

CLASS "C"

SCANNED

WATER and/or WASTEWATER UTILITIES

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

ANNUAL REPORT

SOUTHLAKE UTILITIES, INC.

EXACT LEGAL NAME OF RESPONDENT

533-W/464-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



WS638-00-AR

SOUTHLAKE UTILITIES, INC

15

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1999

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DIVISION OF
WATER AND SEWER
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MAY 11 1999
TALLAHASSEE
FLORIDA

Cronin, Jackson, Nixon & Wilson
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May 23, 2000

Officers and Directors
Southlake Utilities, Inc

We have compiled the 1999 Annual Report of Southlake Utilities, Inc. in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

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

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

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Public Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as amended by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA) Commission Rules and the definitions on next page.
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.
7. Complete this report by means which will result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
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 in the report. Additional schedules 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. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceding year ending December 31.

Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

- 11 Pursuant to Rule 25-30.110 (7)(a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Water and Wastewater, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION - this account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement or construction costs of the utilities property, facilities, or equipment used to provide services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water and wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss of service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER)- (Rule 25-30.515 (8), Florida Administrative Code)
(a) 350 gallons per day
(b) The number of gallons a utility demonstrates in the average daily flow for a single family unit, or
(c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER)- Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to, the cost of operation, maintenance, depreciation and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL - (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

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FINANCIAL SECTION

REPORT OF

Southlake Utilities, Inc.

(Exact name of utility)

Post Office Box 6209

333 U.S Highway 27

Tallahassee, Florida 32314-6209

Clermont, Florida 34711

Mailing Address

Street Address

Telephone Number

(888) 876-3569

Date Utility First Organized

August 27, 1990

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

Individual

Sub Chapter S Corporation

1120 Corporation

Partnership

Location where books and records are located:

1344 Vickers Drive, Tallahassee, Florida

Names of subdivisions where service is provided:

Southlake, Summer Bay, Woodridge, Clear Creek

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Robert Chapman, III	President	P. O. Box 6209 Tallahassee, Fl. 32314-6209	
Person who prepared this report: Cronin, Jackson, Nixon & Wilson	CPA's	2560 Gulf-to-Bay Blvd. Clearwater, Fl.	
Officers and Managers: Robert Chapman, III	President	P. O. Box 6209 Tallahassee, Fl. 32314-6209	\$ 68,900
Jeffrey M. Cagan	Secretary	P.O. Box 6209 Tallahassee, Fl. 32314-6209	\$ 21,200
Vicky Patton	Treasurer	P.O. Box 6209 Tallahassee, Fl. 32314-6209	

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

Name	Percent Ownership In Utility	Principle Business Address	Salary Charged Utility
Southlake, Inc.	60%	B.O Box 6209 Tallahassee, Fl. 32314-6209	
Jeffrey M. Cagan	15%	3856 Oakton, Skokie, ILL. 60076	\$ 21,200
Richard Driehaus	15%	25 East Earle, Chicago, ILL. 60611	
Robert L. Chapman, III	10%	P.O. Box. 6209, Tallahassee, Fl. 32314	\$ 68,900

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other (1)	Total Company
Gross Revenue:					
Residential _____		\$ 74,161	\$ 44,614		\$ 118,775
Commercial _____		98,943	101,716		200,659
Industrial _____					
Multiple Family _____		47,390	36,390		83,780
Guarenteed Revenues _____					
Other (Specify) (1) _____		10,137			10,137
Total Gross Revenue _____		230,631	182,720	N/A	413,351
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	175,385	198,959		374,344
Depreciation Expense _____	F-5	16,562	59,875		76,437
CIAC Amortization Expense _____	F-8	(26,293)	(66,343)		(92,636)
Taxes Other Than Income _____	F-7	35,436	67,047		102,483
Income Taxes _____	F-7	-	-		
Total Operating Expenses _____		201,090	259,538		460,628
Net Operating Income (Loss)		29,541	(76,818)	-	(47,277)
Other Income:					
Nonutility Income _____		28,476	28,476		56,952
Interest & Dividend Income _____		4,085	4,086		8,171
Other Deductions:					
Miscellaneous Nonutility Expenses _____					
Interest Expense _____		18,373	50,029		68,402
Net Income (Loss)		\$ 43,729	\$ (94,285)	N/A	\$ (50,556)

