

CLASS "C"

WATER and/or WASTEWATER UTILITIES

(Gross Revenue of Less Than \$150,000 Each)

ANNUAL REPORT

Arredondo Utility Company, Inc.

EXACT LEGAL NAME OF RESPONDENT

549-W / 479-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

RECEIVED

APR 28 1998

Florida Public Service Commission
Division of Water and Wastewater

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PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1997

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

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March 24, 1998

Officers and Directors
Arredondo Utility Company, Inc.

We have compiled the 1997 Annual Report of Arredondo Utility Company, 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 Arredondo Utility Company, 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 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)

FINANCIAL SECTION

TABLE OF CONTENTS

Financial Section	
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payments For Services Rendered By Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used For AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
Water Operating Section	
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation By Primary Account - Water	W-2
Water Operation And Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics	W-4
Well and Well Pumps, Reservoirs, and High Service Pumping	W-5
Other Water System Information	W-6
Wastewater Operating Section	
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation By Primary Account - Wastewater	S-2
Wastewater Operation And Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Other Wastewater System Information	S-5
Verification	
Verification	V-1

REPORT OF

Arredondo Utility Company, Inc.
(Exact name of utility)

5517 S.W. 69th terrace, Gainesville, Florida 32608

Alachua

(Address)

(County)

Telephone Number

(904) 731-5335

Date Utility First Organized

1989

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:

5517 S.W 69th terrace
Gainesville, Florida 32608

Names of subdivisions where service is provided:
Arredondo Farms Mobile Home Park

Arredondo Estates Mobile Home Park

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Thomas P. Hicks, Jr.</u>	<u>President</u>	<u>5517 S.W 69th terrace</u> <u>Gainesville, Florida 32608</u>	_____
Person who prepared this report: <u>Cronin, Jackson, Nixon & Wilson</u>	<u>CPA's</u>	<u>2560 Gulf-to-Bay Blvd.</u> <u>Clearwater, Fl.</u>	_____
Officers and Managers: <u>Thomas P. Hicks, Jr.</u>	<u>President</u>	<u>5517 S.W 69th Terrace</u> <u>Gainesville, Florida 32608</u>	\$ 12,701
<u>Carla Brice</u>	<u>Vice President</u>		0
<u>David Miller</u>	<u>Secretary/Treasurer</u>		4,244

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
<u>C.L. Brice, 1977 Trust</u>	<u>100 %</u>	<u>5517 S.W 69th Terrace</u> <u>Gainesville, Florida 32608</u>	\$ None
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Arredondo Utility Company, Inc.

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_-----		\$ 133,331	\$ 74,175	\$	\$ 207,506
Commercial_-----		3,177	3,836		7,013
Industrial_-----					
Multiple Family_-----					
Guarenteed Revenues_-----					
Other (Specify) _-----		6,155			6,155
Total Gross Revenue_-----		142,663	78,011	N/A	220,674
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	100,872	51,581		152,453
Depreciation Expense_-----	F-5	14,429	8,831		23,260
CIAC Amortization Expense_-----	F-8	(1,576)			(1,576)
Taxes Other Than Income_-----	F-7	11,961	6,886		18,847
Income Taxes_-----	F-7				
Total Operating Expenses_-----		125,686	67,298		192,984
Net Operating Income (Loss)_-----		16,977	10,713		27,690
Other Income:					
Nonutility Income_-----		1,212	471		1,683
Interest Income_-----		131	66		197
Other Deductions:					
Miscellaneous Nonutility Expenses_-----		167	83		250
Interest Expense_-----		23,536	11,768		35,304
		23,703	11,851		35,554
Net Income (Loss)_-----		\$ (5,383)	\$ (601)	\$ N/A	\$ (5,984)

UTILITY NAME: Arredondo Utility Company, Inc.

