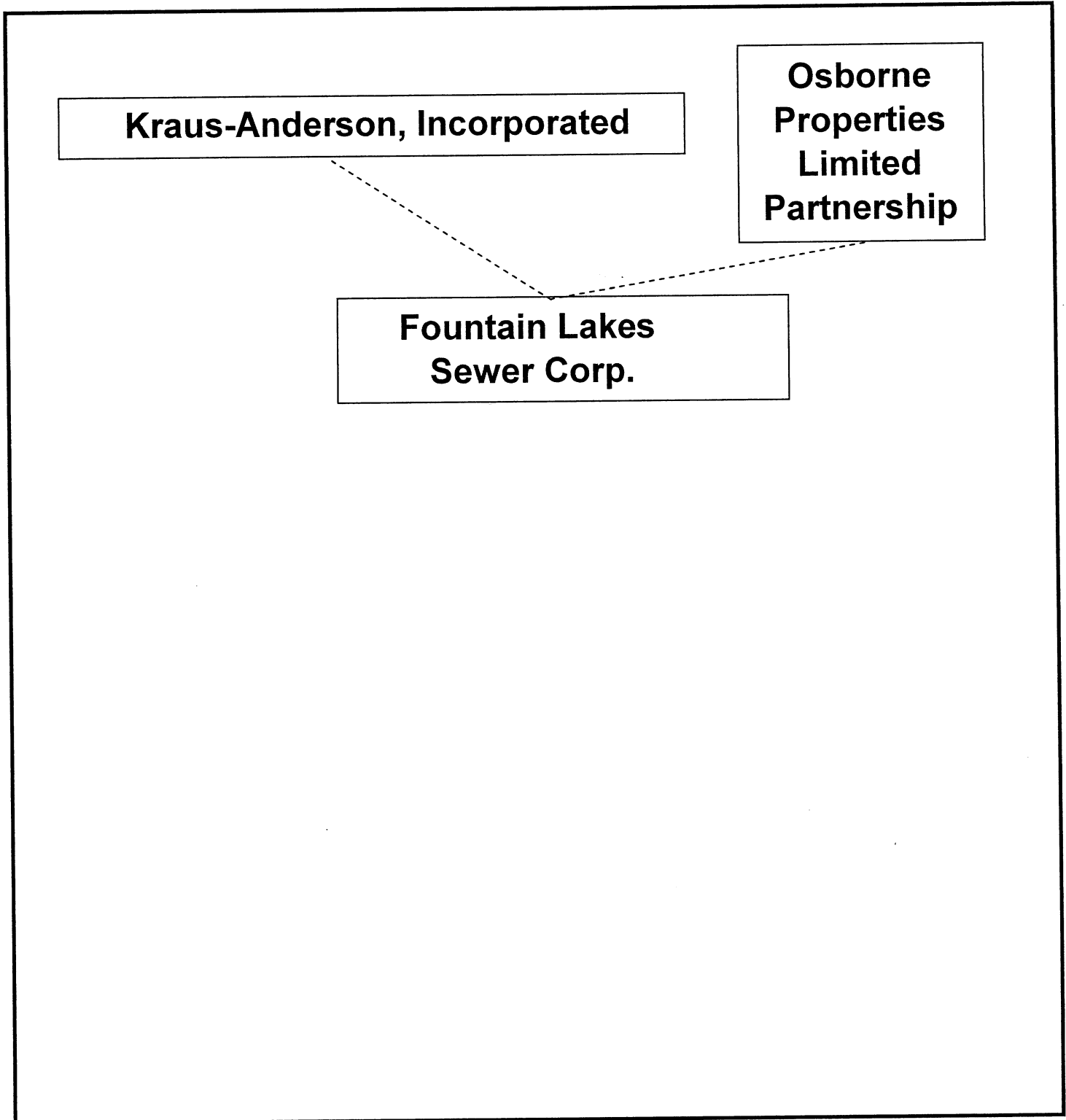
- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

- 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.

**PARENT / AFFILIATE ORGANIZATION CHART**  
Current as of 12/31/06

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.

<b>YEAR OF REPORT</b> December 31, 2006
--------------------------------------------

**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
Rosemary A. Manthe	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 a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Bruce W. Engelsma	Director	2	\$ None
Daniel W. Engelsma	Director	2	\$ None
Mary Jo Kelly	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.