Note (1): Private fire protection, misc. service revenue

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
ASSETS:			
Utility Plant In Service (101 - 105) _____	F-5, W-1, S-1	\$ 3,687,833	\$ 3,480,280
Accumulated Depreciation and Amortization (108) _____	F-5, W-2, S-2	(388,126)	(311,689)
Net Utility Plant _____		3,299,707	3,168,591
Non-Utility Property _____		31,186	32,515
Cash _____		91,137	(17,723)
Temporary Cash Investment(135) _____		228,979	100,000
Customer Accounts Receivable (141) _____		29,245	25,554
Other Assets (Specify): AFPI Receivable _____		181,319	121,590
Notes Receivable(144) _____		282,220	285,463
Prepayments(162) & Misc. & Accr. Assets(174) _____		68,872	21,420
Debt Discount & Expense(181.1) _____		7,083	652
Other Deferred Debits(181.2) _____		85,847	
Regulatory Assets & Accts. Rec. - Assoc. Co. _____		65,976	18,515
Total Assets _____		\$ 4,371,571	\$ 3,756,577
LIABILITIES AND CAPITAL:			
Common Stock Issued (201) _____	F-6	\$ 7,500	\$ 7,500
Preferred Stock Issued (204) _____	F-6		
Other Paid In Capital (211) _____		443,333	443,333
Retained Earnings (Deficit)(215) _____	F-6	(670,147)	(619,591)
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		(219,314)	(168,758)
Long Term Debt (224) _____	F-6	761,199	764,809
Accounts Payable (231) _____		184,360	89,334
Notes Payable (232) _____		280,889	105,652
Customer Deposits (235) _____		45,604	37,478
Accrued Taxes (236) _____	F-7	144,242	69,010
Other Liabilities (Specify): Accrued Interest _____		10,163	
Other Misc. Current & Accrued Liabilities(241)(1) _____		685,894	571,046
Prepaid Capacity Charges, Net _____		583,670	575,718
Advances For Construction (252) _____			
Contributions In Aid Of Construction - Net (271 - 272) _____	F-8	1,894,864	1,712,288
Total Liabilities and Capital _____		\$ 4,371,571	\$ 3,756,577

Note(1): Includes Prepaid AFPI, Uncollected AFPI, AFPI Subject to Refund & FICA Withholding.

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) Inclusive	Water	Sewer	Plant Other Than Reporting Systems	Total
Utility Plant In Service (101) _____	\$ 657,053	\$ 1,917,074	N/A	\$ 2,574,127
Construction Work In Progress (105) _____	485,274	628,432		1,113,706
Other (Specify) _____				

Total Utility Plant _____	\$ 1,142,327	\$ 2,545,506	N/A	\$ 3,687,833

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First Of Year _____	\$ 53,531	\$ 258,158	N/A	\$ 311,689
Add Credits During Year:				
Accruals charged to depreciation account _____	16,562	59,875		76,437
Salvage _____				
Other credits (specify) _____				

Total credits _____	16,562	59,875		76,437
Deduct Debits During Year:				
Book cost of plant retired _____				
Cost of removal _____				
Other debits (specify) _____				

Total debits _____				
Balance End of Year _____	\$ 70,093	\$ 318,033	N/A	\$ 388,126

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	\$ 1.00	N/A
Shares authorized _____	7,500	
Shares issued and outstanding _____	7,500	
Total par value of stock issued _____	\$ 7,500	
Dividends declared per share for year _____	None	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	N/A	\$ (619,591)
Charges during the year (specify):		
Current Year Loss _____		(50,556)

Balance end of year _____		\$ (670,147)

PROPRIETARY CAPITAL (218)

	Proprietor or Partner	Partner
Balance first of year _____	N/A	N/A
Charges during the year (specify):		

Balance end of year _____		

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Interest		Principal Per Balance Sheet Date
	Rate	# of Payments	
N/P - Allen - Issued: 11/25/96 Due: 11/25/99	7.00 %	3 - Annually	\$ 5,000
Liability under Capital Lease	6.25 %	Monthly - 99 year	756,199
_____	_____ %	_____	_____
_____	_____ %	_____	_____
Total _____			\$ 761,199

TAXES ACCRUED (236)

(a)	WATER (b)	SEWER (c)	OTHER (d)	TOTAL (e)
Income Taxes:				
Federal income tax _____	\$ -		N/A	\$ -
State income tax _____	(1,050)	6,050		5,000
Taxes Other Than Income:				
State ad valorem tax _____				
Local property tax _____	31,599	89,043		120,642
Regulatory assessment fee _____	10,378	8,222		18,600
Other (Specify):				
Total taxes accrued _____	\$ 40,927	\$ 103,315		\$ 144,242