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant In Service (101 - 105) _____	F-5,W-1,S-1	\$ 533,525	\$ 453,219
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-3	<u>(261,789)</u>	<u>(252,886)</u>
Net Utility Plant _____		<u>271,736</u>	<u>200,333</u>
Cash _____		23,648	16,695
Customer Accounts Receivable (141) _____		20,480	22,484
Other Assets (Specify):			
Deferred Rate Case Expense (Net)		9,260	12,964
		<u> </u>	<u> </u>
Total Assets _____		\$ 325,124	\$ 252,476
Liabilities And Capital:			
Common Stock Issued (201) _____	F-6	\$ 500	\$ 500
Preferred Stock Issued (204) _____	F-6		
Other Paid In Capital (211) _____		51,070	51,070
Retained Earnings (Deficit)(215) _____	F-6	(294,137)	(386,697)
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6	<u> </u>	<u> </u>
Total Capital _____		<u>(242,567)</u>	<u>(335,127)</u>
Long Term Debt (224) _____	F-6	362,277	342,277
Accounts Payable (231) _____		143,031	131,975
Notes Payable (232) _____			
Customer Deposits (235) _____		14,755	10,455
Accrued Taxes (236) _____	F-7	8,474	7,437
Other Liabilities (Specify):			
Accrued Interest		31,464	43,572
Accrued Penalties			
		<u> </u>	<u> </u>
Advances For Construction (252) _____			
Contributions In Aid Of Construction - Net (271 - 272) _____	F-8	<u>7,690</u>	<u>51,887</u>
Total Liabilities and Capital _____		\$ 325,124	\$ 252,476

UTILITY NAME: Arredondo Utility Company, Inc.

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) Inclusive	Water	Sewer	Plant Other Than Reporting Systems	Total
Utility Plant In Service (101) _____	\$ 309,229	\$ 224,296	\$ N/A	\$ 533,525
Construction Work In Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
Total Utility Plant _____	\$ 309,229	\$ 224,296	\$ N/A	\$ 533,525

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

Account 108	Water	Wastewater	A/D & CIAC Amort Other Than Reporting Systems	Total
Balance First Of Year _____	\$ 142,237	\$ 110,649	\$ N/A	\$ 252,886
Add Credits During Year:				
Accruals charged to depreciation account _____	14,429	8,831		23,260
Salvage _____	_____	_____		
Other credits (specify) _____	_____	_____		
Total credits _____	14,429	8,831		23,260
Deduct Debits During Year:				
Book cost of plant retired _____	4,328			4,328
Cost of removal _____	_____	_____		
Other debits (specify) _____	_____	_____		
PSC-96-0728-FOF-WS _____	12,008	(1,979)		10,029
Total debits _____	16,336	(1,979)		14,357
Balance End of Year _____	\$ 140,330	\$ 121,459	\$ _____	\$ 261,789

UTILITY NAME: Arredondo Utility Company, Inc.

YEAR OF REPORT December 31, 1997
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CAPITAL STOCK (201 - 204)

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

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (386,697)
Charges during the year (specify):		
Current Year Loss _____		(5,984)
Rate base adjustments per PSC-96-0728-FOF-WS _____		98,544
	_____	_____
Balance end of year _____	\$ _____	\$ (294,137)

PROPRIETARY CAPITAL (218)

	Proprietor or Partner	Partner
Balance first of year _____	\$ 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	
C.L. Brice 1977 Trust 5/4/89 - 5/4/2004	10 %	12	\$ 235,307
C.L. Brice, Working Capital Line of Credit	10 %	12	126,970
Total _____			\$ 362,277

UTILITY NAME: Arredondo Utility Company, Inc.

