

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES  
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

WS007

Mr. ~~Joseph Shifano~~ *Michael Murphy*  
Florida Cities Water Company (Barefoot Bay)

WS076

Mr. ~~Joseph Shifano~~ *Michael Murphy*  
Florida Cities Water Company (Lee County)  
4837 Swift Road, Suite 100  
Sarasota, Florida 34231-5157

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1995

Per FPSC records, this utility  
is a **Class A Utility**

OFFICIAL COPY  
DIVISION OF  
WATER AND SEWER  
Do Not Remove from this Office

## GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added; provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission  
Division of Water and Wastewater  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility.

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**CERTIFICATION OF ANNUAL REPORT**

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

YES  NO 
 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES  NO 
 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES  NO 
 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 the financial statement of the utility.

YES  NO 
 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 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.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*[Handwritten Signature]*

(Signature of Chief Executive Officer of the utility) \*

1.	2.	3.	4.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*[Handwritten Signature]*

(Signature of 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, 1999

FLORIDA CITIES WATER COMPNAY  
(Exact Name of Utility)

County: LEE

List below the exact mailing address of the utility for which normal correspondence should be sent:  
4837 SWIFT RD., SUITE 100  
SARARSOTA, FL 34231

Telephone: (941) 925-3088

E Mail Address:

WEB Site:

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

Name and address of person to whom correspondence concerning this report should be addressed:  
MIKE MURPHY  
4837 SWIFT RD., SUITE 100  
SARARSOTA, FL 34231

Telephone: (941) 925-3088

List below the address of where the utility's books and records are located:  
4837 SWIFT RD., SUITE 100  
SARASOTA, FL. 34231

Telephone: (941) 925-3088

List below any groups auditing or reviewing the records and operations:  
ERNST & YOUNG LLP, CERTIFIED PUBLIC ACCOUNTANTS

Date of original organization of the utility: 12/64

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

Individual  Partnershi  Sub S Corporati  1120 Corporation

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

	Name	Percent Ownership
1.	FCWC HOLDINGS, INC.	100%
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

**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
Gerald S. Allen	Chairman, President and Chief Executive Officer		Various
Michael Murphy	V.P. Chief Financial Officer & Treasurer		Financial & Rate Case
Michael Acosta	V.P. Engineering & Operations		Various
K. Gatlin (850) 681-9027	Legal Counsel	Ruden, McCloskey Smith, Schuster & Russell, P.A.	Rate Case

(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.

**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.

On April 15, 1999 FCWC closed on the asset sale of substantially all of its Ft Myers Division to Lee County Utilities and all of its other divisions to the Florida Governmental Utility Authority. The only assets in FCWC's Ft Myers Division not sold to Lee County are related to water distribution within the Town of Ft Myers Beach. Specific financial and statistical data for the Beach within the Ft Myers water division does not seperately exist. Therefore, this 1999 annual report for the Ft. Myers water reporting system contains all financial activity for Ft Myers water for the period January 1, 1999 through April 15, 1999, and all financial activity for the Town of Ft. Myers Beach for the period April 16, 1999 through December 31, 1999. All financial activity for the year ended December 31, 1999 for FCWC's systems othe Ft. Myers water are shown in other than reporting system and included in total company data.



UTILITY NAME: FLORIDA CITIES WATER COMPANY

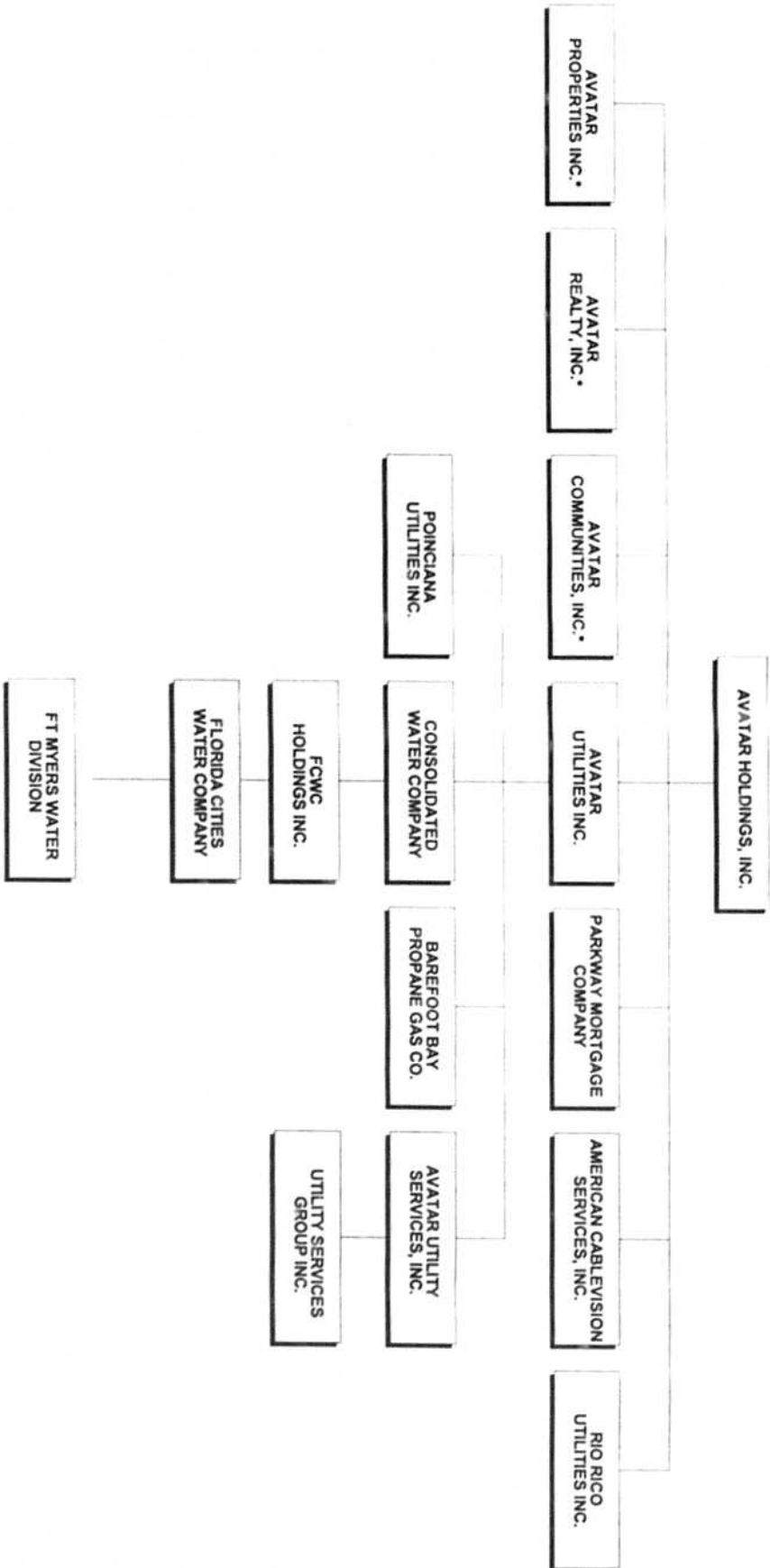
YEAR OF REPORT December 31, 1999
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**PARENT / AFFILIATE ORGANIZATION CHART**

Current as of 12/31/99 \_\_\_\_\_

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

See Attached



\* Parent company of other related corporations

**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 THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Gerald S. Allen	Chairman, President and Chief Executive Officer	5.00%	\$ 7,500
Michael Murphy	V.P. Chief Financial Officer & Treasurer	5.00%	\$ 4,250
Michael Acosta	V.P. Engineering & Operations	5.00%	\$ 4,000
Anita Chubbuck	Secretary	5.00%	\$ 1,408

**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)
G.S. Allen	Chairman	11	\$ 0
D.J. Getman	Director	11	\$ 0
C.L. McNairy	Director	11	\$ 0
M. Acosta	Director	11	\$ 0

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

<p>List all contracts, agreements, or 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.</p>			
<p>NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)</p>	<p>IDENTIFICATION OF SERVICE OR PRODUCT (b)</p>	<p>AMOUNT (c)</p>	<p>NAME AND ADDRESS OF AFFILIATED ENTITY (d)</p>
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.

