

CLASS "A" OR "B"

OFFICIAL COPY
Public Service Commission
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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS800-11-AR

CYPRESS LAKES UTILITIES INC

Exact Legal Name of Respondent

469W 358S

Certificate Number(s)

Submitted To The

Bay County Florida

RECEIVED
PUBLIC SERVICE
12 MAY -1 PM 1:36
ECONOMIC REGULATION

Board of County Commissioners

FOR THE

YEAR ENDED

31-Dec-11

GENERAL INSTRUCTIONS

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

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

The fourth copy should be retained by the utility.

TABLE OF CONTENTS

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

TABLE OF CONTENTS

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

EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

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

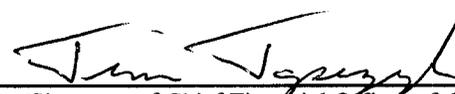
- | | | |
|--|--------------------------------|--|
| YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 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 <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 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. |
| | | | |

 (Signature of Chief Executive Officer of the utility) *

| | | | |
|----|----|----|----|
| 1. | 2. | 3. | 4. |
| X | X | X | X |


 (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.

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

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

- | |
|---|
| <ul style="list-style-type: none">A. Formed in 1996, Cypress Lakes Utilities, Inc. was acquired by Utilities Inc.B. Cypress Lakes Utilities, Inc. performs water and wastewater servicesC. Maintain a high quality of service and earn a fair return.D. Only one subdivision is servedE. We expect modest growth currently with anticipated higher growth in the futureF. The system was purchased in 1998 and is currently being brought up to Utilities Inc. standards of quality. |
|---|

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

PARENT / AFFILIATE ORGANIZATION CHART

Current as of 12/31/2011

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

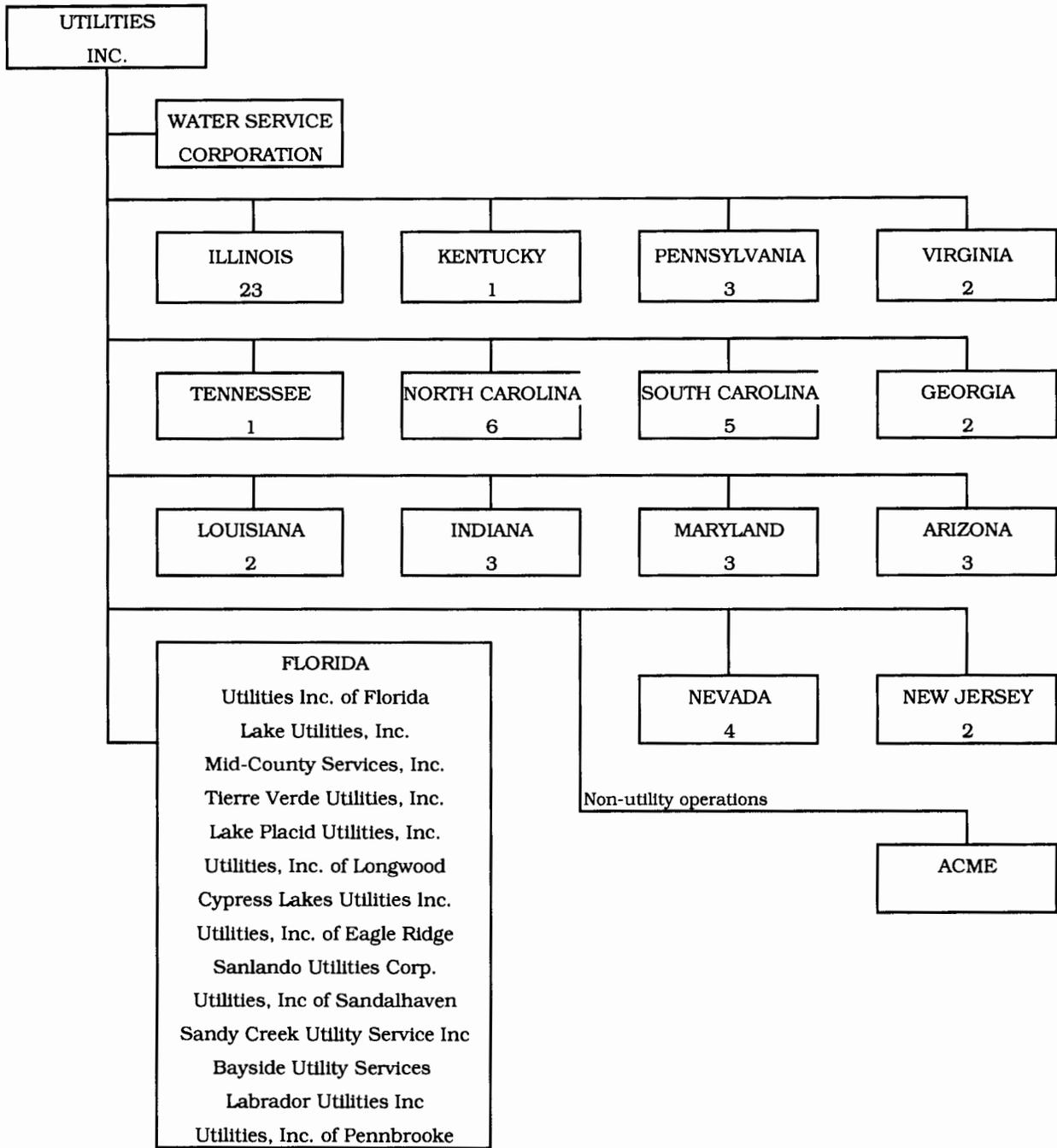
UTILITIES, INC. -- PARENT COMPANY

WATER SERVICE CORP. -- SERVICE COMPANY SUPPLYING MOST SERVICES REQUIRED BY UTILITY.

UTILITIES INC. of FLORIDA -- provides office personnel and administrative staff.

SEE ATTACHED

Parent And Affiliate Organizational Chart



UTILITIES, INC. - Parent Company

WATER SERVICE CORP. - Service organization providing administrative and other service functions for the utility.

NOTE: Within each state except Florida is the number of companies owned.

COMPENSATION OF OFFICERS

| For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent. | | | |
|--|---|--|-------------------------------|
| NAME (a) | TITLE (b) | % OF TIME SPENT AS OFFICER OF THE UTILITY (c) | OFFICERS' COMPENSATION (d) |
| LISA A. SPARROW | PRESIDENT & CEO | N/A | \$ N/A |
| JIM JAPCZYK | VICE PRESIDENT & CFO | N/A | N/A |
| JOHN STOVER | VICE PRESIDENT, GENERAL COUNSEL & SECRETARY | N/A | N/A |
| JOHN HOY | VICE PRESIDENT & COO | N/A | N/A |
| DON SUDDUTH | VICE PRESIDENT -- CUSTOMER SERVICE | N/A | N/A |
| | | | |
| | | | |
| | | | |
| | | | |

COMPENSATION OF DIRECTORS

| For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent. | | | |
|--|---|---|--------------------------------|
| NAME (a) | TITLE (b) | NUMBER OF DIRECTORS' MEETINGS ATTENDED (c) | DIRECTORS' COMPENSATION (d) |
| LISA A SPARROW | PRESIDENT & CEO | 0 | \$ N/A |
| JOHN R STOVER | VICE PRESIDENT, GENERAL COUNSEL & SECRETARY | 0 | N/A |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

| <p>List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.</p> | | | |
|---|--|----------------------|---|
| NAME OF OFFICER, DIRECTOR OR AFFILIATE (a) | IDENTIFICATION OF SERVICE OR PRODUCT (b) | AMOUNT (c) | NAME AND ADDRESS OF AFFILIATED ENTITY (d) |
| NO BUSINESS CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS WERE ENTERED INTO DURING THE CURRENT YEAR BY THE OFFICERS LISTED ON PAGE E6, THE DIRECTORS OR AFFILIATES. | | \$ _____ | |
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* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

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

- | | |
|--|--|
| <p>1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> -purchase, sale or transfer of equipment -purchase, sale or transfer of land and structures -purchase, sale or transfer of securities -noncash transfers of assets -noncash dividends other than stock dividends -write-off of bad debts or loans | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (a) Enter name of related party or company. (b) Describe briefly the type of assets purchased, sold or transferred. (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S". (d) Enter the net book value for each item reported. (e) Enter the net profit or loss for each item reported. (column (c) - column (d)) (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value. |
|--|--|

| NAME OF COMPANY OR RELATED PARTY (a) | DESCRIPTION OF ITEMS (b) | SALE OR PURCHASE PRICE (c) | NET BOOK VALUE (d) | GAIN OR LOSS (e) | FAIR MARKET VALUE (f) |
|--|-----------------------------|-------------------------------------|--------------------------|---------------------|-----------------------------|
| | | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| NO ASSETS WERE SOLD, PURCHASED OR TRANSFERRED WITH A RELATED PARTY DURING THE FISCAL YEAR END 31-Dec-11 | | _____ | _____ | _____ | _____ |
| | | _____ | _____ | _____ | _____ |
| | | _____ | _____ | _____ | _____ |
| | | _____ | _____ | _____ | _____ |
| | | _____ | _____ | _____ | _____ |
| | | _____ | _____ | _____ | _____ |
| | | _____ | _____ | _____ | _____ |
| | | _____ | _____ | _____ | _____ |
| | | _____ | _____ | _____ | _____ |

FINANCIAL SECTION

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | PREVIOUS YEAR (d) | CURRENT YEAR (e) |
|---------------------------------------|---|---------------------|-------------------------|------------------------|
| UTILITY PLANT | | | | |
| 101-106 | Utility Plant | F-7 | \$ 5,429,167 | \$ 5,466,481 |
| 108-110 | Less: Accumulated Depreciation and Amortization | F-8 | 2,104,327 | 2,300,136 |
| Net Plant | | | \$ 3,324,840 | \$ 3,166,345 |
| 114-115 | Utility Plant Acquisition adjustment (Net) | F-7 | - | - |
| 116 * | Other Utility Plant Adjustments | | 197,504 | 197,504 |
| Total Net Utility Plant | | | \$ 3,522,344 | \$ 3,363,849 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| 121 | Nonutility Property | F-9 | - | - |
| 122 | Less: Accumulated Depreciation and Amortization | | - | - |
| Net Nonutility Property | | | \$ | \$ |
| 123 | Investment In Associated Companies | F-10 | - | - |
| 124 | Utility Investments | F-10 | - | - |
| 125 | Other Investments | F-10 | - | - |
| 126-127 | Special Funds | F-10 | - | - |
| Total Other Property & Investments | | | \$ - | \$ - |
| CURRENT AND ACCRUED ASSETS | | | | |
| 131 | Cash | | - | - |
| 132 | Special Deposits | F-9 | 3,250 | 3,250 |
| 133 | Other Special Deposits | F-9 | - | - |
| 134 | Working Funds | | - | - |
| 135 | Temporary Cash Investments | | - | - |
| 141-144 | Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts | F-11 | 64,588 | 104,878 |
| 145 | Accounts Receivable from Associated Companies | F-12 | (48,251) | 247,065 |
| 146 | Notes Receivable from Associated Companies | F-12 | - | - |
| 151-153 | Material and Supplies | | 1,806 | 703 |
| 161 | Stores Expense | | - | - |
| 162 | Prepayments | | - | - |
| 171 | Accrued Interest and Dividends Receivable | | - | - |
| 172 * | Rents Receivable | | - | - |
| 173 * | Accrued Utility Revenues | | - | - |
| 174 | Misc. Current and Accrued Assets | F-12 | - | - |
| Total Current and Accrued Assets | | | \$ 21,394 | \$ 355,897 |

