

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



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Florida Public Service Commission
Division of Water and Wastewater

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1998

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April 16, 1999

Officers and Directors
Arredondo Utility Company, Inc.

We have compiled the 1998 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
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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

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REPORT OF

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

11100 Brittmore Park Drive, Houston, Texas, 77041

Alachua

(Address)

(County)

Telephone Number

(713) 983-3000

Date Utility First Organized

04/01/81

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:
11100 Brittmore Park Drive, Houston, Texas, 77041

Karl W. Jackson
(713) 983-3000

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>Karl W. Jackson</u>	<u>Vice President/Controller</u>	<u>11100 Brittmore Park Dr Houston, TX 77041</u>	<u> </u>
Person who prepared this report: <u>Cronin, Jackson, Nixon & Wilson</u>	<u>CPA's</u>	<u>2560 Gulf-to-Bay Blvd. Clearwater, Fl.</u>	<u> </u>
Officers and Managers: <u>Donald J. Clayton</u>	<u>President</u>	<u>11100 Brittmore Park Dr</u>	\$ <u>0</u>
<u>James A. Leightinen</u>	<u>Vice President</u>	<u>Houston, TX 77041</u>	<u>0</u>
<u>Doug Bailey</u>	<u>Vice President/Treasurer</u>	<u> </u>	<u>0</u>
<u>Karl W. Jackson</u>	<u>Vice President/Controller</u>	<u> </u>	<u>0</u>
<u>Corey A. Thomas</u>	<u>Vice President/Secretary</u>	<u> </u>	<u>0</u>
<u>Misty Sessions</u>	<u>Assistant Secretary</u>	<u> </u>	<u>0</u>

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>Aqua Source Utility, Inc.</u>	<u>100 %</u>	<u>11100 Brittmore Park Dr Houston, TX 77041</u>	\$ <u>None</u>
<u> </u>	<u> </u>	<u> </u>	\$ <u> </u>
<u> </u>	<u> </u>	<u> </u>	\$ <u> </u>
<u> </u>	<u> </u>	<u> </u>	\$ <u> </u>
<u> </u>	<u> </u>	<u> </u>	\$ <u> </u>
<u> </u>	<u> </u>	<u> </u>	\$ <u> </u>

UTILITY NAME: Arredondo Utility Company, Inc.

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ 139,875	\$ 75,776	\$ -----	\$ 215,651
Commercial -----		3,150	3,921	-----	7,071
Industrial -----		-----	-----	-----	-----
Multiple Family -----		-----	-----	-----	-----
Guarenteed Revenues -----		-----	-----	-----	-----
Other (Specify) -----		5,715	-----	-----	5,715
Total Gross Revenue -----		148,740	79,697	N/A	228,437
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	95,741	61,370	-----	157,111
Depreciation Expense -----	F-5	15,161	10,169	-----	25,330
CIAC Amortization Expense -----	F-8	(1,925)	-----	-----	(1,925)
Taxes Other Than Income -----	F-7	13,144	5,228	-----	18,372
Income Taxes -----	F-7	-----	-----	-----	-----
Total Operating Expenses -----		122,121	76,767	-----	198,888
Net Operating Income (Loss) -----		26,619	2,930	-----	29,549
Other Income:					
Nonutility Income -----		57	6	-----	63
Interest Income -----		200	22	-----	222
Other Deductions:					
Miscellaneous Nonutility Expenses -----		-----	-----	-----	-----
Interest Expense -----		32,474	3,575	-----	36,049
-----		-----	-----	-----	-----
-----		32,474	3,575	-----	36,049
Net Income (Loss) -----		\$ (5,598)	\$ (617)	\$ N/A	\$ (6,215)

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant In Service (101 - 105) _____	F-5,W-1,S-1	\$ 534,558	\$ 533,525
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-3	(285,925)	(261,789)
Net Utility Plant _____		248,633	271,736
Cash _____		25,504	23,648
Customer Accounts Receivable (141) _____		24,790	20,480
Other Assets (Specify):			
Deferred Rate Case Expense (Net)		5,555	9,260