**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, list the principle occupation or business 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)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)		
G. S. Allen	Chairman of the Board	Parent	Avatar Utilities Inc.		
	President and Chief				
	Executive Officer				
				Affiliate	Consolidated Water Company
				"	FCWC Holdings Inc
M. E. Murphy	V.P. & Treasurer	Parent	Avatar Utilities Inc.		
	V.P. & Treasurer				
	V.P. & Treasurer				
	V.P., C.F.O. & Treasurer				
	V.P. & Treasurer			Affiliate	Consolidated Water Company
	Treasurer			"	FCWC Holdings Inc
Treasurer	"	Poinciana Utilities Inc.			
M. Acosta	V.P Engineering and Operations	Affiliate	Poinciana Utilities Inc.		
	" "			"	Barefoot Bay Propane Gas Co.
A.J. Chubbuck	Secretary	Parent	Avatar Utilities Inc.		
	"				
	"			Affiliate	Consolidated Water Company
	"			"	FCWC Holdings Inc
	"			"	Poinciana Utilities Inc.
"	"	Barefoot Bay Propane Gas Co.			
	"	"	Avatar Utility Services, Inc.		
	"	"	Utility Services Group Inc.		

**BUSINESSES WHICH ARE A BY-PRODUCT, COPRODUCT OR JOINT-PRODUCT  
RESULT OF PROVIDING WATER OR WASTEWATER SERVICE**

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

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCOUNT NUMBER (c)	REVENUES GENERATED (d)	ACCOUNT NUMBER (e)	EXPENSES INCURRED (f)	ACCOUNT NUMBER (g)
NONE	\$		\$		\$	

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

List each contract, agreement, or other business transaction exceeding a cumulative amount entered into between the Respondent and a business or financial organization, firm, or partner E-2 and E-6, identifying the parties, amounts, dates and product, and 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
  - material and supplies furnished
  - computer services
  - leasing of structures, land, and equipment
  - engineering & construction services
  - rental transactions
  - repairing and servicing of equipment
  - 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 (S)old (d)	AMOUNT (e)
Avatar Utility Services	Data Processing, Meter Reading	Jan - Dec 1999	P	174,863
Avatar Utilities Inc.	Management	Jan - Apr 14, 1999	P	23,310
Avatar Utilities Inc.	Royalties	Jan - Apr 14, 1999	P	19,479

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

**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  
 -write-off 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 reported. (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)
Avatar Utility Services, Inc.	Office Furniture and Equipment	352,722	352,722	0	352,722



**FINANCIAL  
SECTION**

COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 182,865,019	\$ 6,585,455
108-110	Less: Accumulated Depreciation and Amortization	F-8	60,534,618	1,835,660
Net Plant			\$ 122,330,401	\$ 4,749,795
114-115	Utility Plant Acquisition adjustment (Net)	F-7	0	0
116 *	Other Utility Plant Adjustments		0	0
Total Net Utility Plant			\$ 122,330,401	\$ 4,749,795
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9	\$ 0	\$ 0
122	Less: Accumulated Depreciation and Amortization		0	0
Net Nonutility Property			\$ 0	\$ 0
123	Investment In Associated Companies	F-10	0	0
124	Utility Investments	F-10	0	0
125	Other Investments	F-10	0	0
126-127	Special Funds	F-10	0	0
Total Other Property & Investments			\$ 0	\$ 0
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		\$ (274,504)	\$ 2,751,876
132	Special Deposits	F-9	0	0
133	Other Special Deposits	F-9	0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	1,798,903	146,319
145	Accounts Receivable from Associated Comp	F-12	54,899	(23,948)
146	Notes Receivable from Associated Companies	F-12	0	0
151-153	Material and Supplies		211,468	0
161	Stores Expense		0	0
162	Prepayments		241,754	(1,661)
171	Accrued Interest and Dividends Receivable		0	23,880
172 *	Rents Receivable		0	
173 *	Accrued Utility Revenues		1,399,456	90,785
174	Misc. Current and Accrued Assets	F-12	0	0
Total Current and Accrued Assets			\$ 3,431,976	\$ 2,987,251

\* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$ 437,922	\$ 0
182	Extraordinary Property Losses	F-13	0	0
183	Preliminary Survey & Investigation Charges		727,814	0
184	Clearing Accounts		76,650	0
185 *	Temporary Facilities		0	0
186	Misc. Deferred Debits	F-14	7,611,855	0
187 *	Research & Development Expenditures		0	0
190	Accumulated Deferred Income Taxes		0	0
Total Deferred Debits			\$ 8,854,241	\$ 0
TOTAL ASSETS AND OTHER DEBITS			\$ 134,616,618	\$ 7,737,046

\* 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)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 2,103,300	\$ 2,103,300
204	Preferred Stock Issued	F-15	5,400,000	0
202,205	Capital Stock Subscribed		0	0
203,206	Capital Stock Liability for Conversion		0	0
207 *	Premium on Capital Stock		0	0
209 *	Reduction in Par or Stated Value of Capital Stock		0	0
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock		0	0
211	Other Paid - In Capital		4,088,192	4,088,192
212	Discount On Capital Stock		0	0
213	Capital Stock Expense		0	0
214-215	Retained Earnings	F-16	20,590,134	(3,606,932)
216	Reacquired Capital Stock		0	0
218	Proprietary Capital (Proprietorship and Partnership Only)		0	0
<b>Total Equity Capital</b>			\$ 32,181,626	\$ 2,584,560
<b>LONG TERM DEBT</b>				
221	Bonds	F-15	28,609,833	0
222 *	Reacquired Bonds		0	0
223	Advances from Associated Companies	F-17	0	0
224	Other Long Term Debt	F-17	0	0
<b>Total Long Term Debt</b>			\$ 28,609,833	\$ 0
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		644,771	377,860
232	Notes Payable	F-18	1,843,827	0
233	Accounts Payable to Associated Companies	F-18	61,450	0
234	Notes Payable to Associated Companies	F-18	0	0
235	Customer Deposits		1,200,078	112,901
236	Accrued Taxes	W/S-3	900,430	317,930
237	Accrued Interest	F-19	250,647	112,432
238	Accrued Dividends		0	0
239	Matured Long Term Debt		1,666,167	0
240	Matured Interest		0	0
241	Miscellaneous Current & Accrued Liabilities	F-20	1,067,426	497,211
<b>Total Current &amp; Accrued Liabilities</b>			\$ 7,634,796	\$ 1,418,334

\* Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ 200,655	\$ 0
252	Advances For Construction	F-20	3,282,380	0
253	Other Deferred Credits	F-21	1,435,881	838,460
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			\$ 4,918,916	\$ 838,460
OPERATING RESERVES				
261	Property Insurance Reserve		\$ 0	\$ 0
262	Injuries & Damages Reserve		0	0
263	Pensions and Benefits Reserve		0	0
265	Miscellaneous Operating Reserves		(448,434)	0
Total Operating Reserves			\$ (448,434)	\$ 0
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 91,797,172	\$ 3,806,118
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	33,300,926	910,426
Total Net C.I.A.C.			\$ 58,496,246	\$ 2,895,692
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 7,083,918	\$ 0
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			0
283	Accumulated Deferred Income Taxes - Other		(3,860,283)	
Total Accumulated Deferred Income Tax			\$ 3,223,635	\$ 0
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 134,616,618	\$ 7,737,046

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 28,008,060	\$ 9,876,482
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	112,473	29,485
Net Operating Revenues			\$ 27,895,587	\$ 9,846,997
401	Operating Expenses	F-3(b)	\$ 14,239,857	\$ 5,159,439
403	Depreciation Expense:	F-3(b)	\$ 6,491,970	\$ 2,135,216
	Less: Amortization of CIAC	F-22	2,866,635	938,861
Net Depreciation Expense			\$ 3,625,335	\$ 1,196,355
406	Amortization of Utility Plant Acquisition Adjus	F-3(b)	0	0
407	Amortization Expense (Other than CIAC)	F-3(b)	0	0
408	Taxes Other Than Income	W/S-3	2,559,344	870,566
409	Current Income Taxes	W/S-3	1,808,999	563,073
410.10	Deferred Federal Income Taxes	W/S-3	(129,057)	(37,257)
410.11	Deferred State Income Taxes	W/S-3	(18,942)	(5,129)
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	0	0
412.10	Investment Tax Credits Deferred to Future Peri	W/S-3	(81,000)	(20,250)
412.11	Investment Tax Credits Restored to Operating	W/S-3	0	0
Utility Operating Expenses			\$ 22,004,536	\$ 7,726,797
Net Utility Operating Income			\$ 5,891,051	\$ 2,120,200
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	112,473	29,485
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)]			\$ 6,003,524	\$ 2,149,685

For each account,  
Column e should  
agree with Cloumns  
f, g and h  
on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 (f)	WASTEWATER SCHEDULE S-3 (g)	OTHER THAN REPORTING SYSTEMS (h)
4,134,404	\$ _____	\$ 5,742,078
8,379	_____	21,106
\$ 4,126,025	\$ _____	\$ 5,720,972
\$ 2,019,756	\$ _____	\$ 3,139,683
766,572	_____	1,368,644
383,181	_____	555,680
\$ 383,391	\$ _____	\$ 812,964
0	_____	0
0	_____	0
432,472	_____	438,094
276,295	_____	286,778
(9,261)	_____	(27,996)
(712)	_____	(4,417)
(9,813)	_____	(10,437)
0	_____	0
\$ 3,092,128	\$ _____	\$ 4,634,669
\$ 1,033,897	\$ _____	\$ 1,086,303
8,379	_____	21,106
_____	_____	_____
_____	_____	_____
\$ 1,042,276	\$ _____	\$ 1,107,409

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

## COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 6,003,524	\$ 2,149,685
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ 5,747	\$ 1,254
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		0	0
419	Interest and Dividend Income		21,564	248,802
420	Allowance for Funds Used in Construction		82,403	32,750
421	Nonutility Income		37,930	113,067,563 <b>Note 1</b>
426	Miscellaneous Nonutility Expenses		(17,942)	(466,774)
Total Other Income and Deductions			\$ 129,702	\$ 112,883,595
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income		\$ 0	\$ 0
409.20	Income Taxes		28,811	(40,866,640) <b>Note 1</b>
410.20	Provision for Deferred Income Taxes		0	0
411.20	Provision for Deferred Income Taxes - Credit		(28,811)	0
412.20	Investment Tax Credits - Net		0	0
412.30	Investment Tax Credits Restored to Operating Income		0	0
Total Taxes Applicable To Other Income			\$ 0	\$ (40,866,640)
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	\$ 2,549,604	\$ 838,690
428	Amortization of Debt Discount & Expense	F-13	80,971	19,020
429	Amortization of Premium on Debt	F-13	0	0
Total Interest Expense			\$ 2,630,575	\$ 857,710
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$ 0	\$ 0
434	Extraordinary Deductions		0	0
409.30	Income Taxes, Extraordinary Items		0	0
Total Extraordinary Items			\$ 0	\$ 0
<b>NET INCOME</b>			<b>\$ 3,502,651</b>	<b>\$ 73,308,930</b>

Explain Extraordinary Income:

<b>Note 1:</b> Gain on asset sale on April 15, 1999 to Lee County and Florida Governmental Utility Authority	\$113,067,563
Income taxes on asset sale	40,866,640
Gain on asset sale net of income taxes	<u>\$72,200,923</u>



**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	\$ 6,585,455	\$
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	1,835,660	_____
110	Accumulated Amortization	F-8	0	_____
271	Contributions In Aid of Construction	F-22	3,806,118	_____
252	Advances for Construction	F-20	0	_____
Subtotal			\$ 943,677	\$ _____
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	910,426	
Subtotal			\$ 1,854,103	\$ _____
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7	0	_____
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	0	_____
	Working Capital Allowance (3)		252,470	_____
	Other (Specify): _____ _____ _____			_____ _____ _____
RATE BASE			\$ 2,106,573	\$ _____
NET UTILITY OPERATING INCOME			\$ 1,042,276	\$ _____
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			49.48%	_____

**NOTES :** The rate base above is for South Fort Myers Beach only. Operating income above is for North Fort Myers and South Fort Myers for the period 1/1/99 - 4/15/99, plus South Fort Myers Beach only for the period 4/16/99 - 12/31/99. Assets of North Fort Myers and South Fort Myers, except assets of South Fort Myers Beach, were sold to Lee County on 4/15/99. Therefore, the calculated rate of return is not meaningful. Operating income for South Fort Myers Beach only for the year 1999 cannot be broken out since it was combined in Florida Cities Water Company's financial records with the portion sold 4/15/99.

- (1) Estimate based on the methodology used in the last rate proceeding.
  - (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

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 2,103,300	94.91%	9.14%	8.67%
Preferred Stock	0			
Long Term Debt	0			
Customer Deposits	112,901	5.09%	6.00%	0.31%
Tax Credits - Zero Cost	0			
Tax Credits - Weighted Cost	0			
Deferred Income Taxes	0			
Other (Explain)				
Total	\$ 2,216,201	100.00%		8.98%

(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:	<u>14.23%</u>
Commission order approving Return on Equity:	<u>16768, 10/24/86</u>

**APPROVED AFUDC RATE**

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	<u>9.91%</u>
Commission order approving AFUDC rate:	<u>22016</u>

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.