* Not Applicable for Class B Utilities

UTILITY NAME: CYPRESS LAKES UTILITIES INC

COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | PREVIOUS YEAR (d) | CURRENT YEAR (e) |
|--------------------------------------|--|----------------------|----------------------------|----------------------------|
| | DEFERRED DEBITS | | | |
| 181 | Unamortized Debt Discount & Expense | F-13 | \$ _____ | \$ _____ - |
| 182 | Extraordinary Property Losses | F-13 | _____ | _____ - |
| 183 | Preliminary Survey & Investigation Charges | | - | - |
| 184 | Clearing Accounts | | - | - |
| 185 * | Temporary Facilities | | - | - |
| 186 | Misc. Deferred Debits | F-14 | 85,344 | 55,048 |
| 187 * | Research & Development Expenditures | | - | - |
| 190 | Accumulated Deferred Income Taxes | | - | - |
| | | | _____ | _____ |
| Total Deferred Debits | | | \$ <u>85,344</u> | \$ <u>55,048</u> |
| TOTAL ASSETS AND OTHER DEBITS | | | \$ <u><u>3,629,082</u></u> | \$ <u><u>3,774,795</u></u> |

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | PREVIOUS YEAR (d) | CURRENT YEAR (e) |
|--|--|------------------|----------------------|---------------------|
| EQUITY CAPITAL | | | | |
| 201 | Common Stock Issued | F-15 | \$ 1,000 | \$ 1,000 |
| 204 | Preferred Stock Issued | F-15 | - | - |
| 202, 205 * | Capital Stock Subscribed | | - | - |
| 203, 206 * | Capital Stock Liability for Conversion | | - | - |
| 207 * | Premium on Capital Stock | | - | - |
| 209 * | Reduction in Par or Stated Value of Capital Stock | | - | - |
| 210 * | Gain on Resale or Cancellation of Reacquired Capital Stock | | - | - |
| 211 | Other Paid - In Capital | | 2,669,067 | 2,669,067 |
| 212 | Discount On Capital Stock | | - | - |
| 213 | Capital Stock Expense | | - | - |
| 214-215 | Retained Earnings | F-16 | (270,086) | (112,674) |
| 216 | Reacquired Capital Stock | | - | - |
| 218 | Proprietary Capital (Proprietorship and Partnership Only) | | - | - |
| Total Equity Capital | | | \$ 2,399,981 | \$ 2,557,393 |
| LONG TERM DEBT | | | | |
| 221 | Bonds | F-15 | - | - |
| 222 * | Reacquired Bonds | | - | - |
| 223 | Advances from Associated Companies | F-17 | 1,632,875 | 1,632,875 |
| 224 | Other Long Term Debt | F-17 | - | - |
| Total Long Term Debt | | | \$ 1,632,875 | \$ 1,632,875 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| 231 | Accounts Payable | | 22,082 | 17,524 |
| 232 | Notes Payable | F-18 | - | - |
| 233 | Accounts Payable to Associated Companies | F-18 | (1,249,541) | (1,249,541) |
| 234 | Notes Payable to Associated Companies | F-18 | - | - |
| 235 | Customer Deposits | | 8,084 | 11,555 |
| 236 | Accrued Taxes | | 19,722 | 25,012 |
| 237 | Accrued Interest | F-19 | 617 | 1,128 |
| 238 | Accrued Dividends | | - | - |
| 239 | Matured Long Term Debt | | - | - |
| 240 | Matured Interest | | - | - |
| 241 | Miscellaneous Current & Accrued Liabilities | F-20 | - | - |
| Total Current & Accrued Liabilities | | | \$ (1,199,035) | \$ (1,194,322) |

* Not Applicable for Class B Utilities

UTILITY NAME: CYPRESS LAKES UTILITIES INC

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | PREVIOUS YEAR (d) | CURRENT YEAR (e) |
|---|--|---------------------|-------------------------|------------------------|
| DEFERRED CREDITS | | | | |
| 251 | Unamortized Premium On Debt | F-13 | \$ - | \$ - |
| 252 | Advances For Construction | F-20 | - | - |
| 253 | Other Deferred Credits | F-21 | - | - |
| 255 | Accumulated Deferred Investment Tax Credits | | - | - |
| Total Deferred Credits | | | \$ - | \$ - |
| OPERATING RESERVES | | | | |
| 261 | Property Insurance Reserve | | \$ - | \$ - |
| 262 | Injuries & Damages Reserve | | - | - |
| 263 | Pensions and Benefits Reserve | | - | - |
| 265 | Miscellaneous Operating Reserves | | - | - |
| Total Operating Reserves | | | \$ - | \$ - |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | | | | |
| 271 | Contributions in Aid of Construction | F-22 | \$ 1,186,972 | \$ 1,190,287 |
| 272 | Accumulated Amortization of Contributions in Aid of Construction | F-22 | 406,742 | 442,037 |
| Total Net C.I.A.C. | | | \$ 780,231 | \$ 748,251 |
| ACCUMULATED DEFERRED INCOME TAXES | | | | |
| 281 | Accumulated Deferred Income Taxes - Accelerated Depreciation | | \$ 26,643 | \$ 47,529 |
| 282 | Accumulated Deferred Income Taxes - Liberalized Depreciation | | - | - |
| 283 | Accumulated Deferred Income Taxes - Other | | (11,612) | (16,931) |
| Total Accumulated Deferred Income Tax | | | \$ 15,031 | \$ 30,598 |
| TOTAL EQUITY CAPITAL AND LIABILITIES | | | \$ 3,629,082 | \$ 3,774,795 |

COMPARATIVE OPERATING STATEMENT

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | PREVIOUS YEAR (d) | CURRENT YEAR * (e) |
|--|--|------------------|----------------------|-----------------------|
| UTILITY OPERATING INCOME | | | | |
| 400 | Operating Revenues | F-3(b) | \$ 785,349 | \$ 1,030,060 |
| 469, 530 | Less: Guaranteed Revenue and AFPI | F-3(b) | | |
| Net Operating Revenues | | | \$ 785,349 | \$ 1,030,060 |
| 401 | Operating Expenses | F-3(b) | \$ 509,210 | \$ 495,336 |
| 403 | Depreciation Expense: | F-3(b) | \$ 203,397 | \$ 207,673 |
| | Less: Amortization of CIAC | F-22 | (35,075) | (35,295) |
| Net Depreciation Expense | | | \$ 168,322 | \$ 172,378 |
| 406 | Amortization of Utility Plant Acquisition Adjustment | F-3(b) | - | - |
| 407 | Amortization Expense (Other than CIAC) | F-3(b) | - | - |
| 408 | Taxes Other Than Income | W/S-3 | 88,062 | 99,350 |
| 409 | Current Income Taxes | W/S-3 | (36,019) | - |
| 410.10 | Deferred Federal Income Taxes | W/S-3 | 9,213 | 14,198 |
| 410.11 | Deferred State Income Taxes | W/S-3 | 1,576 | 1,189 |
| 411.10 | Provision for Deferred Income Taxes - Credit | W/S-3 | - | - |
| 412.10 | Investment Tax Credits Deferred to Future Periods | W/S-3 | - | - |
| 412.11 | Investment Tax Credits Restored to Operating Income | W/S-3 | - | - |
| Utility Operating Expenses | | | \$ 740,364 | \$ 782,451 |
| Net Utility Operating Income | | | \$ 44,985 | \$ 247,609 |
| 469, 530 | Add Back: Guaranteed Revenue and AFPI | F-3(b) | - | - |
| 413 | Income From Utility Plant Leased to Others | | - | - |
| 414 | Gains (losses) From Disposition of Utility Property | | 470 | - |
| 420 | Allowance for Funds Used During Construction | | - | 1 |
| Total Utility Operating Income [Enter here and on Page F-3(c)] | | | \$ 45,455 | \$ 247,610 |

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

| WATER SCHEDULE W-3 * (f) | WASTEWATER SCHEDULE S-3 * (g) | OTHER THAN REPORTING SYSTEMS (h) |
|---|--|---|
| \$ <u>334,864</u> | \$ <u>695,196</u> | \$ <u>-</u> |
| \$ <u>334,864</u> | \$ <u>695,196</u> | \$ <u>-</u> |
| \$ 212,068 | \$ 283,269 | \$ - |
| <u>68,480</u> (10,425) | <u>139,193</u> (24,870) | <u>-</u> |
| \$ <u>58,055</u> | \$ <u>114,323</u> | \$ <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>51,791</u> | <u>47,559</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>7,401</u> | <u>6,796</u> | <u>-</u> |
| <u>620</u> | <u>569</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| \$ <u>329,934</u> | \$ <u>452,517</u> | \$ <u>-</u> |
| \$ <u>4,930</u> | \$ <u>242,680</u> | \$ <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>0</u> | <u>0</u> | <u>-</u> |
| \$ <u><u>4,930</u></u> | \$ <u><u>242,680</u></u> | \$ <u><u>-</u></u> |

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | PREVIOUS YEAR (d) | CURRENT YEAR (e) |
|---|--|---------------------|-------------------------|------------------------|
| Total Utility Operating Income [from page F-3(a)] | | | \$ 45,455 | \$ 247,610 |
| OTHER INCOME AND DEDUCTIONS | | | | |
| 415 | Revenues-Merchandising, Jobbing, and Contract Deductions | | \$ - | \$ - |
| 416 | Costs & Expenses of Merchandising Jobbing, and Contract Work | | | |
| 419 | Interest and Dividend Income | | - | - |
| 421 | Nonutility Income | | - | 584 |
| 426 | Miscellaneous Nonutility Expenses | | | |
| Total Other Income and Deductions | | | \$ - | \$ 584 |
| TAXES APPLICABLE TO OTHER INCOME | | | | |
| 408.2 | Taxes Other Than Income | | \$ - | \$ - |
| 409.2 | Income Taxes | | | |
| 410.2 | Provision for Deferred Income Taxes | | | |
| 411.2 | Provision for Deferred Income Taxes - Credit | | | |
| 412.2 | Investment Tax Credits - Net | | - | - |
| 412.3 | Investment Tax Credits Restored to Operating Income | | - | - |
| Total Taxes Applicable To Other Income | | | \$ - | \$ - |
| INTEREST EXPENSE | | | | |
| 427 | Interest Expense | F-19 | \$ 98,683 | \$ 90,782 |
| 428 | Interest Expense | F-13 | - | (0) |
| 429 | Amortization of Premium on Debt | F-13 | - | - |
| Total Interest Expense | | | \$ 98,683 | \$ 90,782 |
| EXTRAORDINARY ITEMS | | | | |
| 433 | Extraordinary Income | | \$ - | \$ - |
| 434 | Extraordinary Deductions | | - | - |
| 409.3 | Income Taxes, Extraordinary Items | | - | - |
| Total Extraordinary Items | | | \$ - | \$ - |
| NET INCOME | | | \$ (53,227) | \$ 157,412 |

Explain Extraordinary Income:

NONE

SCHEDULE OF YEAR END RATE BASE

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | WATER UTILITY (d) | WASTEWATER UTILITY (e) |
|---|---|---------------------|-------------------------|------------------------------|
| 101 | Utility Plant In Service | F-7 | \$ 1,711,704 | \$ 3,754,777 |
| | Less: | | | |
| | Nonused and Useful Plant (1) | | | |
| 108 | Accumulated Depreciation | F-8 | 839,010 | 1,461,126 |
| 110 | Accumulated Amortization | F-8 | - | - |
| 271 | Contributions In Aid of Construction | F-22 | 345,023 | 845,264 |
| 252 | Advances for Construction | F-20 | - | - |
| Subtotal | | | \$ 527,671 | \$ 1,448,387 |
| | Add: | | | |
| 272 | Accumulated Amortization of Contributions in Aid of Construction | F-22 | 135,014 | 307,022 |
| Subtotal | | | \$ 662,685 | \$ 1,755,409 |
| | Plus or Minus: | | | |
| 114 | Acquisition Adjustments (2) | F-7 | - | - |
| 115 | Accumulated Amortization of Acquisition Adjustments (2) | F-7 | - | - |
| | Working Capital Allowance (3) | | 26,508 | 35,409 |
| | Other (Specify): | | | |
| | _____ | | | |
| | _____ | | | |
| | _____ | | | |
| RATE BASE | | | \$ 689,194 | \$ 1,790,818 |
| NET UTILITY OPERATING INCOME | | | \$ 4,930 | \$ 242,680 |
| ACHIEVED RATE OF RETURN (Operating Income / Rate Base) | | | 0.72% | 13.55% |