**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.

<b>NAME (a)</b>	<b>PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)</b>	<b>AFFILIATION OR CONNECTION (c)</b>	<b>NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)</b>
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 Limited Partnership 523 South 8th St Minneapolis, MN 55404
		Officer/Governor	Osborne Properties GP, LLC 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 Limited Partnership 523 South 8th St Minneapolis, MN 55404
		Officer/Governor	Osborne Properties GP, LLC 523 South 8th St Minneapolis, MN 55404
Mary Jo Kelly	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.

<b>YEAR OF REPORT</b> December 31, 2006
--------------------------------------------

**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.

**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:
 

<ul style="list-style-type: none"> <li>- management, legal and accounting services</li> <li>- computer services</li> <li>- engineering &amp; construction services</li> <li>- repairing and servicing of equipment</li> </ul>	<ul style="list-style-type: none"> <li>- material and supplies furnished</li> <li>- leasing of structures, land and equipment</li> <li>- rental transactions</li> <li>- sale, purchase or transfer of various products</li> </ul>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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	\$ 42,000
	Accounting, tax, billing, all administrative and general activities	Open	P	67,200

UTILITY NAME: Fountain Lakes Sewer Corp.

<b>YEAR OF REPORT</b> December 31, 2006
--------------------------------------------

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

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

1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.

2. Below are examples of some types of transactions to include:

- 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.

3. The columnar instructions follow:

- (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, 2006**

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 2,528,875	\$ 2,464,897
108-110	Less: Accumulated Depreciation and Amortization	F-8	(1,127,226)	(1,053,193)
Net Plant			1,401,649	1,411,704
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,401,649	1,411,704
<b>OTHER PROPERTY AND INVESTMENTS</b>				
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		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments				
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		61,239	37,456
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	63,250	63,693
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			
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			124,489	101,149

\* Not Applicable for Class B Utilities

UTILITY NAME: Fountain Lakes Sewer Corp.

**YEAR OF REPORT**  
**December 31, 2006**

**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	\$ 709	\$ 1,240
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	92,850	152,622
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes		4,085	4,085
Total Deferred Debits			97,644	157,947
TOTAL ASSETS AND OTHER DEBITS			\$ 1,623,782	\$ 1,670,800

\* 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)
<b>EQUITY CAPITAL</b>				
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	(870,085)	(658,413)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital (Deficit)			(662,585)	(450,913)
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	517,153	572,562
Total Long Term Debt			517,153	572,562
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		52,619	14,415
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18		
234	Notes Payable to Associated Co.	F-18	855,882	591,657
235	Customer Deposits		1,600	1,578
236	Accrued Taxes			9,425
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	8,798	6,739
Total Current and Accrued Liabilities			918,899	623,814

\* 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)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits	F-21		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits				
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	1,547,985	1,547,985
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(724,981)	(661,944)
Total Net C.I.A.C.			823,004	886,041
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		27,311	39,296
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes			27,311	39,296
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			<b>\$ 1,623,782</b>	<b>\$ 1,670,800</b>

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 441,309	\$ 444,289
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			441,309	444,289
401	Operating Expenses	F-3(b)	474,632	523,473
403	Depreciation Expense	F-3(b)	89,503	95,144
	Less: Amortization of CIAC	F-22	(57,799)	(63,037)
Net Depreciation Expense			31,704	32,107
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	29,403	28,929
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3	18,826	(11,985)
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			554,565	572,524
Net Utility Operating Income			(113,256)	(128,235)
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)]			(113,256)	(128,235)

\* 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	\$ 444,289	N/A
-	444,289	-
	523,473	
	95,144	
-	(63,037)	
-	32,107	-
	28,929	
	(11,985)	
	572,524	
N/A	(128,235)	
	(128,235)	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)]			\$ (113,256)	\$ (128,235)
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		575	
421	Miscellaneous Nonutility Revenue		25,310	26,093
426	Miscellaneous Nonutility Expenses		(6,780)	(6,512)
Total Other Income and Deductions			19,105	19,581
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income		1,247	1,219
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			1,247	1,219
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	67,454	101,268
428	Amortization of Debt Discount & Expense	F-13	531	531
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			67,985	101,799
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(163,383)	(211,672)