ACCRUED TAXES (ACCT. 236)

(a)	WATER (b)	SEWER (c)	OTHER (d)	TOTAL (e)
1. Balance First of Year	\$ 4,959	\$ 2,478	\$ N/A	\$ 7,437
Add Accruals Charged:				
State ad valorem tax				6,354
Local property tax	4,155	2,199		
Federal income tax				
State income tax				9,930
Regulatory assessment fee	6,419	3,511		
Other (Specify):				2,563
Payroll Taxes & other taxes	1,387	1,176		
	<u>11,961</u>	<u>6,886</u>		<u>18,847</u>
2. Total taxes accrued				
Deduct Taxes paid:				
State ad valorem tax				6,354
Local property tax	4,155	2,199		
Federal income tax				
State income tax				8,893
Regulatory assessment fee	5,967	2,926		
Other (Specify):				2,563
Payroll Taxes	1,387	1,176		
	<u>11,509</u>	<u>6,301</u>		<u>17,810</u>
3. Total taxes paid				
4. Balance end of year	\$ 5,411	\$ 3,063	\$ N/A	\$ 8,474
(1 + 2 - 3 = 4)				

PAYMENT 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
Reno & Wilson	\$ 10,103	\$ 6,902	Meter reading and repairs
N. Florida Environmental Services	7,208	3,639	Utility operator and repairs
Ring POver	1,032		Maintenance and repairs
Advanced Technologies and Test	2,750	963	Water & sewer testing
Eversoles Lawn Service	1,038	522	Land maintenance
Florida Septic		580	Sludge hauling
Grimm Electric	178	1,103	Repairs
Collins Tree Service		750	Tree removal
Loan Services, Inc	39,556	17,278	Management and bookkeeping services
Brice Construction	2,111	2,082	Land maintenance and repairs
Cronin Jackson Nixon & Wilson CPA	1,204	620	Accounting
Howie Green Tank Inspector	3,475		Tank inspection

UTILITY NAME: Arredondo Utility Company, Inc.

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year _____	\$ 70,670	\$ 77,430	\$ 148,100
2. Add credits during year:			
_____	1,760		1,760
3. Total _____	72,430	77,430	149,860
4. Deduct charges during year _____ PSC-96-0728-FOF-WS	(58,274)	(77,430)	(135,704)
5. Balance end of year _____	14,156		14,156
6. Less Accumulated Amortization _____	6,466		6,466
7. Net CIAC _____	\$ 7,690	\$ _____	\$ 7,690

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
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
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		
Meter fees	16	\$ 110	1,760	
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above) _____			\$ 1,760	\$ NONE

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ 49,092	\$ 47,121	\$ 96,213
Add Debits During Year: _____	1,576		1,576
Deduct Credits During Year: PSC-96-0728-FOF-WS	44,202	47,121	91,323
Balance End of Year (Must agree with line #6 above)	\$ 6,466	\$ _____	\$ 6,466

YEAR OF REPORT December 31, 1997
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UTILITY NAME: Arredondo Utility Company, Inc.

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		%	0.00 %	
Tax Credits - Weighted Cost		%	%	
Deferred Income Taxes		%	%	
Other (Explain)		%	%	
Total	\$ _____	100.00 %		\$ _____

- (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:	_____ %
Commission order approving AFUDC rate:	_____

YEAR OF REPORT December 31, 1997
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UTILITY NAME: Arredondo Utility Company, Inc.

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS (e)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (f)
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	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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

**WATER
OPERATION
SECTION**

UTILITY NAME: Arredondo Utility Company, Inc.