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

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

| CLASS OF CAPITAL (a) | DOLLAR AMOUNT (2) (b) | PERCENTAGE OF CAPITAL (c) | ACTUAL COST RATES (3) (d) | WEIGHTED COST (c x d) (e) |
|---------------------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------------|
| Common Equity | \$ 1,208,561 | 48.74% | 11.45% | 5.58% |
| Preferred Stock | - | 0.00% | 0.00% | 0.00% |
| Long Term Debt | 1,229,010 | 49.56% | 6.72% | 3.33% |
| Short Term Debt | - | 0.00% | 0.00% | 0.00% |
| Customer Deposits | 11,555 | 0.47% | 6.00% | 0.03% |
| Tax Credits - Zero Cost | - | 0.00% | 0.00% | 0.00% |
| Tax Credits - Weighted Cost | - | 0.00% | 0.00% | 0.00% |
| Deferred Income Taxes | 30,598 | 1.23% | 0.00% | 0.00% |
| Other (Explain) Short Term Debt | - | 0.00% | 0.00% | 0.00% |
| Total | \$ 2,479,724 | 100.00% | | 8.94% |

1 If the utility's capital structure is not used, explain which capital structure is used.

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

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

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

APPROVED RETURN ON EQUITY

| | |
|--|--------------------------|
| Current Commission Return on Equity: | <u>11.45%</u> |
| Commission order approving Return on Equity: | <u>PSC-07-0912-AS-WS</u> |

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

| | |
|---|---------------------------|
| Current Commission Approved AFUDC rate: | <u>9.03%</u> |
| Commission order approving AFUDC rate: | <u>PSC-04-0262-PAA-WS</u> |

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

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

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

| CLASS OF CAPITAL (a) | PER BOOK BALANCE (b) | NON-UTILITY ADJUSTMENTS (c) | NON-JURISDICTIONAL ADJUSTMENTS (d) | OTHER (1) ADJUSTMENTS SPECIFIC (e) | OTHER (1) ADJUSTMENTS PRO RATA (f) | CAPITAL STRUCTURE (g) |
|---------------------------------|---------------------------------|--|---|---|---|----------------------------------|
| Common Equity | \$ 177,005,102 | \$ | | | \$ (175,796,541) | \$ 1,208,561 |
| Preferred Stock | - | | | | | - |
| Long Term Debt | 180,000,000 | | | | (178,770,990) | 1,229,010 |
| Short Term Debt | - | | | | - | - |
| Customer Deposits | 11,555 | | | | | 11,555 |
| Tax Credits - Zero Cost | - | | | | | - |
| Tax Credits - Weighted Cost | - | | | | | - |
| Deferred Inc. Taxes | 30,598 | | | | | 30,598 |
| Other (Explain) Short Term Debt | - | | | | - | - |
| Total | \$ <u>357,047,255</u> | \$ | | | \$ <u>(354,567,531)</u> | \$ <u>2,479,724</u> |

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

NOT APPLICABLE

UTILITY NAME: CYPRESS LAKES UTILITIES INC

**UTILITY PLANT
ACCOUNTS 101 - 106**

| ACCT. (a) | DESCRIPTION (b) | WATER (c) | WASTEWATER (d) | OTHER THAN REPORTING SYSTEMS (e) | TOTAL (f) |
|--------------|---|---------------------|---------------------|---|---------------------|
| 101 | Plant Accounts: Utility Plant In Service | \$ 1,711,704 | \$ 3,754,777 | \$ | \$ 5,466,481 |
| 102 | Utility Plant Leased to Other | - | - | - | - |
| 103 | Property Held for Future Use | - | - | - | - |
| 104 | Utility Plant Purchased or Sold | - | - | - | - |
| 105 | Construction Work in Progress | - | - | - | - |
| 106 | Completed Construction Not Classified | - | - | - | - |
| | Total Utility Plant | \$ 1,711,704 | \$ 3,754,777 | \$ - | \$ 5,466,481 |

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

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

| ACCT. (a) | DESCRIPTION (b) | WATER (c) | WASTEWATER (d) | OTHER THAN REPORTING SYSTEMS (e) | TOTAL (f) |
|--------------|--|--------------|-------------------|---|--------------|
| 114 | Acquisition Adjustment | \$ - | - | - | - |
| | | - | - | - | - |
| | | - | - | - | - |
| | | - | - | - | - |
| | Total Plant Acquisition Adjustments | \$ - | \$ - | \$ - | \$ - |
| 115 | Beginning Bal | \$ - | - | - | - |
| | Accumulated Amortization | - | - | - | - |
| | Accruals charged during year | - | - | - | - |
| | | - | - | - | - |
| | | - | - | - | - |
| | Total Accumulated Amortization | \$ - | \$ - | \$ - | \$ - |
| | Net Acquisition Adjustments | \$ - | \$ - | \$ - | \$ - |

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

| DESCRIPTION (a) | WATER (b) | WASTEWATER (c) | OTHER THAN REPORTING SYSTEMS (d) | TOTAL (e) |
|-------------------------------------|-------------------|---------------------|---|---------------------|
| ACCUMULATED DEPRECIATION | | | | |
| Account 108 | | | | |
| Balance first of year | \$ 775,632 | 1,328,695 | | 2,104,327 |
| Credit during year: | | | | |
| Accruals charged to: | | | | |
| Account 108.1 (1) | \$ 68,480 | \$ 139,193 | \$ - | \$ 207,673 |
| Account 108.2 (2) | - | - | - | - |
| Account 108.3 (2) | - | - | - | - |
| Other Accounts (specify): | (5,102) | (5,263) | - | (10,365) |
| Salvage | - | - | - | - |
| Other Credits (Specify): | - | - | - | - |
| Total Credits | \$ 63,378 | \$ 133,930 | \$ - | \$ 197,308 |
| Debits during year: | | | | |
| Book cost of plant retired | - | 1,499 | - | 1,499 |
| Cost of Removal | - | - | - | - |
| Other Debits (specify): | - | - | - | - |
| Acting adjustments mandated by FPSC | - | - | - | - |
| Total Debits | \$ - | \$ 1,499 | \$ - | \$ 1,499 |
| Balance end of year | <u>\$ 839,010</u> | <u>\$ 1,461,126</u> | <u>\$ -</u> | <u>\$ 2,300,136</u> |
| ACCUMULATED AMORTIZATION | | | | |
| Account 110 | | | | |
| Balance first of year | \$ - | | | |
| Credit during year: | | | | |
| Accruals charged to: | | | | |
| Account 110.2 (2) | \$ - | \$ - | \$ - | \$ - |
| Other Accounts (specify): | - | - | - | - |
| Total credits | \$ - | \$ - | \$ - | \$ - |
| Debits during year: | | | | |
| Book cost of plant retired | - | - | - | - |
| Other debits (specify): | - | - | - | - |
| Total Debits | \$ - | \$ - | \$ - | \$ - |
| Balance end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

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

| DESCRIPTION OF CASE (DOCKET NO.) (a) | EXPENSE INCURRED DURING YEAR (b) | CHARGED OFF DURING YEAR | |
|--|---|----------------------------|---------------|
| | | ACCT. (d) | AMOUNT (e) |
| 060257WS | \$ _____ | _____ | \$ 25,821 |
| | _____ | _____ | _____ |
| | _____ | _____ | _____ |
| Total | \$ _____ | _____ | \$ 25,821 |

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other Items may be grouped by classes of property.

| DESCRIPTION (a) | BEGINNING YEAR (b) | ADDITIONS (c) | REDUCTIONS (d) | ENDING YEAR BALANCE (e) |
|---------------------------|--------------------------|------------------|-------------------|-------------------------------|
| NONE | \$ _____ | \$ _____ | \$ _____ | \$ - |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| Total Nonutility Property | \$ _____ | \$ _____ | \$ _____ | \$ - |

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133.

| DESCRIPTION OF SPECIAL DEPOSITS (a) | YEAR END BOOK COST (b) |
|---|------------------------------|
| SPECIAL DEPOSITS (Account 132): City of Lakeland Deposit | \$ 3,250 |
| | _____ |
| | _____ |
| Total Special Deposits | \$ 3,250 |
| OTHER SPECIAL DEPOSITS (Account 133): NONE | \$ - |
| | _____ |
| | _____ |
| Total Other Special Deposits | \$ - |

INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127

Report hereunder all investments and special funds carried in Accounts 123 through 127.

| DESCRIPTION OF SECURITY OR SPECIAL FUND (a) | FACE OR PAR VALUE (b) | YEAR END BOOK COST (c) |
|---|---|---|
| INVESTMENT IN ASSOCIATED COMPANIES (Account 123): NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> | \$ _____ _____ _____ _____ _____ _____ | \$ _____ - _____ _____ _____ _____ _____ |
| Total Investment in Associated Companies | | \$ <u> - </u> |
| UTILITY INVESTMENTS (Account 124): NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> | \$ _____ _____ _____ _____ _____ _____ | \$ _____ - _____ _____ _____ _____ _____ |
| Total Utility Investment | | \$ <u> - </u> |
| OTHER INVESTMENTS (Account 125): NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> | \$ _____ _____ _____ _____ _____ _____ | \$ _____ - _____ _____ _____ _____ _____ |
| Total Other Investment | | \$ <u> - </u> |
| SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> | \$ _____ _____ _____ _____ _____ _____ | \$ _____ - _____ _____ _____ _____ _____ |
| Total Special Funds | | \$ <u> - </u> |

ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

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

| DESCRIPTION (a) | | TOTAL (b) |
|---|-----------|-------------------|
| CUSTOMER ACCOUNTS RECEIVABLE (Account 141): | | |
| Water | \$ 54,716 | |
| Wastewater | 50,245 | |
| Other | | |
| Total Customer Accounts Receivable | | \$ 104,960 |
| OTHER ACCOUNTS RECEIVABLE (Account 142): | | |
| | \$ | |
| | | |
| | | |
| Total Other Accounts Receivable | | \$ - |
| NOTES RECEIVABLE (Account 144): | | |
| | \$ | |
| | | |
| | | |
| Total Notes Receivable | | \$ - |
| Total Accounts and Notes Receivable | | \$ 104,960 |
| ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143) | | |
| Balance first of year | \$ | |
| Provision for uncollectibles for current year | \$ (82) | |
| Collection of accounts previously written off | | |
| Utility Accounts | | |
| Others | | |
| Total Additions | | \$ (82) |
| Deduct accounts written off during year: | | |
| Utility Accounts | | |
| Others | | |
| Total accounts written off | | \$ - |
| Balance end of year | | \$ (82) |
| TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET | | \$ 104,878 |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

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

Report the net discount and expense or premium separately for each security issue.

| DESCRIPTION (a) | AMOUNT WRITTEN OFF DURING YEAR (b) | YEAR END BALANCE (c) |
|--|---|----------------------------|
| UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): NONE | \$ _____ | \$ _____ - |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Unamortized Debt Discount and Expense | \$ _____ | \$ _____ - |
| UNAMORTIZED PREMIUM ON DEBT (Account 251): | \$ _____ | \$ _____ - |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Unamortized Premium on Debt | \$ _____ | \$ _____ - |

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

| DESCRIPTION (a) | TOTAL (b) |
|-------------------------------------|--------------|
| NONE | \$ _____ - |
| _____ | _____ |
| _____ | _____ |
| Total Extraordinary Property Losses | \$ _____ - |

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

| DESCRIPTION - Provide itemized listing (a) | AMOUNT WRITTEN OFF DURING YEAR (b) | YEAR END BALANCE (c) |
|---|---|----------------------------|
| DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1) | | |
| <u>RATE CASE</u> | \$ <u>25,821</u> | \$ <u>55,416</u> |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Deferred Rate Case Expense | \$ <u>25,821</u> | \$ <u>55,416</u> |
| OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): | | |
| <u>OTHER DEFERRED MAINTENANCE</u> | \$ <u>5,517</u> | \$ <u>(367)</u> |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Other Deferred Debits | \$ <u>5,517</u> | \$ <u>(367)</u> |
| REGULATORY ASSETS (Class A Utilities: Account. 186.3): | | |
| <u>NONE</u> | \$ <u>-</u> | \$ <u>-</u> |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Regulatory Assets | \$ <u>-</u> | \$ <u>-</u> |
| TOTAL MISCELLANEOUS DEFERRED DEBITS | \$ <u>31,338</u> | \$ <u>55,048</u> |