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever, amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
Southeast Utilities, Inc.	\$ 4,274	\$ 14,667	Certified Operators
Rhema Business Services	52,132	48,456	Reg. Accounting, Consulting, Billing Service
Martin, Ade, Birchfield	20,491	12,991	Legal Services
Willim Deas	634	634	Legal Services
Daniels & Daniels	4,324	4,074	Legal Services
Cronin, Jackson, Nixon & Wilson	4,092	4,092	Reg. Accounting, Income Tax Accounting
Cuthill & Eddy	7,306	3,785	Income Tax Accounting
R.H. Wilson & Associates	20,865	3,283	Engineering
Shaw Construction		37,961	Plant Construction
Devo Seereerm		4,625	Testing
Florida Ecological Labs		3,800	Testing

UTILITY NAME: Southlake Utilities, Inc.

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year _____	\$ 783,534	\$ 1,155,296	\$ 1,938,830
2. Add credits during year:			
Capacit Charges (W & S) & Meter Fees	114,280	160,932	275,212
3. Total _____	897,814	1,316,228	2,214,042
4. Deduct charges during year _____			
5. Balance end of year _____	897,814	1,316,228	2,214,042
6. Less Accumulated Amortization _____	86,886	232,292	319,178
7. Net CIAC _____	\$ 810,928	\$ 1,083,936	\$ 1,894,864

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.		Indicate "Cash" or "Property"	Water	Wastewater
N/A			\$ -	\$ -

Sub-total _____			NONE	NONE
Report below all capacity charges, main extension charges and customer connections charges received during the year.				
Description of Charge	Number of Connections	Charge per Connection		
Water - Capacity Charge	214.1930	\$ 420	89,961	
Sewer - Capacity Charge	207.6542	775		160,932
Meter Fees: 5/8"x3/4"	142	130	18,460	
1"	1	241.50	242	
2"	3	466.25	1,399	
Other	3	Various	4,218	
Total Credits During Year (Must agree with line # 2 above) _____			\$ 114,280	\$ 160,932

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ 60,593	\$ 165,949	\$ 226,542
Add Debits During Year: _____	26,293	66,343	92,636
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above) _____	\$ 86,886	\$ 232,292	\$ 319,178

UTILITY NAME: Southlake Utilities, Inc.

YEAR OF REPORT December 31, 1999
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SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (2)

CLASS OF CAPITAL (a)	Dollar Amount (1) (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	N/A	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	_____ %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	_____	<u>100.00</u> %		_____ %

- (1) Should equal amounts on schedule B, Column (f), Page F-10.
- (2) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ None _____ %
Commission order approving AFUDC rate:	_____ N/A _____

UTILITY NAME: Southlake Utilities, Inc.

YEAR OF REPORT
December 31, 1999

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS	OTHER (1) ADJUSTMENTS (e)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (f)
Common Equity	N/A				
Preferred Stock					
Long Term Debt					
Customer Deposits					
x Credits - Zero Cost					
Tax Credits - Weighted Cost					
Deferred Income Taxes					
Other (Explain)					
Total	N/A				

(1) Explain below all adjustments made in Column (e):

**WATER
OPERATION
SECTION**

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization _____	\$ 250	\$ -	\$ -	\$ 250
302	Franchises _____	62,993			62,993
303	Land and Land Rights _____	201,083			201,083
304	Structure and Improvements _____	11,223			11,223
305	Collecting and Impounding Reservoirs _____				
306	Lake, River and Other Intakes _____				
307	Wells and Springs _____	86,019	3,000		89,019
308	Infiltration Galleries and Tunnels _____				
309	Supply Mains _____				
310	Power Generation Equipment _____	18,985			18,985
311	Pumping Equipment _____	53,978			53,978
320	Water Treatment Equipment _____	3,117	2,245		5,362
330	Distribution Reservoirs and Standpipes _____	31,414			31,414
331	Transmission and Distribution Mains _____	89,188	1,260		90,448
333	Services _____	879			879
334	Meters and Meter Installations _____	53,686	17,507		71,193
335	Hydrants _____	1,358			1,358
339	Other Plant and Miscellaneous Equipment _____	7,467			7,467
340	Office Furniture and Equipment _____	9,916			9,916
341	Transportation Equipment _____				
342	Stores Equipment _____				
343	Tools, Shop and Garage Equip _____	679			679
344	Laboratory Equipment _____				
345	Power Operated Equipment _____	236			236
346	Communication Equipment _____				
347	Miscellaneous Equipment _____				
348	Other Tangible Plant _____	570			570
	Total Water Plant _____	\$ 633,041	\$ 24,012	\$ -	\$ 657,053