Total Assets _____		\$ 304,482	\$ 325,124
Liabilities And Capital:			
Common Stock Issued (201) _____	F-6	\$ 500	\$ 500
Preferred Stock Issued (204) _____	F-6		51,070
Other Paid In Capital (211) _____		568,446	(294,137)
Retained Earnings (Deficit)(215) _____	F-6	(300,352)	
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		268,594	(242,567)
Long Term Debt (224) _____	F-6		362,277
Accounts Payable (231) _____		529	143,031
Notes Payable (232) _____			
Customer Deposits (235) _____		17,550	14,755
Accrued Taxes (236) _____	F-7	10,284	8,474
Other Liabilities (Specify):			
Accrued Interest			31,464

Advances For Construction (252) _____			
Contributions In Aid Of Construction - Net (271 - 272) _____	F-8	7,525	7,690
Total Liabilities and Capital _____		\$ 304,482	\$ 325,124

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) _____	\$ 310,262	\$ 224,296	\$ N/A	\$ 534,558
Construction Work In Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 310,262	\$ 224,296	\$ N/A	\$ 534,558

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 _____	\$ 140,330	\$ 121,459	\$ N/A	\$ 261,789
Add Credits During Year:				
Accruals charged to depreciation account _____	15,161	10,169	_____	25,330
Salvage _____	_____	_____	_____	_____
Other credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total credits _____	15,161	10,169	_____	25,330
Deduct Debits During Year:				
Book cost of plant retired _____	1,194	_____	_____	1,194
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total debits _____	1,194	_____	_____	1,194
Balance End of Year _____	\$ 154,297	\$ 131,628	\$ _____	\$ 285,925

UTILITY NAME: Arredondo Utility Company, Inc.

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 _____	\$ _____	\$ (294,137)
Charges during the year (specify): Current Year Loss _____		(6,215)
_____	_____	_____
Balance end of year _____	\$ _____	\$ (300,352)

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	
_____	_____	_____	\$ _____
_____	_____	_____	_____
Total _____			\$ N/A

UTILITY NAME: Arredondo Utility Company, Inc.

ACCRUED TAXES (ACCT. 236)

(a)	WATER (b)	SEWER (c)	OTHER (d)	TOTAL (e)
1. Balance First of Year	\$ 5,411	\$ 3,063	\$ N/A	\$ 8,474
Add Accruals Charged:				
State ad valorem tax				5,587
Local property tax	5,048	539		
Federal income tax				
State income tax				10,284
Regulatory assessment fee	6,698	3,586		
Other (Specify):				2,501
Payroll Taxes & other taxes	1,398	1,103		
2. Total taxes accrued	<u>13,144</u>	<u>5,228</u>		<u>18,372</u>
Deduct Taxes paid:				
State ad valorem tax				5,587
Local property tax	5,048	539		
Federal income tax				
State income tax				8,474
Regulatory assessment fee	5,411	3,063		
Other (Specify):				2,501
Payroll Taxes	1,398	1,103		
3. Total taxes paid	<u>11,857</u>	<u>4,705</u>		<u>16,562</u>
4. Balance end of year (1 + 2 - 3 = 4)	\$ 6,698	\$ 3,586	\$ N/A	\$ 10,284

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	\$ 11,880	\$ 6,120	Meter reading & repairs
Advanced Technology & Testing	1,667	859	Water & wastewater testing
N. Florida Environmental Services	8,505	4,381	Utility operator & repairs
Brice Construction	3,090	5,879	Land maintenance & repair
Loan Services, Inc.	36,530	18,818	Management & bookkeeping services
Eversoles Lawn Service	1,426	734	Land maintenance
Cronin Jackson Nixon & Wilson CPA	1,541	794	Regulatory accounting
David Miller, CPA	270	480	Tax accounting
Grimm Electric	434	806	Repairs
Generator Tech Systems	1,243	643	Maintenance & repairs
Florida Septic		1,202	Sludge hauling
Folsom Business Forms	1,072	576	Printing (bill forms)

UTILITY NAME: Arredondo Utility Company, Inc.