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

| DESCRIPTION (a) | RATE (b) | TOTAL (c) |
|---------------------------------------|-------------|--------------|
| COMMON STOCK | | |
| Par or stated value per share | _____ | 1 |
| Shares authorized | _____ | 0 |
| Shares issued and outstanding | _____ | 0 |
| Total par value of stock issued | _____ | \$1,000 |
| Dividends declared per share for year | _____ | 0 |
| REFERRED STOCK | | |
| Par or stated value per share | _____ | 0 |
| Shares authorized | _____ | 0 |
| Shares issued and outstanding | _____ | 0 |
| Total par value of stock issued | _____ | \$0 |
| Dividends declared per share for year | _____ | 0 |

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

| DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a) | INTEREST | | PRINCIPAL AMOUNT PER BALANCE SHEET (d) |
|--|-----------------------|-------------------------------|---|
| | ANNUAL RATE (b) | FIXED OR VARIABLE * (c) | |
| NONE | % | | \$ - |
| _____ | % | _____ | _____ |
| _____ | % | _____ | _____ |
| _____ | % | _____ | _____ |
| _____ | % | _____ | _____ |
| _____ | % | _____ | _____ |
| _____ | % | _____ | _____ |
| _____ | % | _____ | _____ |
| _____ | % | _____ | _____ |
| _____ | % | _____ | _____ |
| Total | | | \$ - |

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

STATEMENT OF RETAINED EARNINGS

- 1 Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- 2 Show separately the state and federal income tax effect of items shown in Account No. 439.

| ACCT. NO. (a) | DESCRIPTION (b) | AMOUNTS (c) |
|--|--|---------------------|
| 215 | Unappropriated Retained Earnings: Balance Beginning of Year | \$ (270,086) |
| 439 | Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____ | \$ _____ |
| | Total Credits: | \$ - |
| | Debits: _____ | \$ _____ |
| | Total Debits: | \$ _____ |
| 435 | Balance Transferred from Income {income/(loss)} | \$ 157,412 |
| 436 | Appropriations of Retained Earnings: _____ | _____ |
| | Total Appropriations of Retained Earnings | \$ _____ |
| 437 | Dividends Declared: Preferred Stock Dividends Declared _____ | _____ |
| 438 | Common Stock Dividends Declared _____ | _____ |
| | Total Dividends Declared | \$ _____ |
| 215 | Year end Balance | \$ _____ |
| 214 | Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ | _____ |
| 214 | Total Appropriated Retained Earnings | \$ _____ |
| Total Retained Earnings | | \$ <u>(112,674)</u> |
| Notes to Statement of Retained Earnings: | | |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

ADVANCES FROM ASSOCIATED COMPANIES

ACCOUNT 223

Report each advance separately.

| DESCRIPTION (a) | TOTAL (b) |
|---------------------------|---------------------|
| WATER SERVICE CORPORATION | \$ 1,632,875 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total | \$ <u>1,632,875</u> |

OTHER LONG-TERM DEBT

ACCOUNT 224

| DESCRIPTION OF OBLIGATION INCLUDING DATE OF ISSUE AND DATE OF MATURITY (a) | INTEREST | | PRINCIPAL AMOUNT PER BALANCE SHEET (d) |
|--|-----------------------|-------------------------------|---|
| | ANNUAL RATE (b) | FIXED OR VARIABLE * (c) | |
| NONE | % | | \$ - |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| Total | | | \$ <u>-</u> |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

| DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a) | INTEREST | | PRINCIPAL AMOUNT PER BALANCE SHEET (d) |
|--|-----------------------|-------------------------------|---|
| | ANNUAL RATE (b) | FIXED OR VARIABLE * (c) | |
| NOTES PAYABLE (Account 232): NONE | % | | \$ - |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| Total Account 232 | | | \$ - |
| NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): NONE | % | | \$ - |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| Total Account 234 | | | \$ - |

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

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

| DESCRIPTION (a) | TOTAL (b) |
|---------------------------|----------------|
| WATER SERVICE CORPORATION | \$ (1,249,541) |
| | |
| | |
| | |
| | |
| | |
| | |
| Total | \$ (1,249,541) |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

| DESCRIPTION OF DEBIT (a) | BALANCE BEGINNING OF YEAR (b) | INTEREST ACCRUED DURING YEAR | | INTEREST PAID DURING YEAR (e) | BALANCE END OF YEAR (f) |
|---|--|---------------------------------|------------------------|--|-------------------------------|
| | | ACCT. DEBIT (c) | AMOUNT (d) | | |
| ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt | \$ _____ | | \$ _____ | \$ _____ | \$ _____ |
| UTILITIES INC INTERCOMPANY INTEREST | _____ | | 90,425 | 90,425 | - |
| Total Account 237.1 | \$ <u> -</u> | | \$ <u> 90,425</u> | \$ <u> 90,425</u> | \$ <u> -</u> |
| ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities | | | | | |
| Customer Deposits | \$ <u> 617</u> | | \$ <u> 1,107</u> | \$ <u> 596</u> | \$ <u> 1,128</u> |
| MISC ITEMS | _____ | | _____ | _____ | - |
| Total Account 237.2 | \$ <u> 617</u> | | \$ <u> 1,107</u> | \$ <u> 596</u> | \$ <u> 1,128</u> |
| Total Account 237 (1) | \$ <u> 617</u> | | \$ <u> 91,531</u> | \$ <u> 91,020</u> | \$ <u> 1,128</u> |
| INTEREST EXPENSED: | | | | | |
| Total accrual Account 237 | | | \$ <u> 91,020</u> | | |
| Short Term Interest Expense | | | <u> (238)</u> | | |
| Net Interest Expensed to Account No. 427 (2) | | | \$ <u> 90,782</u> | | |

(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.

(2) Must agree to F-3 (c), Current Year Interest Expense

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241**

| DESCRIPTION - Provide itemized listing (a) | BALANCE END OF YEAR (b) |
|---|-------------------------------|
| NONE | \$ - |
| | |
| | |
| | |
| Total Miscellaneous Current and Accrued Liabilities | \$ - |

**ADVANCES FOR CONSTRUCTION
ACCOUNT 252**

| NAME OF PAYOR * (a) | BALANCE BEGINNING OF YEAR (b) | DEBITS | | CREDITS (e) | BALANCE END OF YEAR (f) |
|------------------------|--|-----------------------|---------------|----------------|-------------------------------|
| | | ACCT. DEBIT (c) | AMOUNT (d) | | |
| NONE | \$ - | | \$ - | \$ - | \$ - |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | \$ - | | \$ - | \$ - | \$ - |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

**OTHER DEFERRED CREDITS
ACCOUNT 253**

| DESCRIPTION - Provide itemized listing (a) | AMOUNT WRITTEN OFF DURING YEAR (b) | YEAR END BALANCE (c) |
|--|---|----------------------------|
| REGULATORY LIABILITIES (Class A Utilities: Account 253.1): | | |
| NONE | \$ _____ | \$ _____ - |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Regulatory Liabilities | \$ _____ | \$ _____ - |
| OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2): | | |
| _____ | \$ _____ | \$ _____ - |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total Other Deferred Liabilities | \$ _____ | \$ _____ - |
| TOTAL OTHER DEFERRED CREDITS | \$ _____ | \$ _____ - |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

| DESCRIPTION (a) | WATER (W-7) (b) | WASTEWATER (S-7) (c) | W & WW OTHER THAN SYSTEM REPORTING (d) | TOTAL (e) |
|---|--------------------------------|-------------------------------------|---|----------------------------|
| Balance first of year | \$ <u>342,773</u> | \$ <u>844,199</u> | \$ <u>-</u> | \$ <u>1,186,972</u> |
| Add credits during year: | \$ <u>2,250</u> | \$ <u>1,065</u> | \$ <u>-</u> | \$ <u>3,315</u> |
| Less debit charged during the year | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| Total Contribution In Aid of Construction | \$ <u><u>345,023</u></u> | \$ <u><u>845,264</u></u> | \$ <u><u>-</u></u> | \$ <u><u>1,190,287</u></u> |

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

| DESCRIPTION (a) | WATER (W-8(a)) (b) | WASTEWATER (S-8(a)) (c) | W & WW OTHER THAN SYSTEM REPORTING (d) | TOTAL (e) |
|--|-----------------------------------|--|---|--------------------------|
| Balance first of year | \$ <u>124,589</u> | \$ <u>282,152</u> | \$ <u>-</u> | \$ <u>406,742</u> |
| Debits during the year: | \$ <u>10,425</u> | \$ <u>24,870</u> | \$ <u>-</u> | \$ <u>35,295</u> |
| Credits during the year | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| Total Accumulated Amortization of Contributions In Aid of Construction | \$ <u><u>135,014</u></u> | \$ <u><u>307,022</u></u> | \$ <u><u>-</u></u> | \$ <u><u>442,037</u></u> |

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

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

- 1 The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
- 2 If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

| DESCRIPTION (a) | REF. NO. (b) | AMOUNT (c) |
|---|-----------------|---------------|
| Net income for the year | F-3(c) | \$ 157,412 |
| Reconciling items for the year: | | |
| Taxable income not reported on books: | | |
| Tap Fees | | 3,315 |
| _____ | | _____ |
| _____ | | _____ |
| _____ | | _____ |
| Deductions recorded on books not deducted for return: | | |
| GOS adjustment | | (1,179) |
| Excess Tax Depreciation over Book Depreciation | | (10,754) |
| Tap in Fees | | _____ |
| CIA Property | | _____ |
| Int During Construction | | 1 |
| Def. Maint. CY additions | | _____ |
| Def. Maint. CY amortization | | 5,517 |
| Def. Rate Case CY additions | | (1,052) |
| Def. Rate Case CY amortization | | 25,821 |
| Organization Exp-Amort | | (8,626) |
| Bad Debts CY | | (221) |
| Current FIT (725) | | 0 |
| Deferred FIT (731) | | 14,198 |
| Deferred SIT (732) | | 1,189 |
| Current SIT | | 0 |
| Meals | | 240 |
| Income recorded on books not included in return: | | |
| Interest During Construction | | _____ |
| _____ | | _____ |
| _____ | | _____ |
| Deduction on return not charged against book income: | | |
| Adjust NI | | 18,361 |
| Adjustment | | (204,222) |
| _____ | | _____ |
| _____ | | _____ |
| Federal tax net income | | \$ (0) |

Computation of tax :

(0)
34%
(0)

**WATER
OPERATION
SECTION**

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

SYSTEM NAME / COUNTY : Polk County

SCHEDULE OF YEAR END WATER RATE BASE

| ACCT. NO. (a) | ACCOUNT NAME (b) | REFERENCE PAGE (c) | WATER UTILITY (d) |
|---|--|--------------------|-------------------|
| 101 | Utility Plant In Service | W-4(b) | \$ 1,711,704 |
| | Less: | | |
| | Nonused and Useful Plant (1) | | |
| 108 | Accumulated Depreciation | W-6(b) | 839,010 |
| 110 | Accumulated Amortization | F-8 | - |
| 271 | Contributions In Aid of Construction | W-7 | 345,023 |
| 252 | Advances for Construction | F-20 | - |
| Subtotal | | | \$ 527,671 |
| 272 | Add: | | |
| | Accumulated Amortization of Contributions in Aid of Construction | W-8(a) | \$ 135,014 |
| Subtotal | | | \$ 662,685 |
| | Plus or Minus: | | |
| 114 | Acquisition Adjustments (2) | F-7 | - |
| 115 | Accumulated Amortization of Acquisition Adjustments (2) | F-7 | - |
| | Working Capital Allowance (3) | | 26,508 |
| | Other (Specify): | | |
| | | | |
| | | | |
| WATER RATE BASE | | | \$ 689,194 |
| WATER OPERATING INCOME | | W-3 | \$ 4,930 |
| RN (Water Operating Income / Water Rate Base) | | | <u>0.72%</u> |