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

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMAR ACCOUNT - WATER

ACCT. NO. (a)	ACCOUNT NAME (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of year (f-g+h=i) (i)
301	Organization	40.00	%	2.50	\$ 31	\$ -	\$ 9	\$ 40
302	Franchises	40.00	%	2.50	6,361		1,852	8,213
304	Structure and Improvements	33.00	%	3.03	1,486		341	1,827
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	30.00	%	3.33	13,028		2,864	15,892
308	Infiltration Galleries and Tunnels		%					
309	Supply Mains		%					
310	Power Generation Equipment	20.00	%	5.00	4,331		949	5,280
311	Pumping Equipment	20.00	%	5.00	11,396		2,699	14,095
320	Water Treatment Equipment	22.00	%	4.55	280		155	435
330	Distribution Reservoirs and Standpipes	37.00	%	2.70	3,927		849	4,776
331	Transmission and Distribution Mains	43.00	%	2.33	4,404		2,100	6,504
333	Services	40.00	%	2.50	87		22	109
334	Meters and Meter Installations	20.00	%	5.00	4,306		2,847	7,153
335	Hydrants	45.00	%	2.22	43		30	73
339	Other Plant and Miscellaneous Equipment	25.00	%	4.00	1,383		298	1,681
340	Office Furniture and Equipment	15.00	%	6.67	2,225		1,428	3,653
341	Transportation Equipment		%					
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment	16.00	%	6.25	71		42	113
344	Laboratory Equipment		%					
345	Power Operated Equipment	12.00	%	8.33	83		20	103
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant	10.00	%	10.00	89		57	146
	Totals				\$ 53,531	\$ -	\$ 16,562	\$ 70,093

* This amount should tie to Sheet F-5

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 27,641
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	40,877
604	Employee Pensions and Benefits	7,212
610	Purchased Water	
615	Purchased Power	9,235
616	Fuel for Power Purchased	243
618	Chemicals	4,560
620	Materials and Supplies	3,710
630	Contractual Services:	
	Billing	3,375
	Operator and Management	47,670
	Testing	320
	Other	10,659
640	Rents	1,387
650	Transportation Expense	4,003
655	Insurance Expense	6,464
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	(35)
675	Miscellaneous Expenses	8,064
	Total Water Operation and Maintenance Expense	\$ 175,385

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	301	265	265
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0		161	161
3/4"	D	1.5			
1"	D	2.5	49	48	120
1 1/2"	D,T	5.0	10	9	45
2"	D,C,T	8.0	14	23	184
3"	D	15.0			
3"	C	16.0		1	16
3"	T	17.5			
4"	C	25.0		1	25
Unmetered Customers	D	1.0			
Other (Specify):					
Irrigation 5/8x3/4"	D	1.0		81	81
Total			374	589	897

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Southlake Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1999

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f) (1)
January_____	N/A	12,921		12,921	12,532
February_____		12,237		12,237	12,568
March_____		16,947		16,947	13,429
April_____		19,343		19,343	18,320
May_____		18,364		18,364	16,253
June_____		15,723		15,723	18,637
July_____		17,829		17,829	14,934
August_____		19,018		19,018	17,172
September_____		16,334		16,334	19,629
October_____		17,188		17,188	14,702
November_____		16,091		16,091	15,751
December_____		15,507		15,507	16,268
Total for year_____	N/A	197,502		197,502	190,195

If water is purchased for resale, indicate the following:

Vendor N/A
 Point of Delivery N/A

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

N/A

MAINS (Feet)

Kind of Pipe (Cast Iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	12"	5,350			5,350
PVC	8"	10,100			10,100
PVC	6"	2,120			2,120
PVC	4"	360			360