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year _____	\$ 14,156	\$ N/A	\$ 14,156
2. Add credits during year:			
_____	1,760		1,760
3. Total _____	15,916		15,916
4. Deduct charges during year _____			
5. Balance end of year _____	15,916		15,916
6. Less Accumulated Amortization _____	8,391		8,391
7. Net CIAC _____	\$ 7,525	\$ _____	\$ 7,525

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.			Water	Wastewater
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 _____	\$ 6,466	\$ N/A	\$ 6,466
Add Debits During Year: _____	1,925		1,925
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above)	\$ 8,391	\$ _____	\$ 8,391

YEAR OF REPORT December 31, 1998
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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, 1998
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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 _____	_____	_____	_____	2,960
303	Land and Land Rights _____	2,960	_____	_____	5,805
304	Structure and Improvements _____	5,805	_____	_____	_____
305	Collecting and Impounding Reservoirs _____	_____	_____	_____	_____
306	Lake, River and Other Intakes _____	_____	_____	_____	9,519
307	Wells and Springs _____	9,519	_____	_____	_____
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	3,398
309	Supply Mains _____	3,398	_____	_____	30,068
310	Power Generation Equipment _____	30,068	_____	_____	11,533
311	Pumping Equipment _____	11,533	_____	_____	27,387
320	Water Treatment Equipment _____	27,387	_____	_____	_____
330	Distribution Reservoirs and Standpipes _____	50,803	_____	_____	50,803
331	Transmission and Distribution Mains _____	76,531	_____	_____	76,531
333	Services _____	23,383	_____	_____	23,383
334	Meters and Meter Installations _____	57,733	1,764	1,194	58,303
335	Hydrants _____	2,288	_____	_____	2,288
339	Other Plant and Miscellaneous Equipment _____	1,018	_____	_____	1,018
340	Office Furniture and Equipment _____	2,136	463	_____	2,599
341	Transportation Equipment _____	1,046	_____	_____	1,046
342	Stores Equipment _____	_____	_____	_____	608
343	Tools, Shop and Garage Equipm _____	608	_____	_____	_____
344	Laboratory Equipment _____	_____	_____	_____	_____
345	Power Operated Equipment _____	_____	_____	_____	_____
346	Communication Equipment _____	_____	_____	_____	_____
347	Miscellaneous Equipment _____	_____	_____	_____	3,013
348	Other Tangible Plant _____	3,013	_____	_____	_____
	Total Water Plant _____	\$ 309,229	\$ 2,227	\$ 1,194	\$ 310,262

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

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	4,195		207	4,402
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	3.70	7,429		352	7,781
308	Infiltration Galleries and Tunnels		%					
309	Supply Mains	32	%	3.13	3,696		106	3,802
310	Power Generation Equipment	17	%	5.88	5,845		1,768	7,613
311	Pumping Equipment	17	%	5.88	2,762		678	3,440
320	Water Treatment Equipment	17	%	5.88	11,290		1,610	12,900
330	Distribution Reservoirs and Standpipes	30	%	3.33	15,310		1,692	17,002
331	Transmission and Distribution Mains	38	%	2.63	47,712		2,013	49,725
333	Services	35	%	2.86	11,335		669	12,004
334	Meters and Meter Installations	12	%	8.33	26,601	1,194 (1)	4,833	30,240
335	Hydrants	40	%	2.50	1,331		57	1,388
339	Other Plant and Miscellaneous Equipment	20	%	5.00	655		51	706
340	Office Furniture and Equipment	10	%	10.00	507		251	758
341	Transportation Equipment	5	%	20.00	481		210	691
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment	10	%	10.00	158		61	219
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant	5	%	20.00	1,023		603	1,626
	Totals				\$ 140,330	\$ 1,194	\$ 15,161	\$ 154,297 *

* This amount should tie to Sheet F-5
Note (1): Retirement

UTILITY NAME: Arredondo Utility Company, Inc.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees _____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	11,880
604	Employee Pensions and Benefits _____	_____
610	Purchased Water _____	_____
615	Purchased Power _____	5,142
616	Fuel for Power Purchased _____	_____
618	Chemicals _____	1,271
620	Materials and Supplies _____	5,818
630	Contractual Services:	
	Operator and Management _____	40,253
	Testing _____	2,526
	Other _____	19,005
640	Rents _____	_____
650	Transportation Expense _____	_____
655	Insurance Expense _____	253
665	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	2,457
670	Bad Debt Expense _____	2,939
675	Miscellaneous Expenses _____	4,197
	Total Water Operation and Maintenance Expense _____	\$ 95,741 *

* 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	516	563	563
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			_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	518	565
				565	579