- NOTES (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

WATER OPERATING STATEMENT

| ACCT. NO. (a) | ACCOUNT NAME (b) | REFERENCE PAGE (c) | CURRENT YEAR (d) |
|---------------|--|--------------------|------------------|
| | UTILITY OPERATING INCOME | | |
| 400 | Operating Revenues | W-9 | \$ 334,864 |
| 469 | Less: Guaranteed Revenue and AFPI | W-9 | - |
| | Net Operating Revenues | | \$ 334,864 |
| 401 | Operating Expenses | W-10(a) | \$ 212,068 |
| 403 | Depreciation Expense | W-6(a) | 68,480 |
| | Less: Amortization of CIAC | W-8(a) | (10,425) |
| | Net Depreciation Expense | | \$ 58,055 |
| 406 | Amortization of Utility Plant Acquisition Adjustment | F-7 | - |
| 407 | Amortization Expense (Other than CIAC) | F-8 | - |
| 408.1 | Taxes Other Than Income Utility Regulatory Assessment Fee | | 146 |
| 408.11 | Property Taxes | | 19,246 |
| 408.12 | Payroll Taxes | | 8,310 |
| 408.13 | Other Taxes and Licenses | | 24,089 |
| 408 | Total Taxes Other Than Income | | \$ 51,791 |
| 409.1 | Income Taxes | | - |
| 410.1 | Deferred Federal Income Taxes | | 7,401 |
| 410.11 | Deferred State Income Taxes | | 620 |
| 411.1 | Deferred Income Taxes - Credit | | - |
| 412.1 | Investment Tax Credits Deferred to Future Periods | | - |
| 412.11 | Investment Tax Credits Amortized | | - |
| | Utility Operating Expenses | | \$ 329,934 |
| | Utility Operating Income | | \$ 4,930 |
| | Add Back: | | |
| 469 | Guaranteed Revenue (and AFPI) | W-9 | \$ - |
| 413 | Income From Utility Plant Leased to Others | | - |
| 414 | Gains (losses) From Disposition of Utility Property | | - |
| 420 | Allowance for Funds Used During Construction | | 0 |
| | Total Utility Operating Income | | \$ 4,930 |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

WATER UTILITY PLANT ACCOUNTS

| ACCT. NO. (a) | ACCOUNT NAME (b) | PREVIOUS YEAR (c) | ADDITIONS (d) | RETIREMENTS (e) | CURRENT YEAR (f) |
|--------------------------|--|---------------------|------------------|-----------------|---------------------|
| 301 | Organization | \$ (34,044) | \$ - | \$ - | \$ (34,044) |
| 302 | Franchises | 37,816 | (1) | | 37,815 |
| 303 | Land and Land Rights | 1,355 | (2) | | 1,353 |
| 304 | Structures and Improvements | 120,110 | 421 | | 120,530 |
| 305 | Collecting and Impounding Reservoirs | - | - | | - |
| 306 | Lake, River and Other Intakes | - | - | | - |
| 307 | Wells and Springs | 59,459 | - | | 59,459 |
| 308 | Infiltration Galleries and Tunnels | - | - | | - |
| 309 | Supply Mains | 36,891 | 39 | | 36,929 |
| 310 | Power Generation Equipment | 644 | - | | 644 |
| 311 | Pumping Equipment | 166,061 | 332 | | 166,393 |
| 320 | Water Treatment Equipment | 26,151 | 3,729 | | 29,881 |
| 330 | Distribution Reservoirs and Standpipes | 86,926 | 1,065 | | 87,992 |
| 331 | Transmission and Distribution Mains | 482,527 | 76 | | 482,603 |
| 333 | Services | 239,801 | 260 | | 240,060 |
| 334 | Meters and Meter Installations | 152,874 | 5,222 | | 158,095 |
| 335 | Hydrants | 83,957 | 39 | | 83,996 |
| 336 | Backflow Prevention Devices | 917 | 76 | | 993 |
| 339 | Other Plant Miscellaneous Equipment | - | - | | - |
| 340 | Office Furniture and Equipment | 141,243 | 998 | | 142,241 |
| 341 | Transportation Equipment | 56,316 | 6,355 | | 62,671 |
| 342 | Stores Equipment | - | - | | - |
| 343 | Tools, Shop and Garage Equipment | 23,514 | (43) | | 23,471 |
| 344 | Laboratory Equipment | 6,749 | 246 | | 6,995 |
| 345 | Power Operated Equipment | 478 | 0 | | 478 |
| 346 | Communication Equipment | 3,152 | (3) | | 3,148 |
| 347 | Miscellaneous Equipment | 625 | (625) | | - |
| 348 | Other Tangible Plant | - | - | | - |
| TOTAL WATER PLANT | | \$ 1,693,522 | \$ 18,182 | \$ - | \$ 1,711,704 |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

WATER UTILITY PLANT MATRIX

| ACCT. NO. (a) | ACCOUNT NAME (b) | CURRENT YEAR (c) | .1 INTANGIBLE PLANT (d) | .2 SOURCE OF SUPPLY AND PUMPING PLANT (e) | .3 WATER TREATMENT PLANT (f) | .4 TRANSMISSION AND DISTRIBUTION PLANT (g) | .5 GENERAL PLANT (h) |
|--------------------------|--|---------------------|-------------------------------|---|------------------------------------|--|----------------------------|
| 301 | Organization | \$ (34,044) | \$ (34,044) | \$ - | \$ - | \$ - | \$ - |
| 302 | Franchises | 37,815 | 37,815 | - | - | - | - |
| 303 | Land and Land Rights | 1,353 | - | 1,353 | - | - | - |
| 304 | Structures and Improvements | 120,530 | - | 66,039 | - | - | - |
| 305 | Collecting and Impounding Reservoirs | - | - | - | 18,898 | 4,500 | 31,898 |
| 306 | Lake, River and Other Intakes | - | - | - | - | - | - |
| 307 | Wells and Springs | 59,459 | - | 59,459 | - | - | - |
| 308 | Infiltration Galleries and Tunnels | - | - | - | - | - | - |
| 309 | Supply Mains | 36,929 | - | 36,929 | - | - | - |
| 310 | Power Generation Equipment | 644 | - | 644 | - | - | - |
| 311 | Pumping Equipment | 166,393 | - | 166,393 | - | - | - |
| 320 | Water Treatment Equipment | 29,881 | - | - | 29,881 | - | - |
| 330 | Distribution Reservoirs and Standpipes | 87,992 | - | - | - | 87,992 | - |
| 331 | Transmission and Distribution Mains | 482,603 | - | - | - | 482,603 | - |
| 333 | Services | 240,060 | - | - | - | 240,060 | - |
| 334 | Meters and Meter Installations | 158,095 | - | - | - | 158,095 | - |
| 335 | Hydrants | 83,996 | - | - | - | 83,996 | - |
| 336 | Backflow Prevention Devices | 993 | - | - | - | 993 | - |
| 339 | Other Plant Miscellaneous Equipment | - | - | - | - | - | - |
| 340 | Office Furniture and Equipment | 142,241 | - | - | - | - | 142,241 |
| 341 | Transportation Equipment | 62,671 | - | - | - | - | 62,671 |
| 342 | Stores Equipment | - | - | - | - | - | - |
| 343 | Tools, Shop and Garage Equipment | 23,471 | - | - | - | - | 23,471 |
| 344 | Laboratory Equipment | 6,995 | - | - | - | - | 6,995 |
| 345 | Power Operated Equipment | 478 | - | - | - | - | 478 |
| 346 | Communication Equipment | 3,148 | - | - | - | - | 3,148 |
| 347 | Miscellaneous Equipment | - | - | - | - | - | - |
| 348 | Other Tangible Plant | - | - | - | - | - | - |
| TOTAL WATER PLANT | | \$ 1,711,704 | \$ 3,771 | \$ 330,817 | \$ 48,378 | \$ 1,058,239 | \$ 270,498 |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|-----------------------------|
| YEAR OF REPORT 31-Dec-11 |
|-----------------------------|

SYSTEM NAME / COUNTY : Polk County

BASIS FOR WATER DEPRECIATION CHARGES

| ACCT. NO. (a) | ACCOUNT NAME (b) | AVERAGE SERVICE LIFE IN YEARS (c) | AVERAGE NET SALVAGE IN PERCENT (d) | DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e) |
|---|--|--------------------------------------|---------------------------------------|---|
| 301 | Organization | | | |
| 302 | Franchises | 40 | | 2.50% |
| 304 | Structures and Improvements | 32 | | 3.13% |
| 305 | Collecting and Impounding Reservoirs | 50 | | 2.00% |
| 306 | Lake, River and Other Intakes | 40 | | 2.50% |
| 307 | Wells and Springs | 30 | | 3.33% |
| 308 | Infiltration Galleries and Tunnels | 40 | | 2.50% |
| 309 | Supply Mains | 35 | | 2.86% |
| 310 | Power Generation Equipment | 20 | | 5.00% |
| 311 | Pumping Equipment | 20 | | 5.00% |
| 320 | Water Treatment Equipment | 22 | | 4.55% |
| 330 | Distribution Reservoirs and Standpipes | 37 | | 2.70% |
| 331 | Transmission and Distribution Mains | 43 | | 2.33% |
| 333 | Services | 40 | | 2.50% |
| 334 | Meters and Meter Installations | 20 | | 5.00% |
| 335 | Hydrants | 45 | | 2.22% |
| 336 | Backflow Prevention Devices | 15 | | 6.67% |
| 339 | Other Plant Miscellaneous Equipment | 18 | | 5.56% |
| 340 | Office Furniture and Equipment | 40 | | 2.50% |
| 341 | Transportation Equipment | 5 | | 20.00% |
| 342 | Stores Equipment | 18 | | 5.56% |
| 343 | Tools, Shop and Garage Equipment | 16 | | 6.25% |
| 344 | Laboratory Equipment | 15 | | 6.67% |
| 345 | Power Operated Equipment | 12 | | 8.33% |
| 346 | Communication Equipment | 10 | | 10.00% |
| 347 | Miscellaneous Equipment | 15 | | 6.67% |
| 348 | Other Tangible Plant | 10 | | 10.00% |
| Water Plant Composite Depreciation Rate * | | | | |

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

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

SYSTEM NAME / COUNTY : Polk County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

| ACCT. NO. (a) | ACCOUNT NAME (b) | BALANCE AT BEGINNING OF YEAR (c) | ACCRUALS (d) | OTHER CREDITS * (e) | TOTAL CREDITS (d + e) (f) |
|---|--|---|------------------|---------------------------|------------------------------------|
| 301 | Organization | \$ 1,979 | \$ 1,163 | \$ | \$ 1,163 |
| 302 | Franchises | 1,669 | 945 | | 945 |
| 304 | Structures and Improvements | 53,854 | 3,418 | (44) | 3,374 |
| 305 | Collecting and Impounding Reservoirs | - | - | | - |
| 306 | Lake, River and Other Intakes | - | - | | - |
| 307 | Wells and Springs | 35,939 | 1,982 | | 1,982 |
| 308 | Infiltration Galleries and Tunnels | - | - | | - |
| 309 | Supply Mains | 2,326 | 1,055 | | 1,055 |
| 310 | Power Generation Equipment | 52 | 32 | | 32 |
| 311 | Pumping Equipment | 117,238 | 8,320 | | 8,320 |
| 320 | Water Treatment Equipment | 9,743 | 1,349 | (1) | 1,348 |
| 330 | Distribution Reservoirs and Standpipes | 34,459 | 2,366 | | 2,366 |
| 331 | Transmission and Distribution Mains | 185,468 | 11,244 | 1 | 11,245 |
| 333 | Services | 88,044 | 5,998 | | 5,998 |
| 334 | Meters and Meter Installations | 75,811 | 7,802 | 1 | 7,803 |
| 335 | Hydrants | 30,344 | 1,863 | | 1,863 |
| 336 | Backflow Prevention Devices | 41 | 65 | | 65 |
| 339 | Other Plant Miscellaneous Equipment | - | - | | - |
| 340 | Office Furniture and Equipment | 69,576 | 14,650 | (245) | 14,405 |
| 341 | Transportation Equipment | 47,195 | 4,532 | (5,052) | (520) |
| 342 | Stores Equipment | - | - | | - |
| 343 | Tools, Shop and Garage Equipment | 16,020 | 1,324 | (25) | 1,299 |
| 344 | Laboratory Equipment | 4,023 | 230 | 240 | 470 |
| 345 | Power Operated Equipment | - | - | | - |
| 346 | Communication Equipment | 1,851 | 141 | 23 | 164 |
| 347 | Miscellaneous Equipment | - | - | | - |
| 348 | Other Tangible Plant | - | - | | - |
| TOTAL WATER ACCUMULATED DEPRECIATION | | \$ 775,632 | \$ 68,480 | \$ (5,102) | \$ 63,378 |