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	\$ 2,440,351
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8		(1,127,226)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22		(1,547,985)
252	Advances for Construction	F-20		
Subtotal				(234,860)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22		724,981
Subtotal				490,121
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		65,434
	Working Capital Allowance (3)			
	Other (Specify):			
			-	-
RATE BASE			\$ -	\$ 555,555
NET UTILITY OPERATING INCOME			\$ -	\$ (128,235)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	-- %

**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.

**SCHEDULE OF CURRENT COST OF CAPITAL  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

<b>CLASS OF CAPITAL (a)</b>	<b>DOLLAR AMOUNT (2) (b)</b>	<b>PERCENTAGE OF CAPITAL (c)</b>	<b>ACTUAL COST RATES (3) (d)</b>	<b>WEIGHTED COST [c x d] (e)</b>
Common Equity	\$ -	%	- %	%
Preferred Stock		%	- %	%
Long Term Debt	517,153	37.00 %	7.81 %	2.8897 %
Customer Deposits	1,600	0.11 %	6.00 %	0.0066 %
Tax Credits - Zero Cost		%	- %	%
Tax Credits - Weighted Cost		%	- %	%
Deferred Income Taxes	23,226	1.66 %	- %	%
Other (Explain)		%	- %	%
Notes Payable - Assoc Co	855,882	61.23 %	8.99 %	5.5046 %
<b>Total</b>	<b>\$ 1,397,861</b>	<b>100.00 %</b>		<b>8.40 %</b>

(1) If the Utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates

**APPROVED RETURN ON EQUITY**

Current Commission Return on Equity: 12.44 %

Commission order approving Return on Equity: PSC-93-1189-FOF-SU

**APPROVED AFUDC RATE**

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate: None %

Commission order approving AFUDC rate: \_\_\_\_\_

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

**YEAR OF REPORT**  
December 31, 2006

**UTILITY NAME:** Fountain Lakes Sewer Corp.

**SCHEDULE "B"**

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE USED FOR AFJDC CALCULATION (g)
Common Equity	\$ (662,585)	\$ -	\$ -	\$ -	\$ 662,585	\$ -
Preferred Stock	-					-
Long Term Debt	517,153					517,153
Customer Deposits	1,600					1,600
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Income Taxes	23,226					23,226
Other (Explain):						
Notes Payable - Assoc Co	855,882					855,882
Total	\$ 735,276	\$ -	\$ -	\$ -	\$ 662,585	\$ 1,397,861

(1) Explain below all adjustments made in Columns (e) and (f)
(1) Remove negative equity

UTILITY NAME: Fountain Lakes Sewer Corp.

**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	\$ 2,440,351	N/A	\$ 2,440,351
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress		88,524		88,524
106	Completed Construction Not Classified				
Total Utility Plant		N/A	\$ 2,528,875	N/A	\$ 2,528,875

**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		\$ -	\$ -	\$ -	\$ -

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b> Account 108				
Balance first of year	N/A	\$ 1,053,193	N/A	\$ 1,053,193
Credits during year:				
Accruals charged:				
to Account 108.1 (1)		95,144		95,144
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
Rounding		2		2
Salvage				
Other Credits (specify) :				
Total credits		95,146		95,146
Debits during year:				
Book cost of plant retired	-	(21,113)		(21,113)
Cost of removal				
Other debits (specify)				
Total debits		(21,113)		(21,113)
Balance end of year	N/A	\$ 1,127,226	N/A	\$ 1,127,226

<b>ACCUMULATED AMORTIZATION</b> Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				
to Account 110.2 (2)				
Other Accounts (specify):				
Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
Total debits				
Balance end of year	N/A	N/A	N/A	N/A

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: Fountain Lakes Sewer Corp.

<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
---------------------------------------------------

**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): N/A	\$ -	\$ -
Total Utility Investments		\$ -
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**  
**December 31, 2006**

**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	60,661	
Other	2,589	
Total Customer Accounts Receivable		\$ 63,250
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
_____	\$ -	
_____		
Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
_____	\$ -	
_____		
Total Notes Receivable		
Total Accounts and Notes Receivable		63,250
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		\$ 63,250



**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.

**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	\$ 709
Total Unamortized Debt Discount and Expense	\$ 531	\$ 709
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.