UTILITY NAME: Southlake Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1999

**WELLS AND WELL PUMPS
 (If Available)**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1994	1994		
Types of Well Construction and Casing _____	Cable Tool Steel	Cable Tool Steel		
Depth of Wells _____	448'	240'		
Diameters of Wells _____	12"	10"		
Pump - GPM _____	1200	700		
Motor - HP _____	75	25		
Motor Type * _____				
Yeilds of Wells in GPD _____	1.728mgd	1.008mgd		
Auxillary Power _____	Propane			
* Submersable, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	Pneumatic			
Capacity of Tank _____	5,000			
Ground of Elevated _____	Ground			

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
MOTORS				
Manufacturer _____	N/A			
Type _____				
Rated Horsepower _____				
PUMPS				
Manufacturer _____	N/A			
Type _____				
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____				
Auxiliary Power _____				

UTILITY NAME: Southlake Utilities, Inc.
 SYSTEM NAME Same

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water, etc):

Gallons per day of source _____	1.728mgd	1.008mgd	
Type of source _____	12" Well	10" Well	

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:

Type _____	Gas Chlorination		
Make _____	W & T C12		
Permitted Capacity (GPD)	1.075mgd		
High service pumping Gallons per minute _____	N/A		
Reverse Osmosis _____	N/A		
Lime treatment Unit Rating _____	N/A		
Filtration Pressure Sq. Ft. _____	N/A		
Gravity GPD/Sq. Ft. _____			
Disinfection Chlorinator _____	Yes		
Ozone _____	No		
Other _____	No		
Auxiliary Power _____	Yes		

UTILITY NAME: Southlake Utilities, Inc.
SYSTEM NAME: Same

YEAR OF REPORT
December 31, 1999

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

1.	Present ERC's * the system can efficiently serve	<u>1,365 per DEP permit</u>
2.	Maximum number of ERC's * which can be served	<u>1,365 per DEP Permit @ 787.5 g.p.d./ ERC</u>
3.	Present system connection capacity (in ERC's *) using existing lines	<u>1,489</u>
4.	Future connection capacity (in ERC's *) upon service area buildout	<u>Approx. 15,000</u>
5.	Estimated annual increase in ERC's*	<u>Approx. 1,300 average annual ERC's</u>
6.	Is the utility required to have fire flow capacity?	<u>Yes</u>
	If so, how much capacity is required?	<u>1,500 gpm - 4 hours</u>
7.	Attach a description of the fire fighting facilities.	<u>Hydrants, private fire lines</u>
8.	Describe any plans and estimated completion dates for any enlargements or improvements of this system. <u>Expansion completion by April 4, 2001 from 1.075 m.g.d. to 2.916 m.g.d.</u>	
9.	When did the company last file a capacity analysis report with the DEP? <u>Data with application for permit issued 01/29/99</u>	
10.	If the present system does not meet the requirements of DEP rules, submit the following:	
	a.	Attach a description of the plant upgrade necessary to meet DEP rules.
	b.	Have these plans been approved by DEP? _____
	c.	When will construction begin? _____
	d.	Attach plans for funding the required upgrading. <u>N/A</u>
	e.	Is this system under any Consent Order with DEP? <u>No</u>
11.	Department of Environmental Protection ID #	<u>3354916</u>
12.	Water Management District Consumptive Use Permit #	<u>2392</u>
	a.	Is the system in compliance with the requirements of the CUP? <u>Yes</u>
	b.	If not, what are the utility's plans to gain compliance? <u>N/A</u>

* An ERC is determined based on 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 residents (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 available are available for use:
ERC = (Total SFR gallons sold (omit 000)/365 days/350 gallons per day).

**WASTEWATER
OPERATION
SECTION**

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization _____	\$ 250	\$ _____	\$ _____	\$ 250
352	Franchises _____	50,438	_____	_____	50,438
353	Land and Land Rights _____	802,141	_____	_____	802,141
354	Structure and Improvements _____	17,450	_____	_____	17,450
360	Collection Sewers - Force _____	77,166	1,560	_____	78,726
361	Collection Sewers - Gravity _____	_____	_____	_____	_____
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	174	_____	_____	174
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	_____	599	_____	599
380	Treatment and Disposal Equip _____	948,560	7,579	_____	956,139
1	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneou Equipment _____	187	_____	_____	187
390	Office Furniture and Equipme _____	9,659	_____	_____	9,659
391	Transportation Equipment _____	_____	_____	_____	_____
392	Stores Equipment _____	_____	_____	_____	_____
393	Tools, Shop and Garage Equi _____	_____	_____	_____	_____
394	Laboratory Equipment _____	_____	_____	_____	_____
395	Power Operated Equipment _____	236	_____	_____	236
396	Communication Equipment _____	_____	_____	_____	_____
397	Miscellaneous Equipment _____	_____	_____	_____	_____
398	Other Tangible Plant _____	1,075	_____	_____	1,075
	Total Sewer Plant _____	\$ 1,907,336	\$ 9,738	\$ _____	\$ 1,917,074