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

OTHER CREDITS column (E) * are due to allocation of UIF plant

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|--|
| <p>YEAR OF REPORT 31-Dec-11</p> |
|--|

SYSTEM NAME / COUNTY : Polk County

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

| ACCT. NO. (a) | ACCOUNT NAME (b) | PLANT RETIRED (g) | SALVAGE AND INSURANCE (h) | COST OF REMOVAL AND OTHER CHARGES (i) | TOTAL CHARGES (g-h+i) (j) | BALANCE AT END OF YEAR (c+f-j) (l) (k) |
|---|--|----------------------|------------------------------|--|------------------------------|---|
| 301 | Organization | \$ - | \$ - | \$ - | \$ - | \$ 3,141 |
| 302 | Franchises | - | - | - | - | 2,614 |
| 304 | Structures and Improvements | - | - | - | - | 57,228 |
| 305 | Collecting and Impounding Reservoirs | - | - | - | - | - |
| 306 | Lake, River and Other Intakes | - | - | - | - | - |
| 307 | Wells and Springs | - | - | - | - | 37,921 |
| 308 | Infiltration Galleries and Tunnels | - | - | - | - | - |
| 309 | Supply Mains | - | - | - | - | 3,381 |
| 310 | Power Generation Equipment | - | - | - | - | 85 |
| 311 | Pumping Equipment | - | - | - | - | 125,559 |
| 320 | Water Treatment Equipment | - | - | - | - | 11,092 |
| 330 | Distribution Reservoirs and Standpipes | - | - | - | - | 36,825 |
| 331 | Transmission and Distribution Mains | - | - | - | - | 196,712 |
| 333 | Services | - | - | - | - | 94,042 |
| 334 | Meters and Meter Installations | - | - | - | - | 83,615 |
| 335 | Hydrants | - | - | - | - | 32,207 |
| 336 | Backflow Prevention Devices | - | - | - | - | 105 |
| 339 | Other Plant Miscellaneous Equipment | - | - | - | - | - |
| 340 | Office Furniture and Equipment | - | - | - | - | 83,981 |
| 341 | Transportation Equipment | - | - | - | - | 46,676 |
| 342 | Stores Equipment | - | - | - | - | - |
| 343 | Tools, Shop and Garage Equipment | - | - | - | - | 17,319 |
| 344 | Laboratory Equipment | - | - | - | - | 4,493 |
| 345 | Power Operated Equipment | - | - | - | - | - |
| 346 | Communication Equipment | - | - | - | - | 2,015 |
| 347 | Miscellaneous Equipment | - | - | - | - | - |
| 348 | Other Tangible Plant | - | - | - | - | - |
| TOTAL WATER ACCUMULATED DEPRECIATION | | \$ - | \$ - | \$ - | \$ - | \$ 839,010 |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

SYSTEM NAME / COUNTY : Polk County

WATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
 MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

| DESCRIPTION OF CHARGE (a) | NUMBER OF CONNECTIONS (b) | CHARGE PER CONNECTION (c) | AMOUNT (d) |
|------------------------------|------------------------------|------------------------------|-----------------|
| WATER TAP FEES | | \$ | 2,250 |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| Total Credits | | | \$ <u>2,250</u> |

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

| DESCRIPTION (a) | WATER (b) |
|------------------------------------|-------------------|
| Balance first of year | \$ 124,589 |
| Debits during the year: | |
| Accruals charged to Account 272 | \$ 10,425 |
| Other debits (specify): | _____ |
| _____ | _____ |
| _____ | _____ |
| Total debits | \$ 10,425 |
| Credits during the year (specify): | |
| _____ | \$ - |
| _____ | _____ |
| Total credits | \$ - |
| Balance end of year | \$ <u>135,014</u> |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

SYSTEM NAME / COUNTY : Polk County

WATER OPERATING REVENUE

| ACCT. NO. (a) | DESCRIPTION (b) | BEGINNING YEAR NO. CUSTOMERS * (c) | YEAR END NUMBER OF CUSTOMERS (d) | AMOUNT (e) |
|--------------------------------|---|------------------------------------|----------------------------------|-------------------|
| 460 | Water Sales: Unmetered Water Revenue | | | \$ - |
| 461.1 | Metered Water Revenue: Sales to Residential Customers | 1,258 | 1,252 | 298,522 |
| 461.2 | Sales to Commercial Customers | | | 33,623 |
| 461.3 | Sales to Industrial Customers | | | - |
| 461.4 | Sales to Public Authorities | | | - |
| 461.5 | Sales Multiple Family Dwellings | | | - |
| 461.6 | Other Revenues | | | - |
| Total Metered Sales | | <u>1,258</u> | <u>1,252</u> | \$ <u>332,144</u> |
| 462.1 | Fire Protection Revenue: Public Fire Protection | | | - |
| 462.2 | Private Fire Protection | | | - |
| Total Fire Protection Revenue | | | | \$ - |
| 464 | Other Sales To Public Authorities | | | - |
| 465 | Sales To Irrigation Customers | | | - |
| 466 | Sales For Resale | | | - |
| 467 | Interdepartmental Sales | | | - |
| Total Water Sales | | <u>1,258</u> | <u>1,252</u> | \$ <u>332,144</u> |
| 469 | Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI) | | | \$ - |
| 470 | Forfeited Discounts | | | - |
| 471 | Miscellaneous Service Revenues | | | 321 |
| 472 | Rents From Water Property | | | - |
| 473 | Interdepartmental Rents | | | - |
| 474 | Other Water Revenues | | | 2,399 |
| Total Other Water Revenues | | | | \$ <u>2,720</u> |
| Total Water Operating Revenues | | | | \$ <u>334,864</u> |

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.
 Accruals are recorded in account 461.1.



UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

SYSTEM NAME / COUNTY : Polk County

WATER UTILITY EXPENSE ACCOUNTS

| ACCT. NO. (a) | ACCOUNT NAME (b) | CURRENT YEAR (c) | .1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d) | .2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e) |
|------------------------------|--|---------------------|---|--|
| 601 | Salaries and Wages - Employees | \$ 81,897 | \$ 9,525 | \$ 9,525 |
| 603 | Salaries and Wages - Officers, Directors and Majority Stockholders | 10,093 | - | - |
| 604 | Employee Pensions and Benefits | 21,062 | 2,181 | 2,181 |
| 610 | Purchased Water | - | - | - |
| 615 | Purchased Power | 11,598 | - | - |
| 616 | Fuel for Power Purchased | - | - | - |
| 618 | Chemicals | 9,242 | 1,540 | 1,540 |
| 620 | Materials and Supplies | 9,085 | 1,136 | 1,136 |
| 631 | Contractual Services-Engineering | 16 | - | - |
| 632 | Contractual Services - Accounting | 1,783 | - | - |
| 633 | Contractual Services - Legal | 407 | - | - |
| 634 | Contractual Services - Mgt. Fees | - | - | - |
| 635 | Contractual Services - Testing | 0 | 0 | 0 |
| 636 | Contractual Services - Other | 2,585 | 323 | 323 |
| 641 | Rental of Building/Real Property | 138 | - | - |
| 642 | Rental of Equipment | - | - | - |
| 650 | Transportation Expenses | 8,848 | 1,106 | 1,106 |
| 656 | Insurance - Vehicle | - | - | - |
| 657 | Insurance - General Liability | - | - | - |
| 658 | Insurance - Workman's Comp. | - | - | - |
| 659 | Insurance - Other | 10,519 | 1,315 | 1,315 |
| 660 | Advertising Expense | 50 | - | - |
| 666 | Regulatory Commission Expenses - Amortization of Rate Case Expense | 13,461 | - | - |
| 667 | Regulatory Commission Exp.-Other | 1,679 | - | - |
| 668 | Water Resource Conservation Exp. | - | - | - |
| 670 | Bad Debt Expense | 341 | - | - |
| 675 | Miscellaneous Expenses | 29,265 | 3,658 | 3,658 |
| Total Water Utility Expenses | | \$ 212,068 | \$ 20,784 | \$ 20,784 |



W-10(a)
GROUP _____

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

SYSTEM NAME / COUNTY :

Polk County

| WATER EXPENSE ACCOUNT MATRIX | | | | | |
|---|--|---|--|--|--|
| .3 WATER TREATMENT EXPENSES - OPERATIONS (f) | .4 WATER TREATMENT EXPENSES - MAINTENANCE (g) | .5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h) | .6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i) | .7 CUSTOMER ACCOUNTS EXPENSE (j) | .8 ADMIN. & GENERAL EXPENSES (k) |
| \$ 9,525 | \$ 9,525 | \$ 9,525 | \$ 9,525 | \$ 5,719 | \$ 19,028 |
| - | - | - | - | - | 10,093 |
| 2,181 | 2,181 | 2,181 | 2,181 | 1,310 | 6,667 |
| 11,598 | | | | | |
| - | | | | | |
| 1,540 | 1,540 | 1,540 | 1,540 | | |
| 1,136 | 1,136 | 1,136 | 1,136 | 1,135 | 1,136 |
| - | - | 16 | - | - | - |
| - | - | - | - | - | 1,783 |
| - | - | - | - | - | 407 |
| - | - | - | - | - | - |
| 0 | 0 | 0 | 0 | - | - |
| 323 | 323 | 323 | 323 | 323 | 323 |
| - | - | - | - | - | 138 |
| - | - | - | - | - | - |
| 1,106 | 1,106 | 1,106 | 1,106 | 1,106 | 1,106 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,315 | 1,315 | 1,315 | 1,315 | 1,315 | 1,315 |
| | | | | | 50 |
| | | | | | 13,461 |
| | | | | | 1,679 |
| | | | | 341 | |
| 3,658 | 3,658 | 3,658 | 3,658 | 3,658 | 3,658 |
| \$ 32,382 | \$ 20,784 | \$ 20,800 | \$ 20,784 | \$ 14,907 | \$ 60,844 |

W-10(b)
GROUP _____

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

SYSTEM NAME / COUNTY :

CYPRESS LAKES / POLK

PUMPING AND PURCHASED WATER STATISTICS

| MONTH (a) | WATER PURCHASED FOR RESALE (Omit 000's) (b) | FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c) | WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d) | TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e) | WATER SOLD TO CUSTOMERS (Omit 000's) (f) |
|----------------|---|---|---|--|--|
| January | | 5.047 | 0.378 | 4.669 | 4.056 |
| February | | 5.104 | 0.348 | 4.756 | 4.496 |
| March | | 5.797 | 1.250 | 4.547 | 4.542 |
| April | | 5.596 | 0.410 | 5.186 | 5.182 |
| May | | 6.439 | 1.150 | 5.289 | 5.282 |
| June | | 5.494 | 1.160 | 4.334 | 4.330 |
| July | | 4.483 | 0.930 | 3.553 | 3.544 |
| August | | 6.514 | 3.500 | 3.014 | 2.988 |
| September | | 6.840 | 3.770 | 3.070 | 3.063 |
| October | | 7.523 | 4.090 | 3.433 | 3.395 |
| November | | 7.499 | 3.460 | 4.039 | 4.026 |
| December | | 7.069 | 3.850 | 3.219 | 3.715 |
| Total for Year | | 73.405 | 24.296 | 49.109 | 48.619 |

If water is purchased for resale, indicate the following:

Vendor NONE
 Point of delivery NONE

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

NONE

Based on 16hrs/day

| for each source of supply: | CAPACITY OF WELL | GALLONS PER DAY FROM SOURCE | TYPE OF SOURCE |
|----------------------------|------------------|-----------------------------|----------------|
| WELL #1 | 730GPM | 700,800 | WELL |
| WELL #2 | 770GPM | 739,200 | WELL |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : CYPRESS LAKES / POLK