**MISCELLANEOUS DEFERRED DEBITS**  
**ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	\$ -
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): Operating Permit	9,817	\$ 32,266
Pond Cleaning	82,044	\$ 26,567
Hurricane Costs (Wilma)	9,719	\$ 34,017
Total Other Deferred Debits	\$ 101,580	\$ 92,850
REGULATORY ASSETS (Class A Utilities: Account 186.3): None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ 101,580	\$ 92,850

UTILITY NAME: Fountain Lakes Sewer Corp.

**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
<b>COMMON STOCK</b>		
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
<b>PREFERRED STOCK</b>		
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.

**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)	\$ (658,413)
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	(211,672)
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	(870,085)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____ _____	_____ _____ _____
214	Total Appropriated Retained Earnings	
	Total Retained Earnings (Deficit)	\$ (870,085)
Notes to Statement of Retained Earnings:		

**YEAR OF REPORT**  
December 31, 2006

UTILITY NAME: Fountain Lakes Sewer Corp.

**ADVANCES FROM ASSOCIATED COMPANIES**  
**ACCOUNT 223**  
Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$ -
Total	\$ -

**OTHER LONG TERM DEBT**  
**ACCOUNT 224**

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)	
Bank of America; Issued 5/30/2001; Matures 5/01/2008	7.81 %	LIBOR + 2.5	\$ 517,153
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 517,153

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

UTILITY NAME: Fountain Lakes Sewer Corp.

**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):			
Due to Kraus Anderson Mortgage	10.25 %	P+2%	\$ 376,456
Due to Kraus Anderson, Inc	8.00 %	F	479,426
Total Account 234			\$ 855,882

\* 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)
N/A	\$ -
Total	

**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	\$ 41,825	\$ 41,825	\$ -
Kraus-Anderson Mortgage	-	427.1	22,217	22,217	
KAMC Temp Loan	-	427.1	37,226	37,226	
Total Account No. 237.1	-		101,268	101,268	-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
None					-
Total Account 237.2	-				
Total Account 237 (1)	\$ -		\$ 101,268	\$ 101,268	\$ -
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 101,268		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 101,268		

(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.

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES**  
**ACCOUNT 241**

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Prepaid Storage Fees	\$ 7,997
Prepaid misc expenses	801
<b>Total Miscellaneous Current and Accrued Liabilities</b>	<b>\$ 8,798</b>

**ADVANCES FOR CONSTRUCTION**  
**ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None			\$ -	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
<b>Total</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Report advances separately by reporting group, designating water or wastewater in column (a)

UTILITY NAME: Fountain Lakes Sewer Corp.

**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)  None <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Regulatory Liabilities	\$ _____ -	\$ _____ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)  N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Deferred Liabilities	\$ _____ -	\$ _____ -
TOTAL OTHER DEFERRED CREDITS	\$ _____ -	None

**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	\$ 1,547,985	N/A	\$ 1,547,985
Add credits during year:				-
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	\$ 661,944	N/A	\$ 661,944
Debits during year:		63,037		63,037
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction		\$ 724,981		\$ 724,981

UTILITY NAME: Fountain Lakes Sewer Corp.

<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
---------------------------------------------------

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

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.

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.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year (loss)	F-3(c)	\$ (234,924)
Reconciling items for the year:		
Taxable income not reported on the books:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deductions recorded on books not deducted for return:		
N/A	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Income recorded on books not included in return:		
N/A	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
N/A	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal tax net income (loss)		\$ (234,924)
Computation of tax: The tax return has not been prepared; however, a tax loss is anticipated		

# **WATER OPERATION SECTION**

Fountain Lakes Sewer Corp. is a wastewater only system; therefore, all Water Section Pages have been omitted.