UTILITY NAME:

FLORIDA CITIES WATER COMPANY

YEAR OF REPORT  
December 31, 1999

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE (g)
Common Equity	\$ 2,103,300	\$	\$	\$	\$	\$ 2,103,300
Preferred Stock	60					60
Long Term Debt	0					0
Customer Deposits	112,901					112,901
Tax Credits - Zero Cost	0					0
Tax Credits - Weighted Cost	0					0
Deferred Inc. Taxes	0					0
Other (Explain)	0					0
<b>Total</b>	<b>\$ 2,216,261</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 2,216,261</b>

(1) Explain below all adjustments made in Columns (e) and (f).

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UTILITY PLANT  
ACCOUNTS 101 - 106

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
	Plant Accounts:				
101	Utility Plant In Service	\$ 6,585,455	\$ _____	\$ _____	\$ 6,585,455
102	Utility Plant Leased to Other	0	_____	_____	_____
103	Property Held for Future Use	0	_____	_____	_____
104	Utility Plant Purchased or Sold	0	_____	_____	_____
105	Construction Work in Progress	0	_____	_____	_____
106	Completed Construction Not Classified	0	_____	_____	_____
	Total Utility Plant	\$ 6,585,455	\$ _____	\$ _____	\$ 6,585,455

UTILITY PLANT ACQUISITION ADJUSTMENTS  
ACCOUNTS 114 AND 115

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ 0	\$ _____	\$ _____	\$ 0
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Plant Acquisition Adjustments	\$ 0	\$ _____	\$ _____	\$ 0
115	Accumulated Amortization	\$ 0	\$ _____	\$ _____	\$ 0
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Accumulated Amortization	\$ 0	\$ _____	\$ _____	\$ 0
	Net Acquisition Adjustments	\$ 0	\$ _____	\$ _____	\$ 0

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b>				
Account 108				
Balance first of year	\$ 19,623,064	\$	\$ 40,565,562	\$ 60,188,626
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 766,572	\$	\$ 1,367,949	\$ 2,134,521
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify):				
Total Credits	\$ 766,572	\$	\$ 1,367,949	\$ 2,134,521
Debits during year:				
Book cost of plant retired				
Cost of Removal				
Other Debits (specify):				
Sale of Assets	(18,553,976)		(41,933,511)	(60,487,487)
Total Debits	\$ (18,553,976)	\$	\$ (41,933,511)	\$ (60,487,487)
Balance end of year	\$ 1,835,660	\$	\$ 0	\$ 1,835,660
<b>ACCUMULATED AMORTIZATION</b>				
Account 110				
Balance first of year	\$ 3,829	\$	\$ 342,163	\$ 345,992
Credit during year:				
Accruals charged to:				
Account 110.2 (2)			694	694
Other Accounts (specify):				
Total credits	\$	\$	\$ 694	\$ 694
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Sale of Assets	(3,829)		(342,857)	(346,686)
Total Debits	\$ (3,829)	\$	\$ (342,857)	\$ (346,686)
Balance end of year	\$ 0	\$	\$ 0	\$ 0

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

**REGULATORY COMMISSION EXPENSE  
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
	\$ _____		\$ _____
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)
	\$ 0	\$ _____	\$ _____	\$ 0
Total Nonutility Property	\$ 0	\$ _____	\$ _____	\$ 0

**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):	\$ 0
Total Special Deposits	\$ 0
OTHER SPECIAL DEPOSITS (Account 133):	\$ 0
Total Other Special Deposits	\$ 0

**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): _____ _____ _____ _____	\$ 0 _____ _____ _____	\$ 0 _____ _____ _____
Total Investment in Associated Companies		\$ 0
UTILITY INVESTMENTS (Account 124): _____ _____ _____ _____	\$ 0 _____ _____ _____	\$ 0 _____ _____ _____
Total Utility Investment		\$ 0
OTHER INVESTMENTS (Account 125): _____ _____ _____ _____	\$ 0 _____ _____ _____	\$ 0 _____ _____ _____
Total Other Investment		\$ 0
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): _____ _____ _____ _____		\$ 0 _____ _____ _____
Total Special Funds		\$ 0

**ACCOUNTS AND NOTES RECEIVABLE - NET**  
**ACCOUNTS 141 - 144**

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

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 146,836	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 146,836
OTHER ACCOUNTS RECEIVABLE ( Account 142):		
	\$ 0	
Total Other Accounts Receivable		\$ 0
NOTES RECEIVABLE (Account 144):		
	\$ 0	
Total Notes Receivable		\$ 0
Total Accounts and Notes Receivable		\$ 146,836
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS ( Account 143 )		
Balance first of year	\$ 51106	
Add: Provision for uncollectibles for current year	\$ 4,235	
Collection of accounts previously written off		
Utility Accounts		
Others		
Total Additions	\$ 55341	
Deduct accounts written off during year:		
Utility Accounts	54,824	
Others		
Total accounts written off	\$ 54824	
Balance end of year		\$ 517
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET</b>		<b>\$ 146,319</b>



**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES**  
**ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
	\$ (23,948)
Total	\$ (23,948)

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES**  
**ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
		\$ 0
		0
		0
		0
		0
		0
		0
		0
Total		\$ 0

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS**  
**ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
	\$ 0
Total Miscellaneous Current and Accrued Liabilities	\$ 0

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT  
ACCOUNTS 181 AND 251**

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):	\$ 0	\$ 0
_____	_____	_____
_____	_____	_____
<b>Total Unamortized Debt Discount and Expense</b>	<b>\$ 0</b>	<b>\$ 0</b>
UNAMORTIZED PREMIUM ON DEBT (Account 251):	\$ 0	\$ 0
_____	_____	_____
_____	_____	_____
<b>Total Unamortized Premium on Debt</b>	<b>\$ 0</b>	<b>\$ 0</b>

**EXTRAORDINARY PROPERTY LOSSES  
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____	\$ 0
_____	_____
_____	_____
<b>Total Extraordinary Property Losses</b>	<b>\$ 0</b>

**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)	\$ 0	\$ 0
Total Deferred Rate Case Expense	\$ 0	\$ 0
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):	\$ 0	\$ 0
Total Other Deferred Debits	\$ 0	\$ 0
REGULATORY ASSETS (Class A Utilities: Account 186.3):	\$ 0	\$ 0
Total Regulatory Assets	\$ 0	\$ 0
<b>TOTAL MISCELLANEOUS DEFERRED DEBITS</b>	\$ 0	\$ 0

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

DESCRIPTION (a)	RATE (b)	TOTAL (c)
<b>COMMON STOCK</b>		
Par or stated value per share		\$ 450
Shares authorized		10,000
Shares issued and outstanding		4,674
Total par value of stock issued		\$ 2,103,300
Dividends declared per share for year		\$ 20,805.83
<b>PREFERRED STOCK</b>		
Par or stated value per share		\$ 100
Shares authorized		10,000
Shares issued and outstanding		0
Total par value of stock issued		\$ 0
Dividends declared per share for year		\$ 4.81 #

\* Account 204 not applicable for Class B utilities.