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 _____	_____	3,094	618	2,476	2,876
February _____	_____	2,774	554	2,220	1,900
March _____	_____	3,278	656	2,622	2,193
April _____	_____	3,395	678	2,717	2,571
May _____	_____	4,145	828	3,317	2,840
June _____	_____	4,313	862	3,451	3,186
July _____	_____	4,193	838	3,355	3,281
August _____	_____	3,490	698	2,792	2,317
September _____	_____	3,443	688	2,755	2,673
October _____	_____	3,421	684	2,737	2,122
November _____	_____	3,432	686	2,746	2,548
December _____	_____	3,170	634	2,536	1,989
Total for year _____	<u>N/A</u>	<u>42,148</u>	<u>8,424</u>	<u>33,724</u>	<u>30,496</u>

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
Auxillary 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 _____				
(a)	(b)	(c)	(d)	(e)
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:

	Arredondo Estates	Arredondo Farms	
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 579
- Maximum ERC's ** that system can efficiently serve. 579
- Present system connection capacity (in ERC's) using existing lines 579
- 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 _____	7,232	_____	_____	7,232
354	Structure and Improvements _____	11,946	_____	_____	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 _____	99,406	_____	_____	99,406
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment _____	663	_____	_____	663
390	Office Furniture and Equipment _____	1,257	_____	_____	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 _____	1,557	_____	_____	1,557
	Total Sewer Plant _____	\$ 224,296	\$ _____	\$ _____	\$ 224,296 *

* 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		%	%	\$	\$	\$	\$
352	Franchises		%	%				
354	Structure and Improvements	27	%	3.7 %	9,247		442	9,689
360	Collection Sewers - Force		%	%				
361	Collection Sewers - Gravity	40	%	2.5 %	49,675		1,972	51,647
362	Special Collecting Structures (Lift Stations)		%	%				
363	Services to Customers	35	%	2.9 %	1,405		61	1,466
364	Flow Measuring Devices	5	%	20.0 %	553		127	680
365	Flow Measuring Installations		%	%				
370	Receiving Wells (Lift Stations)		%	%				
371	Pumping Equipment	40	%	2.5 %	1,381		497	1,878
380	Treatment and Disposal Equipment	15	%	6.7 %	58,275		6,630	64,905
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment	15	%	6.7 %	392		45	437
390	Office Furniture and Equipment	10	%	10.0 %	312		126	438
391	Transportation Equipment	5	%	20.0 %	198		83	281
392	Stores Equipment		%	%				
393	Tools, Shop and Garage Equipment	10	%	10.0 %	94		31	125
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment		%	%				
398	Other Tangible Plant		%	%	(73)		155	82
	Totals				\$ 121,459	\$	\$ 10,169	\$ 131,628 *

* This amount should tie to Sheet F-5

UTILITY NAME: Arredondo Utility Company, Inc.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	6,120
704	Employee Pensions and Benefits	
710	Purchased Wsatewater Treatment	
711	Sludge Removal Expense	3,421
715	Purchased Power	4,201
716	Fuel for Power Purchased	
718	Chemicals	655
720	Materials and Supplies	9,988
730	Contractual Services:	
	Operator and Management	24,392
	Testing	
	Other	8,638
740	Rents	
750	Transportation Expense	
755	Insurance Expense	130
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	1,248
770	Bad Debt Expense	476
775	Miscellaneous Expenses	2,101
	Total Water Operation and Maintenance Expense	\$ 61,370 *

* 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	278	315	315
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			280	317	331

** 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 _____	317						
Beginning of year _____	280						
Added during year _____	37						
Retired during year _____							
End of year _____	317						
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_____	28,899		
Effluent Disposal_____	Percolation Ponds		
Total Gallons of Wastewater Treated_____	10,548,000		

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_____	928,000		928,000
March_____	744,000		744,000
April_____	810,000		810,000
May_____	837,000		837,000
June_____	810,000		810,000
July_____	1,023,000		1,023,000
August_____	992,000		992,000
September_____	1,020,000		1,020,000
October_____	899,000		899,000
November_____	780,000		780,000
December_____	899,000		899,000
Total for year_____	10,548,000		10,548,000

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 331
2. Maximum number of ERC's ** that system can efficiently serve. 331
3. Present system connection capacity (in ERC's) using existing lines 331
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. (X)	2. (X)	3. (X)	4. (X)
-----------	-----------	-----------	-----------

(signature of chief executive officer of the utility)

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

Kan Jackson

(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.