**WASTEWATER  
OPERATION  
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)	\$ 2,440,351
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	(1,127,226)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(1,547,985)
252	Advances for Construction	F-20	
	Subtotal		(234,860)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	724,981
	Subtotal		490,121
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		65,434
	Other (Specify):		-
	WASTEWATER RATE BASE		\$ 555,555
	UTILITY OPERATING INCOME	S-3	\$ (128,235)
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		-- %

- 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	\$ 444,289
530	Less: Guaranteed Revenue and AFPI	S-9	
	Net Operating Revenues		444,289
401	Operating Expenses	S-10(a)	523,473
403	Depreciation Expense	S-6(a)	95,144
	Less: Amortization of CIAC	S-8(a)	(63,037)
	Net Depreciation Expense		32,107
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		19,993
408.11	Property Taxes		8,936
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		
408	Total Taxes Other Than Income		28,929
409.1	Income Taxes	F-16	
410.10	Deferred Federal Income Taxes		(11,985)
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		572,524
	Utility Operating Income (Loss)		(128,235)
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 (Loss)		\$ (128,235)

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

**YEAR OF REPORT**  
**December 31, 2006**

**WASTEWATER UTILITY PLANT ACCOUNTS**

<b>ACCT. NO. (a)</b>	<b>ACCOUNT NAME (b)</b>	<b>PREVIOUS YEAR (c)</b>	<b>ADDITIONS (d)</b>	<b>RETIREMENTS (e)</b>	<b>CURRENT YEAR (f)</b>
351	Organization	\$ 19,419	\$ -	\$ -	\$ 19,419
352	Franchises				
353	Land and Land Rights	72,352			72,352
354	Structure and Improvements	5,010	17,751		22,761
355	Power Generation Equipment				
360	Collection Sewers - Force	98,528			98,528
361	Collection Sewers - Gravity	740,659	24,801	18,601	746,859
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	228,459	11,405		239,864
371	Pumping Equipment				
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	1,107,094	3,350	2,512	1,107,932
381	Plant Sewers	8,142	1,543		9,685
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	\$ 2,402,614	\$ 58,850	\$ 21,113	\$ 2,440,351

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

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

**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				\$ 72,352			
354	Structure and Improvements				22,761			
355	Power Generation Equipment							
360	Collection Sewers - Force		98,528					
361	Collection Sewers - Gravity		746,859					
362	Special Collecting Structures		122,951					
363	Services to Customers							
364	Flow Measuring Devices							
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations			239,864				
370	Receiving Wells							
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System				1,107,932			
380	Treatment & Disposal Equipment				9,685			
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant / Miscellaneous Equipme							
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	\$ 968,338	\$ 239,864	\$ 1,212,730	\$ -	\$ -	\$ -

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 / Lee

YEAR OF REPORT  
 December 31, 2006

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e) <sup>1</sup>	TOTAL CREDITS (d + e) (f)
351	Organization	\$ 8,496	\$ 486	-	\$ 486
352	Franchises				
354	Structure and Improvements	1,775	435		435
355	Power Generation Equipment				
360	Collection Sewers - Force	27,656	3,281		3,281
361	Collection Sewers - Gravity	260,130	16,511	1	16,512
362	Special Collecting Structures				
363	Services to Customers	41,977	3,233		3,233
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	88,493	9,367		9,367
371	Pumping Equipment				
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	623,400	61,576	1	61,577
381	Plant Sewers	1,266	255		255
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		\$ 1,053,193	\$ 95,144	\$ 2	\$ 95,146

\* Specify nature of transaction.

Use ( ) to denote reversal entries.

1 Rounding

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

YEAR OF REPORT  
 December 31, 2006

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 (e+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	8,982
352	Franchises					
354	Structure and Improvements					2,210
355	Power Generation Equipment					
360	Collection Sewers - Force					30,937
361	Collection Sewers - Gravity	(18,601)			(18,601)	258,041
362	Special Collecting Structures					
363	Services to Customers					
364	Flow Measuring Devices					45,210
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					97,860
371	Pumping Equipment					
374	Reuse Distribution Reservoirs					
375	Reuse Transmission and Distribution System					
380	Treatment & Disposal Equipment	(2,512)			(2,512)	682,465
381	Plant Sewers					1,521
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		\$ (21,113)	\$ -	\$ -	\$ (21,113)	\$ 1,127,226

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

**YEAR OF REPORT**  
**December 31, 2006**

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
 ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (b)
Balance First of Year		\$ 1,547,985
Add credits during year: Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	S-8(a)	
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	
Total Credits		
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 / Lee

<b>YEAR OF REPORT</b> December 31, 2006
--------------------------------------------