# Note - Dividends paid = \$259,560; stock retired in 1999.

**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)	
	%		\$ 0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
Total			\$ 0

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

**STATEMENT OF RETAINED EARNINGS**

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. 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	\$ 20,590,134
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	\$ 73,308,931
436	Appropriations of Retained Earnings: _____ _____	_____ _____
	Total Appropriations of Retained Earnings	\$ _____
	Dividends Declared:	
437	Preferred Stock Dividends Declared _____	259,560
438	Common Stock Dividends Declared _____	97,246,437
	Total Dividends Declared	\$ 97,505,997
215	Year end Balance	\$ (3,606,932)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____	_____ _____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (3,606,932)
Notes to Statement of Retained Earnings:		

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

DESCRIPTION (a)	TOTAL (b)
	\$ 0
Total	\$ <u>0</u>

**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)	
	%		\$ 0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
Total			\$ <u>0</u>

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

**NOTES PAYABLE**  
**ACCOUNTS 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):			\$ 0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
<b>Total Account 232</b>			<b>\$ 0</b>
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			\$ 0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
_____	%		0
<b>Total Account 234</b>			<b>\$ 0</b>

\* 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)
_____	\$ 0
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
<b>Total</b>	<b>\$ 0</b>

ACCRUED INTEREST AND EXPENSE  
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (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	\$ 214,888		\$ 599,651	\$ 814,539	\$ 0
Total Account 237 1	\$ 214,888		\$ 599,651	\$ 814,539	\$ 0
ACCOUNT NO 237 2 - Accrued Interest on Other Liabilities					
Customer Deposits	\$ 32,163	427	\$ 31,284	\$ 60,041	\$ 3,406
Other	0		109,026		109,026
Nations Bank Credit Line	3,596		11,503	15,099	0
Total Account 237 2	\$ 35,759		\$ 151,813	\$ 75,140	\$ 112,432
Total Account 237 (1)	\$ 250,647		\$ 751,464	\$	\$ 112,432
INTEREST EXPENSED					
Total accrual Account 237		237	\$ 751,464		
Less Capitalized Interest Portion of AFUDC					
Net Interest Expensed to Account No 427 (2)			\$ 751,464		

(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: FLORIDA CITIES WATER COMPANY

<b>YEAR OF REPORT</b> December 31, 1999
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**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES  
ACCOUNT 241**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
	\$
Accrued Audit	16,625
Lee Cty Swr charges payable	208,622
Other current liabilities	271,964
<b>Total Miscellaneous Current and Accrued Liabilities</b>	<b>\$ 497,211</b>

**ADVANCES FOR CONSTRUCTION  
ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
	\$ 3,282,380		\$	\$ 3,282,380	\$ 0
<b>Total</b>	<b>\$ 3,282,380</b>		<b>\$</b>	<b>\$ 3,282,380</b>	<b>\$ 0</b>

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

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):		
	\$ 0	\$ 0
Total Regulatory Liabilities	\$ 0	\$ 0

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

The reconciliation should include the same detail as furnished on Schedule M-1 of the federal 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 computations of all tax accrued.

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, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 73,308,930
Reconciling items for the year:		
Taxable income not reported on books:		
Tax gain over book gain on sale of Utility Assets		7,810,410
Deductions recorded on books not deducted for return:		
Escrows		680,000
FAS 106		317,422
Pension		89,086
Current Fed. income tax expense		38,807,792
Other		(373,132)
Income recorded on books not included in return:		
Deduction on return not charged against book income:		
Depreciation		(444,508)
Federal tax net income		\$ 120,196,000
Computation of tax :		
Tax on Ordinary Taxable Income	0.34	40,866,640

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>42,966,873</u>	\$ _____	\$ <u>40,619,947</u>	\$ <u>83,586,820</u>
Add credits during year:	\$ <u>512,550</u>	\$ _____	\$ _____	\$ <u>512,550</u>
Less debit charged during the year	\$ <u>39,673,305</u>	\$ _____	\$ <u>45,106,249</u>	\$ <u>84,779,554</u>
Total Contribution In Aid of Construction	\$ <u>3,806,118</u>	\$ _____	\$ _____	\$ <u>3,806,118</u>

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

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>12,810,578</u>	\$ _____	\$ <u>17,456,666</u>	\$ <u>30,267,244</u>
Debits during the year	\$ <u>421,950</u>	\$ _____	\$ <u>516,911</u>	\$ <u>938,861</u>
Credits during the year	\$ <u>12,322,102</u>	\$ _____	\$ <u>17,973,577</u>	\$ <u>30,295,679</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u>910,426</u>	\$ _____	\$ <u>0</u>	\$ <u>910,426</u>

Form **7004**

(Rev. July 1998)  
Department of the Treasury  
Internal Revenue Service

# Application for Automatic Extension of Time To File Corporation Income Tax Return

OMB No. 1545-0233

Name of corporation  
**AVATAR HOLDINGS INC.**

Employer identification number  
**23-1739078**

Number, street, and room or suite no. (if a P.O. box or outside the United States, see instructions.)

P.O. BOX 026000  
City or town, state, and ZIP code

**MIAMI FL 33102**

Check type of return to be filed:

- Form 1120
- Form 1120-A
- Form 1120-F
- Form 1120-FSC
- Form 1120-H
- Form 1120-L
- Form 1120-ND
- Form 1120-PC
- Form 1120-POL
- Form 1120-REIT
- Form 1120-RIC
- Form 1120S
- Form 1120-SF

- Form 990-C
- Form 990-T

**Note:** Other 990 filers (i.e., Form 990, 990-EZ, 990-BL, 990-PF, and certain filers of Form 990-T (see instructions)) must use form 2758 to request an extension of time to file.

Form 1120-F filers: Check here if you do not have an office or place of business in the United States

1a I request an automatic 6-month (or, for certain corporations, 3-month) extension of time until SEPTEMBER 15, 2000, to file the income tax return of the corporation named above for  calendar year 1999 or  tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

b If this tax year is for less than 12 months, check reason:

- Initial return
- Final return
- Change in accounting period
- Consolidated return to be filed

2 If this application also covers subsidiaries to be included in a consolidated return, complete the following:

Name and address of each member of the affiliated group	Employer identification number	Tax period
SEE ATTACHED LIST		

3 Tentative tax (see instructions) 3 13,568,879.00

4 Credits:

a Overpayment credit from prior year	4a	568,879.00	Bal ▶	4d	13,568,879.00
b Estimated tax payments for the tax year	4b	13,000,000.00		4e	
c Less refund for the tax year applied for on Form 4466	4c	( )		4f	
e Credit for tax paid on undistributed capital gains (Form 2439)					
f Credit for Federal tax on fuels (Form 4136)					

5 Total. Add lines 4d through 4f. 5 13,568,879.00

6 Balance due. Subtract line 5 from line 3. Deposit this amount electronically or with a Federal Tax Deposit (FTD) Coupon (see instructions) 6 0.00

Signature — Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to use best of my knowledge and belief, the statements made are true, correct, and complete.

By: Charles E. McParr  
(Signature of officer or agent)

EXECUTIVE VP/TREASURER  
(Title)

3/14/00  
(Date)

**WATER  
OPERATION  
SECTION**

WATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The water financial schedules (W-2 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-15) must be filed for each system in the group.

All of the following water pages (W-2 through W-15) should be completed for each group and arranged by group number.