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	_____	_____	_____	_____
303	Land and Land Rights _____	1,474	1,486 (1)	_____	2,960
304	Structure and Improvements _____	4,905	900	_____	5,805
305	Collecting and Impounding Reservoirs _____	_____	_____	_____	_____
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	9,519	_____	_____	9,519
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	3,398	_____	_____	3,398
310	Power Generation Equipment _____	30,068	_____	_____	30,068
311	Pumping Equipment _____	11,533	_____	_____	11,533
320	Water Treatment Equipment _____	21,259	6,128 (1)	_____	27,387
330	Distribution Reservoirs and Standpipes _____	20,520	31,614	1,331	50,803
331	Transmission and Distribution Mains _____	76,531	_____	_____	76,531
333	Services _____	23,383	_____	_____	23,383
334	Meters and Meter Installations _____	58,443	2,287	2,997	57,733
335	Hydrants _____	2,288	_____	_____	2,288
339	Other Plant and Miscellaneous Equipment _____	1,018	_____	_____	1,018
340	Office Furniture and Equipment _____	2,136	_____	_____	2,136
341	Transportation Equipment _____	1,046	_____	_____	1,046
342	Stores Equipment _____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipm _____	608	_____	_____	608
344	Laboratory Equipment _____	_____	_____	_____	_____
345	Power Operated Equipment _____	_____	_____	_____	_____
346	Communication Equipment _____	_____	_____	_____	_____
347	Miscellaneous Equipment _____	_____	_____	_____	_____
348	Other Tangible Plant _____	3,013	_____	_____	3,013
	Total Water Plant _____	\$ 271,142	\$ 42,415	\$ 4,328	\$ 309,229

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.
 Note (1): Additions include adjustments of \$1,486 (acct 303) and \$1,422 (acct 320) per PSC-96-0728-FOF-WS

UTILITY NAME: Arredondo Utility Company, Inc.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY 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		%					
302	Franchises		%					
304	Structure and Improvements	4905	%	0.02	4,372	369 (1)	192	4,195
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	3.70	7,729	652 (1)	352	7,429
308	Infiltration Galleries and Tunnels		%					
309	Supply Mains	32	%	3.13	3,920	331 (1)	107	3,696
310	Power Generation Equipment	17	%	5.88	4,453	376 (1)	1,768	5,845
311	Pumping Equipment	17	%	5.88	2,276	192 (1)	678	2,762
320	Water Treatment Equipment	17	%	5.88	10,769	909 (1)	1,430	11,290
330	Distribution Reservoirs and Standpipes	30	%	3.33	16,879	2,756 (2)	1,187	15,310
331	Transmission and Distribution Mains	38	%	2.63	49,913	4,214 (1)	2,013	47,712
333	Services	35	%	2.86	11,650	984 (1)	669	11,335
334	Meters and Meter Installations	12	%	8.33	27,043	5,280 (2)	4,838	26,601
335	Hydrants	40	%	2.50	1,391	117 (1)	57	1,331
339	Other Plant and Miscellaneous Equipment	20	%	5.00	659	56 (1)	52	655
340	Office Furniture and Equipment	10	%	10.00	320	27 (1)	214	507
341	Transportation Equipment	5	%	20.00	297	25 (1)	209	481
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment	10	%	10.00	106	9 (1)	61	158
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant	5	%	20.00	460	39 (1)	602	1,023
	Totals				\$ 142,237	\$ 16,336	\$ 14,429	\$ 140,330

* This amount should tie to Sheet F-5
Notes: (1) Pro-rata distribution of adjustment of \$12,008 per PSC-96-0728-FOF-WS
(2) Per note (1) and retirement of \$1,331 (acct 330) and \$2,997 (acct 334)

UTILITY NAME: Arredondo Utility Company, Inc.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 11,184
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	
610	Purchased Water	6,851
615	Purchased Power	101
616	Fuel for Power Purchased	544
618	Chemicals	6,880
620	Materials and Supplies	
630	Contractual Services:	
	Operator and Management	42,852
	Testing	2,830
	Other	18,448
640	Rents	445
650	Transportation Expense	225
655	Insurance Expense	2,457
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	3,977
670	Bad Debt Expense	4,078
675	Miscellaneous Expenses	
	Total Water Operation and Maintenance Expense	\$ 100,872 *

* 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)	
5/8"	D	1.0	507	516	516
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0	2	2	16
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers					
			Total		
** D = Displacement C = Compound T = Turbine			509	518	532

UTILITY NAME: Arredondo Utility Company, Inc.