**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)
None	-	\$ 1,400	\$ -
			-
Total Credits			N/A

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

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 661,944
Debits during year:	
Accruals charged to Account	63,037
Other Debits (specify):	
Total debits	63,037
Credits during year (specify):	
Total credits	
Balance end of year	\$ 724,981





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

**YEAR OF REPORT**  
**December 31, 2006**

**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
<b>WASTEWATER SALES</b>				
521.1	Flat Rate Revenues: 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			-
522.1	Measured Revenues: Residential Revenues	760	760	\$ 293,975
522.2	Commercial Revenues	2	2	2,445
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	518	518	145,497
522	Total Measured Revenues	1,280	1,280	441,917
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	1,280	1,280	\$ 441,917
<b>OTHER WASTEWATER REVENUES</b>				
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)			2,372
	Total Other Wastewater Revenues			\$ 2,372

\* 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				\$ 444,289

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

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

YEAR OF REPORT  
 December 31, 2006

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	\$ 13,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits							
710	Purchased Sewage Treatment	37,800					37,800	
711	Sludge Removal Expense	41,112					41,112	
715	Purchased Power							
716	Fuel for Power Production							
718	Chemicals							
720	Materials and Supplies	68,645		21,363				46,075
731	Contractual Services - Engineering							
732	Contractual Services - Accounting	5,075						
733	Contractual Services - Legal	1,147						
734	Contractual Services - Mgt. Fees	42,000						
735	Contractual Services - Testing							
736	Contractual Services - Other	265,893					105,722	92,413
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense							
756	Insurance - Vehicle	2,575						
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	34						
775	Miscellaneous Expenses	46,018			655		9,817	
	Total Wastewater Utility Expenses	\$ 523,473	\$ -	\$ 21,363	\$ 655	\$ -	\$ 194,451	\$ 138,488

S-10(a)  
 GROUP 1

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

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	\$ -	\$ 13,174	\$ -			\$ -
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		1,207				
731	Contractual Services - Engineering		5,075				
732	Contractual Services - Accounting		1,147				
733	Contractual Services - Legal		42,000				
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing		67,758				
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense						
756	Insurance - Vehicle		2,575				
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	34					
775	Miscellaneous Expenses		35,546				
	Total Wastewater Utility Expenses	\$ 34	\$ 168,482	\$ -	\$ -	\$ -	\$ -

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

**YEAR OF REPORT**  
**December 31, 2006**

**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				<u>1,190</u>

**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:	$\left( \frac{72,158,000}{\text{(total gallons treated)}} / 365 \text{ days} \right) / 250 \text{ gpd} =$	<u>791</u>
------------------	-----------------------------------------------------------------------------------------------------------	------------

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

<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
---------------------------------------------------

**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	MAC Industries		
Type (2)	Extended Air		
Hydraulic Capacity	190,000		
Average Daily Flow	197,693		
Total Gallons of Wastewater Treated	72,158,000		
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 / Lee

YEAR OF REPORT  
December 31, 2006

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. 1,190

2. Maximum number of ERC's \* which can be served. 1,190

3. Present system connection capacity (in ERC's \*) using existing lines. 1,190

4. Future system connection capacity (in ERC's \*) upon service area buildout. 1190

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.  
Complete I & I study and repair / replace problem areas in collection system as required.

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? Yes  
If so, when? October 2004

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? August, 2003  
October 10, 2000

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. \_\_\_\_\_  
b. Have these plans been approved by DEP? \_\_\_\_\_  
c. When will construction begin? \_\_\_\_\_  
d. Attach plans for funding the required upgrading. \_\_\_\_\_  
e. Is this system under any Consent Order of the DEP? \_\_\_\_\_

11. Department of Environmental Protection ID # 5236P05539

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



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

**Company: Fountain Lakes Sewer Corp.**

**For the Year Ended December 31, 2006**

(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)	443,554	443,554	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	735	735	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
<b>Total Wastewater Operating Revenue</b>	<b>\$ 444,289</b>	<b>\$ 444,289</b>	<b>\$ -</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Wastewater Operating Revenues</b>	<b>\$ 444,289</b>	<b>\$ 444,289</b>	<b>\$ -</b>

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).