SYSTEM NAME / COUNTY	CERTIFICATE NUMBER	GROUP NUMBER
N. & S. Fort Myers Water / Lee	027-W	1

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 6,585,455
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	1,835,660
110	Accumulated Amortization		0
271	Contributions In Aid of Construction	W-7	3,806,118
252	Advances for Construction	F-20	
Subtotal			\$ 943,677
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 910,426
Subtotal			\$ 1,854,103
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	0
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	0
	Working Capital Allowance (3)		252,470
	Other (Specify):		
WATER RATE BASE			\$ 2,106,573
WATER OPERATING INCOME		W-3	\$ 1,042,276
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			49.48%

NOTES : The rate base above is for South Fort Myers Beach only. Operating income above is for North Fort Myers and South Fort Myers for the period 1/1/99 - 4/15/99, plus South Fort Myers Beach only for the period 4/16/99 - 12/31/99. Assets of North Fort Myers and South Fort Myers, except assets of South Fort Myers Beach, were sold to Lee County on 4/15/99. Therefore, the calculated rate of return is not meaningful. Operating income for South Fort Myers Beach only for the year 1999 cannot be broken out since it was combined in Florida Cities Water Company's financial records with the portion sold 4/15/99.

- (1) Estimate based on the methodology used in the last rate proceeding.
  - (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.



UTILITY NAME:

FLORIDA CITIES WATER COMPANY

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY: N. & S. Fort Myers Water / Lee

## WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	\$ 4,134,404
469	Less: Guaranteed Revenue and AFPI	W-9	8,379
	Net Operating Revenues		\$ 4,126,025
401	Operating Expenses	W-10(a)	\$ 2,019,756
403	Depreciation Expense	W-6(a)	766,572
	Less: Amortization of CIAC	W-8(a)	383,181
	Net Depreciation Expense		\$ 383,391
406	Amortization of Utility Plant Acquisition Adjustment	F-7	0
407	Amortization Expense (Other than CIAC)	F-8	0
408.10	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		186,048
408.11	Property Taxes		219,416
408.12	Payroll Taxes		27,008
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 432,472
409.1	Income Taxes		276,295
410.10	Deferred Federal Income Taxes		(9,261)
410.11	Deferred State Income Taxes		(712)
411.10	Provision for Deferred Income Taxes - Credit		0
412.10	Investment Tax Credits Deferred to Future Periods		(9,813)
412.11	Investment Tax Credits Restored to Operating Income		0
	Utility Operating Expenses		\$ 3,092,128
	Utility Operating Income		\$ 1,033,897
	Add Back:		
469	Guaranteed Revenue (and AFPI)	W-9	\$ 8,379
413	Income From Utility Plant Leased to Others		0
414	Gains (losses) From Disposition of Utility Property		0
420	Allowance for Funds Used During Construction		0
	Total Utility Operating Income		\$ 1,042,276

W-3

GROUP \_\_\_\_\_

UTILITY NAME: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT  
December 31, 1999

SYSTEM NAME / COUNTY : N. & S. Fort Myers Water / Lee

**WATER UTILITY PLANT ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 1,819	\$ 0	\$ (1,819)	\$ 0
302	Franchises	2,010	0	(2,010)	0
303	Land and Land Rights	368,175	0	(239,199)	128,976
304	Structures and Improvements	4,211,292	0	(3,828,331)	382,961
305	Collecting and Impounding Reservoirs	19,980	0	(19,980)	0
306	Lake, River and Other Intakes	0	0	0	0
307	Wells and Springs	1,317,325	0	(1,317,325)	0
308	Infiltration Galleries and Tunnels	0	0	0	0
309	Supply Mains	1,161,931	0	(1,161,931)	0
310	Power Generation Equipment	58,892	18,500	(58,892)	18,500
311	Pumping Equipment	2,601,347	0	(2,601,347)	0
320	Water Treatment Equipment	8,805,399	0	(8,805,399)	0
330	Distribution Reservoirs and Standpipes	2,602,638	0	(1,724,007)	878,631
331	Transmission and Distribution Mains	37,529,849	0	(33,828,213)	3,701,636
333	Services	4,537,222	0	(4,124,690)	412,532
334	Meters and Meter Installations	2,357,227	0	(2,143,414)	213,813
335	Hydrants	3,526,625	0	(3,191,721)	334,904
336	Backflow Prevention Devices	0	0	0	0
339	Other Plant Miscellaneous Equipment	542,820	0	(29,318)	513,502
340	Office Furniture and Equipment	343,232	0	(343,232)	0
341	Transportation Equipment	0	0	0	0
342	Stores Equipment	15,016	0	(15,016)	0
343	Tools, Shop and Garage Equipment	54,238	0	(54,238)	0
344	Laboratory Equipment	70,100	0	(70,100)	0
345	Power Operated Equipment	35,364	0	(35,364)	0
346	Communication Equipment	148,672	0	(148,672)	0
347	Miscellaneous Equipment	44,016	0	(44,016)	0
348	Other Tangible Plant	6,410	0	(6,410)	0
TOTAL WATER PLANT		\$ 70,361,599	\$ 18,500	\$ (63,794,644)	\$ 6,585,455

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

W-4(a)  
GROUP \_\_\_\_\_

UTILITY NAME: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT  
December 31, 1999

SYSTEM NAME / COUNTY: N. S. Fort Myers Water / Lee

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	1 INTANGIBLE PLANT	2 SOURCE OF SUPPLY AND PUMPING PLANT	3 WATER TREATMENT PLANT	4 TRANSMISSION AND DISTRIBUTION PLANT	5 GENERAL PLANT
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
301	Organization	\$	\$	\$	\$	\$	\$
302	Franchises						
303	Land and Land Rights	128,976				128,976	
304	Structures and Improvements	382,961				382,961	
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs						
308	Infiltration Galleries and Tunnels						
309	Supply Mains						
310	Power Generation Equipment	18,500		18,500			
311	Pumping Equipment						
320	Water Treatment Equipment						
330	Distribution Reservoirs and Standpipes	878,631				878,631	
331	Transmission and Distribution Mains	3,701,636				3,701,636	
333	Services	412,532				412,532	
334	Meters and Meter Installations	213,813				213,813	
335	Hydrants	334,904				334,904	
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment	513,502				513,502	
340	Office Furniture and Equipment						
341	Transportation Equipment						
342	Stores Equipment						
343	Tools, Shop and Garage Equipment						
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment						
348	Other Tangible Plant						
TOTAL WATER PLANT		\$ 6,585,455	\$	\$ 18,500	\$	\$ 6,566,955	\$

W-4(b)  
GROUP \_\_\_\_\_

UTILITY NAME:

FLORIDA CITIES WATER COMPANY

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY : N. & S. Fort Myers Water / Lee

## BASIS FOR WATER 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)
304	Structures and Improvements	33	0.0%	0
305	Collecting and Impounding Reservoirs	0	0.0%	0
306	Lake, River and Other Intakes	0	0.0%	0
307	Wells and Springs	30	0.0%	0
308	Infiltration Galleries and Tunnels	0	0.0%	0
309	Supply Mains	34	0.0%	0
310	Power Generation Equipment	20	0.0%	0
311	Pumping Equipment	20	0.0%	0
320	Water Treatment Equipment	22	0.0%	0
330	Distribution Reservoirs and Standpipes	37	0.0%	0
331	Transmission and Distribution Mains	43	0.0%	0
333	Services	40	0.0%	0
334	Meters and Meter Installations	20	0.0%	0
335	Hydrants	45	0.0%	0
336	Backflow Prevention Devices	0	0.0%	0
339	Other Plant Miscellaneous Equipment	0	0.0%	0
340	Office Furniture and Equipment	15	0.0%	0
341	Transportation Equipment	7	0.0%	0
342	Stores Equipment	0	0.0%	0
343	Tools, Shop and Garage Equipment	16	0.0%	0
344	Laboratory Equipment	15	0.0%	0
345	Power Operated Equipment	13	0.0%	0
346	Communication Equipment	11	0.0%	0
347	Miscellaneous Equipment	15	0.0%	0
348	Other Tangible Plant	10	0.0%	0
Water Plant Composite Depreciation Rate *		0	0.0%	0