* This amount should tie to Sheet F-5

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account Name (b)	^Average ^Service ^Life in Years (c)	^Average ^Salvage ^Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
351	Organization	40	%	2.5 %	\$ 34	\$	\$ 6	\$ 40
352	Franchises	40	%	2.5 %	4,706		1,483	6,189
354	Structure and Improvements	32	%	3.1 %	2,485		546	3,031
360	Collection Sewers - Force	30	%	3.3 %	5,494		2,612	8,106
361	Collection Sewers - Gravity		%					
362	Special Collecting Structures (Lift Stations)		%					
363	Services to Customers	38	%	2.6 %	2		4	6
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells (Lift Stations)		%					
371	Pumping Equipment	25	%	4.0 %			31	31
380	Treatment and Disposal Equi	18	%	5.6 %	241,639		52,845	294,484
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment	18	%	5.6 %	46		10	56
390	Office Furniture and Equipme	15	%	6.7 %	2,320		1,423	3,743
391	Transportation Equipment		%					
392	Stores Equipment		%					
393	Tools, Shop and Garage Equi		%					
394	Laboratory Equipment		%					
395	Power Operated Equipment	12	%	8.3 %	83		20	103
396	Communication Equipment		%					
397	Miscellaneous Equipment		%					
398	Other Tangible Plant	10	%	10.0 %	1,349		895	2,244
	Totals				\$ 258,158	\$	\$ 59,875	\$ 318,033

* This amount should tie to Sheet F-5

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees _____	\$ 23,546
703	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	34,821
704	Employee Pensions and Benefits _____	6,144
710	Purchased Wsatewater Treatment _____	
711	Sludge Removal Expense _____	20,520
715	Purchased Power _____	20,387
716	Fuel for Power Purchased _____	
718	Chemicals _____	1,146
720	Materials and Supplies _____	3,596
730	Contractual Services:	
	Operator and Management _____	3,125
	Testing _____	3,210
	Other _____	62,582
740	Rents _____	1,510
750	Transportation Expense _____	3,879
755	Insurance Expense _____	6,233
765	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	
770	Bad Debt Expense _____	(35)
775	Miscellaneous Expenses _____	8,295
	Total Water Operation and Maintenance Expense _____	\$ 198,959

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
5/8"	D	1.0	299	422	422
3/4"	D	1.5			
1"	D	2.5	47	48	120
1 1/2"	D,T	5.0	10	9	45
2"	D,C,T	8.0	12	18	144
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0		1	25
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify): _____ _____	_____ _____				
Unmetered Customers					
** D = Displacement C = Compound T = Turbine					
Total			368	498	756

UTILITY NAME Southlake Utilities, Inc.
 System Name Same

YEAR OF REPORT
 December 31, 1999

PUMPING EQUIPMENT

	#1	#2	#3				
Lift station number _____							
Make or type and nameplate data of pump	Ebara 2.5" Sphere	Ebara 3" Sphere	Flyte 3" Sphere				
Year installed _____	1994	1994	1995				
Rated capacity (GPM) _____	360	400	588				
Size _____	4"	4"	4"				
Power:							
Electric _____	Electric	Electric	Electric				
Mechanical _____							
Nameplate data of motor _____	Ebara 230V	Ebara 230V	Flyte 230V				

SERVICE CONNECTIONS

	4"-6"						
Size (inches) _____	4"-6"						
Type (PVC, VCP, etc) _____	PVC						
Average length _____	60'						
Number of active service connections _____	498						
Beginning of year _____	368						
Added during year _____	130						
Retired during year _____							
End of year _____	498						
Give full particulars concerning inactive connections _____							

COLLECTING AND FORCE MAINS AND MANHOLES

	Collecting Mains				Force Mains		
					6"	10"	12"
Size (inches) of main _____					PVC	PVC	PVC
Length of main (nearest foot):							
Beginning of year _____					2,300	2,460	1,100
Added during year _____							
Retired during year _____							
End of year _____					2,300	2,460	1,100

MANHOLES:

	4' Dia			
Size _____	4' Dia			
Type _____	Concrt			
Number:				
Beginning of year _____	122			
Added during year _____				
Retired during year _____				
End of year _____	122			

UTILITY NAME Southlake Utilities, Inc.
 SYSTEM NAME Same

YEAR OF REPORT
December 31, 1999

TREATMENT PLANT

Manufacturer_____	<u>Sanitair</u>	_____	_____
Type_____	<u>Extended Aeration</u>	_____	_____
"Steel" or "Concrete"_____	<u>Steel</u>	_____	_____
Total Capacity_____	<u>.300mgd</u>	_____	_____
Average Daily Flow_____	<u>150,830gpd</u>	_____	_____
Effluent Disposal_____	<u>Perc Pond</u>	_____	_____
Total Gallons of Wastewater Treated_____	<u>55,053,000</u>	_____	_____

MASTER LIFT STATION PUMPS (1)

Manufacturer_____	_____	_____	_____	_____	_____	_____
Capacity (GPM's)_____	_____	_____	_____	_____	_____	_____
Motor:_____	_____	_____	_____	_____	_____	_____
Manufacturer_____	_____	_____	_____	_____	_____	_____
Horsepower_____	_____	_____	_____	_____	_____	_____
Power (Electric or Mechanical)_____	_____	_____	_____	_____	_____	_____

Note(1): Same as lift station # 1

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater(MGD)	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	<u>3.688</u>	<u>None</u>	<u>3,688</u>
February_____	<u>3.695</u>	_____	<u>3,695</u>
March_____	<u>4.253</u>	_____	<u>4,253</u>
April_____	<u>3.110</u>	_____	<u>3,110</u>
May_____	<u>4.231</u>	_____	<u>4,231</u>
June_____	<u>3.805</u>	_____	<u>3,805</u>
July_____	<u>5.894</u>	_____	<u>5,894</u>
August_____	<u>6.027</u>	_____	<u>6,027</u>
September_____	<u>4.748</u>	_____	<u>4,748</u>
October_____	<u>5.331</u>	_____	<u>5,331</u>
November_____	<u>5.149</u>	_____	<u>5,149</u>
December_____	<u>5.122</u>	_____	<u>5,122</u>
Total for year_____	<u>55.053</u>	_____	<u>55,053</u>

If Wastewater Treatment is purchased, indicate the vendor: N/A

UTILITY NAME: Southlake Utilities, Inc.
SYSTEM NAME Same

YEAR OF REPORT
December 31, 1999

OTHER SEWER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

1. Present Number of ERC's * being served 548
2. Maximum number of ERC's ** that system can efficiently serve. 1,090
3. Present system connection capacity (in ERC's) using existing lines 1,541
4. Future connection capacity (in ERC's) upon service area buildout Approx. 15,000
5. Estimated annual increase in ERC's * Approx. annual average of 1,300 ERC's
6. State any plans and estimated completion dates for any enlargements of this system.
Plant expanded from .165mgd to .300mgd in 1994. Current expansion to .550 m.g.d. and completion by 2001.
7. List percent of certificated area where service connections are installed (total for each county)
Approx. 4%
8. If the present systems do not meet the requirements of DEP Rule 62-4, Florida Administrative Code, submit the following:
 - a. Evaluation of the present plant or plants in regard to meeting the DER's rules.
 - b. Plans for funding and construction of the required upgrading.
 - c. Have these plans been coordinated with the DEP?
 - d. Do they concur
 - e. When will construction begin
9. Do you discharge effluent to surface waters? Ponds
- 10 Department of Environmental Protection ID # FLA010634

| Gallons Treated / 365 Days) / 275 Gallons Per Day

d includes both sewage treated and purchased sewage treatment.

CERTIFICATION OF ANNUAL REPORT

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

- | | | |
|--------------|-----------|--|
| YES
(X) | NO
() | 1. The utility is in substantial compliance with the Uniform System Of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. * |
| YES
(X) | NO
() | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. * |
| YES
(X) | 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 financial statement of the utility. * |
| YES
(X) | 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 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)
()	()	()	()

Robert J. [Signature]
 (signature of chief executive officer of the utility)

N/A
 (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.

* This report portrays the condition of the company as of 12/31/1999 and does not reflect order PSC-00-0917-SC-WS which may affect this and/or subsequent periods and require adjustments and/or amendments to this or future reports.
 RJC 5/25/00