SYSTEM NAME: _____

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)
January		2,953	991	1,962	2,148
February		2,867	962	1,905	2,008
March		3,610	1,212	2,398	2,142
April		3,352	1,125	2,227	2,589
May		3,654	1,227	2,427	2,748
June		3,334	1,119	2,215	2,062
July		3,672	1,233	2,439	2,035
August		4,173	1,401	2,772	2,538
September		3,671	1,232	2,439	2,422
October		3,339	1,121	2,218	2,534
November		3,426	1,150	2,276	2,191
December		3,267	1,097	2,170	2,032
Total for year	N/A	41,318	13,870	27,448	27,449

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:

MAINS (Feet)

Kind of Pipe (Cast Iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
Asbestos/Concrete	6"	1,525			1,525
Asbestos/Concrete	4"	6,950			6,950
Asbestos/Concrete	3"	3,850			3,850
Asbestos/Concrete	2"	4,900			4,900
Galvanized/PVC	6"	5,800			5,800
Galvanized/PVC	4"	1,125			1,125
Galvanized/PVC	2"	15,300			15,300

UTILITY NAME: Arredondo Utility Company, Inc.

SYSTEM NAME: _____

WELLS AND WELL PUMPS
(If Available)

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	AE #1 East 1996	AE #2 West 1996	AF 1970	AF Unknown
Types of Well Construction and Casing _____	Cable Tool Steel	Cable Tool Steel	Cable Tool Steel	Cable Tool Steel
Depth of Wells _____	150 ft	162 ft	125 ft	143 ft
Diameters of Wells _____	6"	6"	8"	8"
Pump - GPM _____	120 GPM	120 GPM	250 GPM	250 GPM
Motor - HP _____	10 HP	10 HP	Unknown	Unknown
Motor Type * _____				
Yeilds of Wells in GPD _____	172,800 GPD	172,800 GPD	417,600 GPM	432,000 GPM
Auxiliary Power _____				
* Submersable, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	Pneumatic	Pneumatic		
Capacity of Tank _____	20,000 Gal	Twin 5,000 Gal		
Ground of Elevated _____	Ground	Ground		

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
MOTORS				
Manufacturer _____	None			
Type _____				
Rated Horsepower _____				
PUMPS				
Manufacturer _____	None			
Type _____				
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____				
Auxiliary Power _____				

UTILITY NAME: Arredondo Utility Company, Inc.

SOURCE OF SUPPLY

List for each source of supply:

Gallons per day of source _____	<u>.230 MGD</u>	<u>240 MGD</u>	
Type of source _____	<u>Floridan Aquifer</u>	<u>Floridan Aquifer</u>	

WATER TREATMENT FACILITIES

List for each water treatment facility:

	<u>Arredondo Estates</u>	<u>Arredondo Farms</u>	
Type _____	<u>Chlorinator</u>	<u>Chlorinator</u>	
Make _____	<u>Bailey-fischer & Porter</u>	<u>Bailey-fischer & Porter</u>	
Gallons per day capacity _____	<u>.230 MGD</u>	<u>.240 MGD</u>	
High service pumping Gallons per minute _____	<u>Unknown</u>	<u>Unknown</u>	
Reverse Osmosis _____	<u>N/A</u>	<u>N/A</u>	
Lime treatment Unit Rating _____	<u>N/A</u>	<u>N/A</u>	
Filtration Pressure Sq. Ft. _____	<u>N/A</u>	<u>N/A</u>	
Gravity GPD/Sq. Ft. _____	<u>N/A</u>	<u>N/A</u>	
Disinfection Chlorinator _____	<u>X</u>	<u>X</u>	
Ozone _____			
Other _____			
Auxiliary Power _____	<u>Generator</u>	<u>Generator</u>	