WATER TREATMENT PLANT INFORMATION
Provide a separate sheet for each water treatment facility

| | |
|--|--|
| Permitted Capacity of Plant (GPD): | <u>331,200</u> |
| Location of measurement of capacity (i.e. Wellhead, Storage Tank): | <u>Hydropneumatic Tank</u> |
| Type of treatment (reverse osmosis, (sedimentation, chemical, aerated, etc.): | <u>Chloramination (chlorine & ammonia)</u> |
| LIME TREATMENT | |
| Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u> | Manufacturer: <u>N/A</u> |
| FILTRATION | |
| Type and size of area: | |
| Pressure (in square feet): <u>N/A</u> | Manufacturer: <u>N/A</u> |
| Gravity (in GPM/square feet): <u>N/A</u> | Manufacturer: <u>N/A</u> |

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

SYSTEM NAME / COUNTY :

CYPRESS LAKES / POLK

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

| METER SIZE (a) | TYPE OF METER (b) | EQUIVALENT FACTOR (c) | NUMBER OF METERS (d) | TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e) |
|--------------------------------------|-----------------------------------|--------------------------|-------------------------|---|
| All Residential | | 1.0 | 1,440 | 1,440 |
| 5/8" | Displacement | 1.0 | 22 | 22 |
| 3/4" | Displacement | 1.5 | | 0 |
| 1" | Displacement | 2.5 | 16 | 40 |
| 1 1/2" | Displacement or Turbine | 5.0 | 4 | 20 |
| 2" | Displacement, Compound or Turbine | 8.0 | 4 | 32 |
| 3" | Displacement | 15.0 | | 0 |
| 3" | Compound | 16.0 | | 0 |
| 3" | Turbine | 17.5 | | 0 |
| 4" | Displacement or Compound | 25.0 | | 0 |
| 4" | Turbine | 30.0 | | 0 |
| 6" | Displacement or Compound | 50.0 | | 0 |
| 6" | Turbine | 62.5 | | 0 |
| 8" | Compound | 80.0 | | 0 |
| 8" | Turbine | 90.0 | | 0 |
| 10" | Compound | 115.0 | | 0 |
| 10" | Turbine | 145.0 | | 0 |
| 12" | Turbine | 215.0 | | 0 |
| Total Water System Meter Equivalents | | | | <u>1,554</u> |

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

| |
|--|
| <p>ERC Calculation:</p> <p style="text-align: center;">48.619/365/350=381 ERC's</p> |
|--|

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : CYPRESS LAKES / POLK

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 1,266
2. Maximum number of ERCs * which can be served. 1,650
3. Present system connection capacity (in ERCs *) using existing lines. 1,650
4. Future connection capacity (in ERCs *) upon service area buildout. 1,650
5. Estimated annual increase in ERCs *. 10
6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500 gpm residential / 1000 gpm commercial
7. Attach a description of the fire fighting facilities. Two (2) 10,000 gallon hydropneumatic storage tanks, 2 wells and fire hydrants throughout the community.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
NONE
9. When did the company last file a capacity analysis report with the DEP? 1993
10. If the present system does not meet the requirements of DEP rules:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? N/A
 - c. When will construction begin? N/A
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? No
11. Department of Environmental Protection ID # 6535055
12. Water Management District Consumptive Use Permit # 13043
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

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

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

SYSTEM NAME / COUNTY : Polk County

SCHEDULE OF YEAR END WASTEWATER RATE BASE

| ACCT. NO. (a) | ACCOUNT NAME (b) | REFERENCE PAGE (c) | WASTEWATER UTILITY (d) |
|--|---|--------------------------|------------------------------|
| 101 | Utility Plant In Service | S-4A | \$ 3,754,777 |
| | Less: | | |
| | Nonused and Useful Plant (1) | | |
| 108 | Accumulated Depreciation | S-6B | 1,461,126 |
| 110 | Accumulated Amortization | F-8 | - |
| 271 | Contributions In Aid of Construction | S-7 | 845,264 |
| 252 | Advances for Construction | F-20 | |
| Subtotal | | | \$ 1,448,387 |
| | Add: | | |
| 272 | Accumulated Amortization of Contributions in Aid of Construction | S-8A | \$ 307,022 |
| Subtotal | | | \$ 1,755,409 |
| | Plus or Minus: | | |
| 114 | Acquisition Adjustments (2) | F-7 | - |
| 115 | Accumulated Amortization of Acquisition Adjustments (2) | F-7 | - |
| | Working Capital Allowance (3) | | 35,409 |
| | Other (Specify): | | - |
| | | | |
| | | | |
| WASTEWATER RATE BASE | | | \$ 1,790,818 |
| WASTEWATER OPERATING INCOME | | S-3 | \$ 242,680 |
| ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base) | | | <u>13.55%</u> |

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

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

WASTEWATER OPERATING STATEMENT

| ACCT. NO. (a) | ACCOUNT NAME (b) | REFERENCE PAGE (c) | WASTEWATER UTILITY (d) |
|------------------|--|-----------------------|---------------------------|
| | UTILITY OPERATING INCOME | | |
| 400 | Operating Revenues | S-9A | \$ 695,196 |
| 530 | Less: Guaranteed Revenue (and AFPI) | S-9A | - |
| | Net Operating Revenues | | \$ 695,196 |
| 401 | Operating Expenses | S-10A | \$ 283,269 |
| 403 | Depreciation Expense | S-6A | 139,193 |
| | Less: Amortization of CIAC | S-8A | (24,870) |
| | Net Depreciation Expense | | \$ 114,323 |
| 406 | Amortization of Utility Plant Acquisition Adjustment | F-7 | - |
| 407 | Amortization Expense (Other than CIAC) | F-8 | - |
| 408.1 | Taxes Other Than Income Utility Regulatory Assessment Fee | | 134 |
| 408.11 | Property Taxes | | 17,673 |
| 408.12 | Payroll Taxes | | 7,631 |
| 408.13 | Other Taxes and Licenses | | 22,121 |
| 408 | Total Taxes Other Than Income | | \$ 47,559 |
| 409.1 | Income Taxes | | - |
| 410.1 | Deferred Federal Income Taxes | | 6,796 |
| 410.11 | Deferred State Income Taxes | | 569 |
| 411.1 | Provision for Deferred Income Taxes - Credit | | - |
| 412.1 | Investment Tax Credits Deferred to Future Periods | | - |
| 412.11 | Investment Tax Credits Restored to Operating Income | | - |
| | Utility Operating Expenses | | \$ 452,517 |
| | Utility Operating Income | | \$ 242,680 |
| 530 | Add Back: Guaranteed Revenue (and AFPI) | S-9A | \$ - |
| 413 | Income From Utility Plant Leased to Others | | - |
| 414 | Gains (losses) From Disposition of Utility Property | | - |
| 420 | Allowance for Funds Used During Construction | | 0 |
| | Total Utility Operating Income | | \$ 242,680 |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

WASTEWATER UTILITY PLANT ACCOUNTS

| ACCT. NO. (a) | ACCOUNT NAME (b) | PREVIOUS YEAR (c) | ADDITIONS (d) | RETIREMENTS (e) | CURRENT YEAR (f) |
|-------------------------------|--|---------------------|------------------|-----------------|---------------------|
| 351 | Organization | \$ 0 | \$ - | \$ - | \$ 0 |
| 352 | Franchises | (1) | - | - | (1) |
| 353 | Land and Land Rights | 2,610 | - | - | 2,610 |
| 354 | Structures and Improvements | 2,210,512 | 2,924 | 1,120 | 2,212,317 |
| 355 | Power Generation Equipment | 1,313 | - | - | 1,313 |
| 360 | Collection Sewers - Force | 179,012 | - | - | 179,012 |
| 361 | Collection Sewers - Gravity | 605,325 | 309 | - | 605,635 |
| 361 | Manholes | 308,271 | - | - | 308,271 |
| 362 | Special Collecting Structures | - | - | - | - |
| 363 | Services to Customers | 172,487 | - | - | 172,487 |
| 364 | Flow Measuring Devices | - | - | - | - |
| 365 | Flow Measuring Installations | - | - | - | - |
| 366 | Reuse Services | - | - | - | - |
| 367 | Reuse Meters and Meter Installations | - | - | - | - |
| 370 | Receiving Wells | - | - | - | - |
| 371 | Pumping Equipment | 10,660 | 4,440 | - | 15,100 |
| 374 | Reuse Distribution Reservoirs | - | - | - | - |
| 375 | Reuse Transmission and Distribution System | 3,291 | 76 | - | 3,367 |
| 380 | Treatment and Disposal Equipment | 26,085 | 2,795 | 379 | 28,501 |
| 381 | Plant Sewers | 344 | 3,659 | - | 4,003 |
| 382 | Outfall Sewer Lines | - | - | - | - |
| 389 | Other Plant Miscellaneous Equipment | 2,536 | 152 | - | 2,689 |
| 390 | Office Furniture and Equipment | 129,753 | 865 | - | 130,617 |
| 391 | Transportation Equipment | 51,735 | 5,815 | - | 57,550 |
| 392 | Stores Equipment | - | - | - | - |
| 393 | Tools, Shop and Garage Equipment | 21,602 | (48) | - | 21,553 |
| 394 | Laboratory Equipment | 6,200 | 223 | - | 6,423 |
| 395 | Power Operated Equipment | 439 | (0) | - | 439 |
| 396 | Communication Equipment | 2,895 | (4) | - | 2,891 |
| 397 | Miscellaneous Equipment | 575 | (575) | - | - |
| 398 | Other Tangible Plant | - | - | - | - |
| Total Wastewater Plant | | \$ 3,735,645 | \$ 20,631 | \$ 1,499 | \$ 3,754,777 |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

WASTEWATER UTILITY PLANT MATRIX

| ACCT. NO. | ACCOUNT NAME | .1 INTANGIBLE PLANT | .2 COLLECTION PLANT | .3 SYSTEM PUMPING PLANT | .4 TREATMENT AND DISPOSAL | .5 RECLAIMED WASTEWATER TREATMENT PLANT | .6 RECLAIMED WASTEWATER DISTRIBUTION PLANT | .7 GENERAL PLANT |
|------------------------|--|------------------------|------------------------|----------------------------|------------------------------|--|---|---------------------|
| (a) | (b) | (g) | (h) | (i) | (j) | (i) | (j) | (k) |
| 351 | Organization | \$ 0 | \$ | \$ | \$ | \$ | \$ | \$ |
| 352 | Franchises | | | | | | | |
| 353 | Land and Land Rights | | 2,610 | - | - | - | - | - |
| 354 | Structures and Improvements | | 110 | 100,932 | 2,082,355 | - | - | 28,920 |
| 355 | Power Generation Equipment | | 1,313 | - | - | - | - | - |
| 360 | Collection Sewers - Force | | 179,012 | | | | | |
| 361 | Collection Sewers - Gravity | | 605,635 | | | | | |
| 361 | Manholes | | 308,271 | | | | | |
| 362 | Special Collecting Structures | | - | | | | | |
| 363 | Services to Customers | | 172,487 | | | | | |
| 364 | Flow Measuring Devices | | - | | | | | |
| 365 | Flow Measuring Installations | | - | | | | | |
| 366 | Reuse Services | | - | | | | | |
| 367 | Reuse Meters and Meter Installations | | - | | | | | |
| 370 | Receiving Wells | | | - | | | | |
| 371 | Pumping Equipment | | | 15,100 | | | | |
| 374 | Reuse Distribution Reservoirs | | | - | | | | |
| 375 | Reuse Transmission and Distribution System | | | 3,367 | | | | |
| 380 | Treatment and Disposal Equipment | | | | 28,501 | | | |
| 381 | Plant Sewers | | | | | 4,003 | | |
| 382 | Outfall Sewer Lines | | | | | | | |
| 389 | Other Plant Miscellaneous Equipment | | | 1,108 | 1,581 | | | |
| 390 | Office Furniture and Equipment | | | | | | | 130,617 |
| 391 | Transportation Equipment | | | | | | | 57,550 |
| 392 | Stores Equipment | | | | | | | - |
| 393 | Tools, Shop and Garage Equipment | | | | | | | 21,553 |
| 394 | Laboratory Equipment | | | | | | | 6,423 |
| 395 | Power Operated Equipment | | | | | | | 439 |
| 396 | Communication Equipment | | | | | | | 2,891 |
| 397 | Miscellaneous Equipment | | | | | | | - |
| 398 | Other Tangible Plant | | | | | | | - |
| Total Wastewater Plant | | \$ (0) | \$ 1,269,438 | \$ 120,506 | \$ 2,112,437 | \$ 4,003 | \$ - | \$ 248,393 |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|---|
| YEAR OF REPORT 31-Dec-11 |
|---|