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

UTILITY NAME:

FLORIDA CITIES WATER COMPANY

YEAR OF REPORT  
December 31, 1999

SYSTEM NAME / COUNTY: N. & S. Fort Myers Water/Lee

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 1,694,835	\$ 6,970	\$	\$ 6,970
305	Collecting and Impounding Reservoirs	7,314	161		161
306	Lake, River and Other Inakes	0			
307	Wells and Springs	465,467	16,865		16,865
308	Infiltration Galleries and Tunnels	0			
309	Supply Mains	251,917	13,032		13,032
310	Power Generation Equipment	(5,944)	462		462
311	Pumping Equipment	1,089,333	50,594		50,594
320	Water Treatment Equipment	3,734,336	155,614		155,614
330	Distribution Reservoirs and Standpipes	981,265	25,974		25,974
331	Transmission and Distribution Mains	8,602,887	345,724		345,724
333	Services	1,040,130	45,227		45,227
334	Meters and Meter Installations	572,371	43,928		43,928
335	Hydrants	622,760	30,663		30,663
336	Backflow Prevention Devices	0			0
339	Other Plant Miscellaneous Equipment	229,719	8,433		8,433
340	Office Furniture and Equipment	151,378	15,331		15,331
341	Transportation Equipment	902			
342	Stores Equipment	47,626	1,098		1,098
343	Tools, Shop and Garage Equipment	67,915	5,366		5,366
344	Laboratory Equipment	30,617	55		55
345	Power Operated Equipment	43,855	1,075		1,075
346	Communication Equipment	(2,346)			
347	Miscellaneous Equipment	(3,273)			
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 19,623,064	\$ 766,572	\$	\$ 766,572

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

W-6(a)  
GROUP \_\_\_\_\_

YEAR OF REPORT  
December 31, 1999

UTILITY NAME: FLORIDA CITIES WATER COMPANY

SYSTEM NAME / COUNTY: N. & S. Fort Myers Water / Lee

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g+h+i)	BALANCE AT END OF YEAR (c+f-k)
	(b)	\$	\$	\$	\$	\$
304	Structures and Improvements			1,555,801	1,555,801	146,004
305	Collecting and Impounding Reservoirs			7,475	7,475	0
306	Lake, River and Other Intakes					
307	Wells and Springs			482,332	482,332	0
308	Infiltration Galleries and Tunnels					
309	Supply Mains			264,949	264,949	0
310	Power Generation Equipment			(5,810)	(5,810)	328
311	Pumping Equipment			1,139,927	1,139,927	0
320	Water Treatment Equipment			3,889,950	3,889,950	0
330	Distribution Reservoirs and Standpipes			705,759	705,759	301,480
331	Transmission and Distribution Mains			8,038,185	8,038,185	910,426
333	Services			983,267	983,267	102,090
334	Meters and Meter Installations			564,095	564,095	52,204
335	Hydrants			591,325	591,325	62,098
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment			(22,878)	(22,878)	261,030
340	Office Furniture and Equipment			166,709	166,709	0
341	Transportation Equipment			902	902	0
342	Stores Equipment			48,724	48,724	0
343	Tools, Shop and Garage Equipment			73,281	73,281	0
344	Laboratory Equipment			30,672	30,672	0
345	Power Operated Equipment			44,930	44,930	0
346	Communication Equipment			(2,346)	(2,346)	0
347	Miscellaneous Equipment			(3,273)	(3,273)	0
348	Other Tangible Plant					0
TOTAL WATER ACCUMULATED DEPRECIATION		\$	\$	\$	\$	\$
				18,553,976	18,553,976	1,835,660

W-6(b)  
GROUP

UTILITY NAME: **FLORIDA CITIES WATER COMPANY**

<b>YEAR OF REPORT</b> December 31, 1999
--

SYSTEM NAME / COUNTY : N. & S. Fort Myers Water / Lee

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ <u>42,966,873</u>
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$ <u>497,553</u>
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	<u>0</u>
Other Credits:		
Process Fees		<u>14,997</u>
Total Credits		\$ <u>512,550</u>
Less debits charged during the year (All debits charged during the year must be explained below)		
Sale of Assets - \$39,656,257		\$ <u>(39,673,305)</u>
Refunds - 17,048		
Total Contributions In Aid of Construction		\$ <u>3,806,118</u>

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:

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UTILITY NAME: **FLORIDA CITIES WATER COMPANY**

**YEAR OF REPORT**  
December 31, 1999

SYSTEM NAME / COUNTY : N. & S. Fort Myers Water / Lee

**WATER 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)
North Lee County	49	\$ various	\$ 35,880
South Fort Myers	664	various	461,673
Total Credits			\$ 497,553

**ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 12,810,578
Debits during the year:	
Accruals charged to Account 272	\$ 383,181
Other debits (specify):	
Accruals credited to Deferred Income Taxes:	
Federal	33,240
State	5,529
Total debits	\$ 421,950
Credits during the year (specify):	
Credits Charges to Acct 272: Sale of Assets	\$ 10,574,700
Credits charged to Deferred Income Taxes:	
Federal	1,499,475
State	247,927
Total credits	\$ 12,322,102
Balance end of year	\$ 910,426



UTILITY NAME: **FLORIDA CITIES WATER COMPANY**

**YEAR OF REPORT**  
December 31, 1999

SYSTEM NAME / COUNTY: N. & S. Fort Myers Water / Lee

**WATER CIAC SCHEDULE "B"**  
 ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION  
 RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS  
 WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
		\$ 0
Total Credits		\$ 0

W-8(b)  
GROUP \_\_\_\_\_

UTILITY NAME:

FLORIDA CITIES WATER COMPANY

YEAR OF REPORT  
December 31, 1999SYSTEM NAME / COUNTY: N. & S. Fort Myers Water / Lee

## WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue	0	0	\$ 73
461.1	Metered Water Revenue: Sales to Residential Customers	16,110	2330	1,527,522
461.2	Sales to Commercial Customers	1,939	298	1,193,712
461.3	Sales to Industrial Customers	0	442	0
461.4	Sales to Public Authorities	16	3	33,237
461.5	Sales Multiple Family Dwellings	1,260	0	1,271,548
Total Metered Sales		19,325	3073	\$ 4,026,019
462.1	Fire Protection Revenue: Public Fire Protection	0	0	0
462.2	Private Fire Protection	0	0	72,560
Total Fire Protection Revenue		0	0	\$ 72,560
464	Other Sales To Public Authorities	0	0	0
465	Sales To Irrigation Customers	0	0	0
466	Sales For Resale	0	0	0
467	Interdepartmental Sales	0	0	0
Total Water Sales		19,325	3073	\$ 4,098,652
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ 8,379
470	Forfeited Discounts			0
471	Miscellaneous Service Revenues			27,373
472	Rents From Water Property			0
473	Interdepartmental Rents			0
474	Other Water Revenues			0
Total Other Water Revenues				\$ 35,752
Total Water Operating Revenues				\$ 4,134,404