OTHER WATER SYSTEM INFORMATION

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

- Present ERC's * now being served 532
- Maximum ERC's ** that system can efficiently serve. 532
- Present system connection capacity (in ERC's) using existing lines 532
- Future connection capacity (in ERC's) upon service area buildout _____
- Estimated annual increase in ERC's* 25
- List fire fighting facilities and capacities (including number of fire hydrants) 5 fire Hydrants
- List percent of certificated area where service connections are installed (total for each county)
100%; Alachua County
- What is the current need for system upgrading and/or expansion?
None
- What are plans for future upgrading and/or expansion?
None
- Have questions 8 and 9 been discussed with an engineer? (if so, state name and address)
N/A
- Has an application for a construction permit been filed with the DEP? (if so, explain)
None
- Department of Environmental Protection ID # 2010041
Water Management District ID # Estates - 2001-0116; Farms - 2001-0117

* ERC = (Total Gallons Sold / 365 Days) / 350 Gallons Per Day
** Total Plant Capacity / 350 gallons

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME: Arredondo Utility Company, Inc.

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises _____				
353	Land and Land Rights _____	5,450	1,782 (1)		7,232
354	Structure and Improvements _____	11,106	840		11,946
360	Collection Sewers - Force _____				
361	Collection Sewers - Gravity _____	78,881			78,881
362	Special Collecting Structures _____				
363	Services to Customers _____	2,135			2,135
364	Flow Measuring Devices _____	635			635
365	Flow Measuring Installations _____				
370	Receiving Wells _____				
371	Pumping Equipment _____	19,856			19,856
380	Treatment and Disposal Equipment _____	59,965	39,441 (1)		99,406
381	Plant Sewers _____				
382	Outfall Sewer Lines _____				
389	Other Plant and Miscellaneous Equipment _____	663			663
390	Office Furniture and Equipment _____	1,100	157		1,257
391	Transportation Equipment _____	417	0		417
392	Stores Equipment _____				
393	Tools, Shop and Garage Equipment _____	311			311
394	Laboratory Equipment _____				
395	Power Operated Equipment _____				
396	Communication Equipment _____				
397	Miscellaneous Equipment _____				
398	Other Tangible Plant _____	1,558	(1)		1,557
	Total Sewer Plant _____	\$ 182,077	\$ 42,219	\$ _____	\$ 224,296 *

* This amount should tie to Sheet F-5
Note (1): Adjustment per PSC-96-0728-FOF-WS

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

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)
351	Organization		%	%	\$	\$	\$	\$
352	Franchises		%	%				
354	Structure and Improvements	27	%	3.7 %	8,712	(108)	427	9,247
360	Collection Sewers - Force		%	%				
361	Collection Sewers - Gravity	40	%	2.5 %	47,182	(521)	1,972	49,675
362	Special Collecting		%	%				
	Structures (Lift Stations)		%	%				
363	Services to Customers	35	%	2.9 %	1,328	(16)	61	1,405
364	Flow Measuring Devices	5	%	20.0 %	392	(34)	127	553
365	Flow Measuring Installations		%	%				
370	Receiving Wells (Lift Stations)		%	%				
371	Pumping Equipment	40	%	2.5 %	754	(131)	496	1,381
380	Treatment and Disposal Equipment	15	%	6.7 %	51,903	(1,057)	5,315	58,275
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment		%	%				
390	Office Furniture and Equipment	15	%	6.7 %	337	(12)	43	392
391	Transportation Equipment	10	%	10.0 %	165	(29)	118	312
392	Stores Equipment	5	%	20.0 %	92	(22)	84	198
393	Tools, Shop and Garage Equipment	10	%	10.0 %	54	(8)	32	94
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment		%	%				
398	Other Tangible Plant		%	%	(270)	(41)	156	(73)
	Totals				\$ 110,649	\$ (1,979)	\$ 8,831	\$ 121,459 *

* This amount should tie to Sheet F-5

Notes (1): Pro-rata distribution of adjustment of \$1,979 per PSC-96-0728-FOF-WS

UTILITY NAME: Arredondo Utility Company, Inc.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 5,761
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	3,569
711	Sludge Removal Expense	3,693
715	Purchased Power	52
716	Fuel for Power Purchased	280
718	Chemicals	1,081
720	Materials and Supplies	
730	Contractual Services:	20,917
	Operator and Management	2,455
	Testing	9,116
	Other	
740	Rents	
750	Transportation Expense	116
755	Insurance Expense	1,248
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	1,208
770	Bad Debt Expense	2,085
775	Miscellaneous Expenses	
	Total Water Operation and Maintenance Expense	\$ 51,581 *

* 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	267	278	278
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0	2	2	16
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers					
Total			269	280	294

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Arredondo Utility Company, Inc.

PUMPING EQUIPMENT

Lift station number _____	1						
Make or type and nameplate data of pump _____	S4N						
Year installed _____	1995						
Rated capacity (GPM) _____							
Size (HP) _____	4"						
Power:							
Electric _____	X						
Mechanical _____							
Nameplate data of motor _____							

SERVICE CONNECTIONS

Size (inches) _____	4"						
Type (PVC, VCP, etc) _____							
Average length _____							
Number of active service connections _____	280						
Beginning of year _____	269						
Added during year _____	11						
Retired during year _____							
End of year _____	280						
Give full particulars concerning inactive connections _____							

COLLECTING AND FORCE MAINS AND MANHOLES

		Collecting Mains			Force Mains		
Size (inches) _____	8"						
Type of main _____	Clay						
Length of main (nearest foot):							
Beginning of year _____	20,300						
Added during year _____							
Retired during year _____							
End of year _____	20,300						

MANHOLES:

Size _____			
Type _____	Brick		
Number:			
Beginning of year _____	38		
Added during year _____			
Retired during year _____			
End of year _____	38		

UTILITY NAME: Arredondo Utility Company, Inc.

TREATMENT PLANT

Manufacturer _____	McNeill		
Type _____	Contact Stabilization		
"Steel" or "Concrete" _____	Concrete		
Total Capacity _____	60,000 GPD		
Average Daily Flow _____	26,918		
Effluent Disposal _____	Percolation Ponds (3)		
Total Gallons of Wastewater Treated _____	9,825,000		

MASTER LIFT STATION PUMPS

Manufacturer _____	N/A					
Capacity _____ (GPM)						
Motor:						
Manufacturer _____						
Horsepower _____						
Power (Electric or Mechanical) _____						

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	806,000	None	806,000
February _____	812,000		812,000
March _____	961,000		961,000
April _____	780,000		780,000
May _____	775,000		775,000
June _____	780,000		780,000
July _____	806,000		806,000
August _____	806,000		806,000
September _____	720,000		720,000
October _____	992,000		992,000
November _____	750,000		750,000
December _____	837,000		837,000
Total for year _____	9,825,000		9,825,000

If Wastewater Treatment is purchased, indicate the vendor:

UTILITY NAME: Arredondo Utility Company, Inc.

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 294
2. Maximum number of ERC's ** that system can efficiently serve. 294
3. Present system connection capacity (in ERC's) using existing lines 294
4. Future connection capacity (in ERC's) upon service area buildout _____
5. Estimated annual increase in ERC's * 25
6. State any plans and estimated completion dates for any enlargements of this system.
None
7. List percent of certificated area where service connections are installed (total for each county) _____
100%; Alachua County
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? No
- 10 Department of Environmental Protection ID # DO01-176465
Water Management District ID # N/A

* ERC = (Total Gallons Treated / 365 Days) / 275 Gallons Per Day

Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment.

** Total Plant Capacity / 280 Gallons

UTILITY NAME: Arredondo Utility Company, Inc.

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

N/A
(signature of chief executive officer of the utility)

Da. Miller Treasurer
(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.