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

W-9  
GROUP \_\_\_\_\_

UTILITY NAME:

FLORIDA CITIES WATER COMPANY

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY : N. & S. Fort Myers Water / Lee

## WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1	.2
			SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
(a)	(b)	(c)	(d)	(e)
601	Salaries and Wages - Employees	\$ 300,931	\$ 17116	\$ 3,202
603	Salaries and Wages - Officers, Directors and Majority Stockholders	23,954	0	0
604	Employee Pensions and Benefits	65,371	0	0
605	Post Retirement Benefits	23,396		
610	Purchased Water	781,449	781449	
615	Purchased Power	171,708	53778	
616	Fuel for Power Purchased	432	0	
618	Chemicals	88,797	0	0
620	Materials and Supplies	23,485	25	1,080
631	Contractual Services-Engineering	4,128	3793	0
632	Contractual Services - Accounting	5,700	0	0
633	Contractual Services - Legal	4,563	0	0
634	Contractual Services - Mgt. Fees	8,804	0	0
635	Contractual Services - Testing	5,732	0	0
636	Contractual Services - Other	276,753	104	8,597
641	Rental of Building/Real Property	7,269	0	0
642	Rental of Equipment	1,415	76	0
650	Transportation Expenses	33,887	1247	5
656	Insurance - Vehicle	5,491	0	0
657	Insurance - General Liability	14,282	0	0
658	Insurance - Workman's Comp.	5,304	0	0
659	Insurance - Other	29,128	0	0
660	Advertising Expense	0		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	0		
667	Regulatory Commission Exp.-Other	200	0	0
668	Water Resource Conservation Exp.	0	0	
670	Bad Debt Expense	(1,142)		
675	Miscellaneous Expenses	117,273	25807	2,035
619	Major Maintenance Expense	21,447	0	0
Total Water Utility Expenses		\$ 2,019,756	\$ 883395	\$ 14,919

W-10(a)  
GROUP \_\_\_\_\_

UTILITY NAME:

FLORIDA CITIES WATER COMPANY

YEAR OF REPORT  
December 31, 1999

SYSTEM NAME / COUNTY :

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ 63,470	\$ 27,771	\$ 31,608	\$ 28,673	\$ 63,948	\$ 65,144
0	0	0	0	0	23,954
0	0	0	0	0	65,371
					23,396
84,431		32,299		629	572
432		0		0	0
88,797	0	0	0		
2,005	2,691	452	12,235	2,204	2,792
335	0	0	0	0	0
0	0	0	0	0	5,700
0	0	0	0	0	4,563
0	0	0	0	0	8,804
5,732	0	0	0	0	0
180	16,756	29,002	54,438	148,512	19,164
0	0	0	0	179	7,090
191	114	0	38	84	912
5,982	2,376	6,600	7,450	6,480	3,747
0	0	0	0	0	5,491
0	0	0	0	0	14,282
0	0	0	0	0	5,304
0	0	0	0	0	29,128
					0
					0
0	0	0	0	0	0
					200
				(1,142)	
47,907	15,873	167	3,544	(283)	22,223
	10,470		10,977	0	0
\$ 299,461	\$ 76,051	\$ 100,128	\$ 117,355	\$ 220,612	\$ 307,836

UTILITY NAME: **FLORIDA CITIES WATER COMPANY**

**YEAR OF REPORT**  
December 31, 1999

SYSTEM NAME / COUNTY : **N. & S. Fort Myers Water / Lee**

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE ( Omit 000's ) (b)	FINISHED WATER PUMPED FROM WELLS ( Omit 000's ) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED ( Omit 000's ) [ (b)+(c)-(d) ] (e)	WATER SOLD TO CUSTOMERS ( Omit 000's ) (f)
January	0	299,225	1,000,145	1299370	276,419
February	0	239,473	1,046,500	1285973	262,066
March	0	290,908	1,015,715	1306623	279,491
April	39,852	272,158	480,850	792860	241,964
May	38,987			38987	38,987
June	39,862			39862	39,862
July	31,763			31763	31,763
August	38,176			38176	38,176
September	35,735			35735	35,735
October	36,670			36670	36,670
November	30,669			30669	30,669
December	45,192				
Total for Year	336906	1101764	3543210	4936688	1,311,802

If water is purchased for resale, indicate the following:

Vendor \_\_\_\_\_

Point of delivery \_\_\_\_\_

If water is sold to other water utilities for redistribution, list names of such utilities below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Green Meadows	12,470,000	12,470,000	Groundwater
College Pkwy	750,000	750,000	Groundwater
Waterway Estates	1,354,000	1,354,000	Groundwater
_____	_____	_____	_____
_____	_____	_____	_____

UTILITY NAME: FLORIDA CITIES WATER COMPANY

**YEAR OF REPORT**  
December 31, 1999

SYSTEM NAME / COUNTY: N. & S. Fort Myers Water / Lee

**WATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>N/A</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	_____
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	_____
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): _____	Manufacturer: _____
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): _____	Manufacturer: _____
Gravity (in GPM/square feet): _____	Manufacturer: _____

UTILITY NAME: FLORIDA CITIES WATER COMPANY

**YEAR OF REPORT**  
December 31, 1999

SYSTEM NAME / COUNTY: N. & S. Fort Myers Water / Lee

**CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS**

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		
5/8"	Displacement	1.0	2826	2,826
3/4"	Displacement	1.5	0	0
1"	Displacement	2.5	84	210
1 1/2"	Displacement or Turbine	5.0	62	310
2"	Displacement, Compound or Turbine	8.0	54	432
3"	Displacement	15.0	0	0
3"	Compound	16.0	0	0
3"	Turbine	17.5	32	560
4"	Displacement or Compound	25.0	1	25
4"	Turbine	30.0	15	450
6"	Displacement or Compound	50.0	0	0
6"	Turbine	62.5	0	0
8"	Compound	80.0	0	0
8"	Turbine	90.0	0	0
10"	Compound	115.0	0	0
10"	Turbine	145.0	0	0
12"	Turbine	215.0	0	0
Total Water System Meter Equivalents				4,813

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one water 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:  

$$ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$$

ERC Calculation:

UTILITY NAME: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT  
December 31, 1999

SYSTEM NAME / COUNTY: N. & S. Fort Myers Water / Lee

OTHER WATER SYSTEM INFORMATION

N/A

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

1. Present ERC's \* the system can efficiently serve. As of 4/15/99 FCWC sold its Water system, except the distribution system in the Town of Ft. Myers Beach. No
2. Maximum number of ERCs \* which can be serv all water is purchased from Lee County.
3. Present system connection capacity (in ERCs \*) using existing lines. \_\_\_\_\_
4. Future connection capacity (in ERCs \*) upon service area buildout. \_\_\_\_\_
5. Estimated annual increase in ERCs \*. \_\_\_\_\_
6. Is the utility required to have fire flow capacity? \_\_\_\_\_  
If so, how much capacity is required? \_\_\_\_\_
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_
10. 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 with DEP? \_\_\_\_\_
11. Department of Environmental Protection ID # \_\_\_\_\_
12. Water Management District Consumptive Use Permit # \_\_\_\_\_
  - a. Is the system in compliance with the requirements of the CUP? \_\_\_\_\_
  - b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* An ERC is determined based on the calculation on the bottom of Page W-13.