SYSTEM NAME / COUNTY : Polk County

BASIS FOR WASTEWATER DEPRECIATION CHARGES

| ACCT. NO. (a) | ACCOUNT NAME (b) | AVERAGE SERVICE LIFE IN YEARS (c) | AVERAGE NET SALVAGE IN PERCENT (d) | DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e) |
|--|--|--------------------------------------|---------------------------------------|---|
| 351 | Organization | | | |
| 352 | Franchises | 40 | | 2.50% |
| 354 | Structures and Improvements | 32 | | 3.13% |
| 355 | Power Generation Equipment | 20 | | 5.00% |
| 360 | Collection Sewers - Force | 30 | | 3.33% |
| 361 | Collection Sewers - Gravity | 45 | | 2.22% |
| 362 | Special Collecting Structures | 40 | | 2.50% |
| 363 | Services to Customers | 38 | | 2.63% |
| 364 | Flow Measuring Devices | 5 | | 20.00% |
| 365 | Flow Measuring Installations | 38 | | 2.63% |
| 366 | Reuse Services | 40 | | 2.50% |
| 367 | Reuse Meters and Meter Installations | 20 | | 5.00% |
| 370 | Receiving Wells | 30 | | 3.33% |
| 371 | Pumping Equipment | 18 | | 5.56% |
| 375 | Reuse Transmission and Distribution System | 43 | | 2.33% |
| 380 | Treatment and Disposal Equipment | 18 | | 5.56% |
| 381 | Plant Sewers | 35 | | 2.86% |
| 382 | Outfall Sewer Lines | 30 | | 3.33% |
| 389 | Other Plant Miscellaneous Equipment | 10 | | 10.00% |
| 390 | Office Furniture and Equipment | 40 | | 2.50% |
| 391 | Transportation Equipment | 5 | | 20.00% |
| 392 | Stores Equipment | 18 | | 5.56% |
| 393 | Tools, Shop and Garage Equipment | 16 | | 6.25% |
| 394 | Laboratory Equipment | 15 | | 6.67% |
| 395 | Power Operated Equipment | 12 | | 8.33% |
| 396 | Communication Equipment | 10 | | 10.00% |
| 397 | Miscellaneous Equipment | 15 | | 6.67% |
| 398 | Other Tangible Plant | 10 | | 10.00% |
| Wastewater Plant Composite Depreciation Rate * | | | | |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

| NO. (a) | ACCT. ACCOUNT NAME (b) | BALANCE AT BEGINNING OF YEAR (c) | ACCRUALS (d) | OTHER CREDITS * (e) | TOTAL CREDITS (d + e) (f) |
|---|---|---|-----------------|---------------------------|------------------------------------|
| 301 | Organization | \$ (1,645) | \$ - | \$ - | \$ - |
| 302 | Franchises | 2,556 | 455 | - | 455 |
| 354 | Structures and Improvements | 595,516 | 69,270 | (1) | 69,269 |
| 355 | Power Generation Equipment | 123 | 66 | - | 66 |
| 360 | Collection Sewers - Force | 90,355 | 5,967 | - | 5,967 |
| 361 | Collection Sewers - Gravity | 410,936 | 20,250 | - | 20,250 |
| 362 | Special Collecting Structures | - | - | - | - |
| 363 | Services to Customers | 87,061 | 5,750 | 1 | 5,751 |
| 364 | Flow Measuring Devices | - | - | - | - |
| 365 | Flow Measuring Installations | - | - | - | - |
| 366 | Reuse Services | - | - | - | - |
| 367 | Reuse Meters and Meter Installations | - | - | - | - |
| 370 | Receiving Wells | - | - | - | - |
| 371 | Pumping Equipment | 421 | 778 | - | 778 |
| 375 | Reuse Transmission and Distribution System | - 157 | - 78 | - | - 78 |
| 380 | Treatment and Disposal Equipment | 5,185 | 16,136 | - | 16,136 |
| 381 | Plant Sewers | 8 | 19 | - | 19 |
| 382 | Outfall Sewer Lines | - | - | - | - |
| 389 | Other Plant Miscellaneous Equipment | 151 | 147 | - | 147 |
| 390 | Office Furniture and Equipment | 74,405 | 14,069 | (331) | 13,738 |
| 391 | Transportation Equipment | 43,356 | 4,162 | (4,657) | (495) |
| 392 | Stores Equipment | - | - | - | - |
| 393 | Tools, Shop and Garage Equipment | 14,716 | 1,246 | (57) | 1,189 |
| 394 | Laboratory Equipment | 3,695 | 672 | (241) | 431 |
| 395 | Power Operated Equipment | - | - | - | - |
| 396 | Communication Equipment | 1,699 | 129 | 23 | 152 |
| 397 | Miscellaneous Equipment | - | - | - | - |
| 398 | Other Tangible Plant | - | - | - | - |
| Total Depreciable Wastewater Plant in Service | | \$ 1,328,695 | \$ 139,193 | \$ (5,263) | \$ 133,930 |

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

OTHER CREDITS column (E) * are due to allocation of UIF plant

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|-----------------------------|
| YEAR OF REPORT 31-Dec-11 |
|-----------------------------|

SYSTEM NAME / COUNTY : Polk County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

| ACCT. NO. (a) | ACCOUNT NAME (b) | PLANT RETIRED (g) | SALVAGE AND INSURANCE (h) | COST OF REMOVAL AND OTHER CHARGES (i) | TOTAL CHARGES (g-h+i) (j) | BALANCE AT END OF YEAR (c+f-j) (k) |
|---|--|----------------------|------------------------------|--|------------------------------|---------------------------------------|
| 301 | Organization | \$ - | \$ - | \$ - | \$ - | \$ (1,645) |
| 302 | Franchises | - | - | - | - | 3,012 |
| 354 | Structures and Improvements | 1,120 | - | - | 1,120 | 663,666 |
| 355 | Power Generation Equipment | - | - | - | - | 189 |
| 360 | Collection Sewers - Force | - | - | - | - | 96,322 |
| 361 | Collection Sewers - Gravity | - | - | - | - | 431,186 |
| 362 | Special Collecting Structures | - | - | - | - | - |
| 363 | Services to Customers | - | - | - | - | 92,811 |
| 364 | Flow Measuring Devices | - | - | - | - | - |
| 365 | Flow Measuring Installations | - | - | - | - | - |
| 366 | Reuse Services | - | - | - | - | - |
| 367 | Reuse Meters and Meter Installations | - | - | - | - | - |
| 370 | Receiving Wells | - | - | - | - | - |
| 371 | Pumping Equipment | - | - | - | - | 1,199 |
| 375 | Reuse Transmission and Distribution System | - | - | - | - | 235 |
| 380 | Treatment and Disposal Equipment | 379 | - | - | 379 | 20,942 |
| 381 | Plant Sewers | - | - | - | - | 27 |
| 382 | Outfall Sewer Lines | - | - | - | - | - |
| 389 | Other Plant Miscellaneous Equipment | - | - | - | - | 298 |
| 390 | Office Furniture and Equipment | - | - | - | - | 88,143 |
| 391 | Transportation Equipment | - | - | - | - | 42,861 |
| 392 | Stores Equipment | - | - | - | - | - |
| 393 | Tools, Shop and Garage Equipment | - | - | - | - | 15,904 |
| 394 | Laboratory Equipment | - | - | - | - | 4,126 |
| 395 | Power Operated Equipment | - | - | - | - | - |
| 396 | Communication Equipment | - | - | - | - | 1,851 |
| 397 | Miscellaneous Equipment | - | - | - | - | - |
| 398 | Other Tangible Plant | - | - | - | - | - |
| Total Depreciable Wastewater Plant in Service | | \$ 1,499 | \$ - | \$ - | \$ 1,499 | \$ 1,461,126 |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

WASTEWATER OPERATING REVENUE

| ACCT. NO. (a) | DESCRIPTION (b) | BEGINNING YEAR NO. CUSTOMERS * (c) | YEAR END NUMBER OF CUSTOMERS * (d) | AMOUNTS (e) |
|----------------------------------|---|---------------------------------------|---------------------------------------|----------------|
| WASTEWATER SALES | | | | |
| Flat Rate Revenues: | | | | |
| 521.1 | Residential Revenues | 1,155 | 1,150 | \$ 15,672 |
| 521.2 | Commercial Revenues | | | - |
| 521.3 | Industrial Revenues | | | - |
| 521.4 | Revenues From Public Authorities | | | - |
| 521.5 | Multiple Family Dwelling Revenues | | | - |
| 521.6 | Other Revenues | | | - |
| 521 | Total Flat Rate Revenues | 1,155 | 1,150 | \$ 15,672 |
| Measured Revenues: | | | | |
| 522.1 | Residential Revenues | | | 655,695 |
| 522.2 | Commercial Revenues | | | 22,579 |
| 522.3 | Industrial Revenues | | | - |
| 522.4 | Revenues From Public Authorities | | | - |
| 522.5 | Multiple Family Dwelling Revenues | | | - |
| 522 | Total Measured Revenues | | | \$ 678,275 |
| 523 | Revenues From Public Authorities | | | - |
| 524 | Revenues From Other Systems | | | - |
| 525 | Interdepartmental Revenues | | | - |
| Total Wastewater Sales | | 1,155 | 1,150 | \$ 693,947 |
| OTHER WASTEWATER REVENUES | | | | |
| 530 | Guaranteed Revenues | | | \$ - |
| 531 | Sale of Sludge | | | - |
| 532 | Forfeited Discounts | | | - |
| 534 | Rents From Wastewater Property | | | - |
| 535 | Interdepartmental Rents | | | - |
| 536 | Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI) | | | 1,250 |
| Total Other Wastewater Revenues | | | | \$ 1,250 |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

SYSTEM NAME / COUNTY Polk County

WASTEWATER OPERATING REVENUE

| ACCT. NO. (a) | DESCRIPTION (b) | BEGINNING YEAR NO. CUSTOMERS * (c) | YEAR END NUMBER OF CUSTOMERS * (d) | AMOUNTS (e) |
|-------------------------------------|---|---|---|-------------------|
| RECLAIMED WATER SALES | | | | |
| 540.1 | Flat Rate Reuse Revenues: Residential Reuse Revenues | _____ | _____ | \$ _____ - |
| 540.2 | Commercial Reuse Revenues | _____ | _____ | _____ - |
| 540.3 | Industrial Reuse Revenues | _____ | _____ | _____ - |
| 540.4 | Reuse Revenues From Public Authorities | _____ | _____ | _____ - |
| 540.5 | Other Revenues | _____ | _____ | _____ - |
| 540 | Total Flat Rate Reuse Revenues | _____ | _____ | \$ _____ - |
| 541.1 | Measured Reuse Revenues: Residential Reuse Revenues | _____ | _____ | _____ - |
| 541.2 | Commercial Reuse Revenues | _____ | _____ | _____ - |
| 541.3 | Industrial Reuse Revenues | _____ | _____ | _____ - |
| 541.4 | Reuse Revenues From Public Authorities | _____ | _____ | _____ - |
| 541 | Total Measured Reuse Revenues | _____ | _____ | \$ _____ - |
| 544 | Reuse Revenues From Other Systems | _____ | _____ | _____ - |
| Total Reclaimed Water Sales | | | | \$ _____ - |
| Total Wastewater Operating Revenues | | | | \$ <u>695,196</u> |

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

UTILITY NAME: CYPRESS LAKES UTILITIES INC

SYSTEM NAME / COUNTY : Polk County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

| ACCT. NO. | ACCOUNT NAME | CURRENT YEAR | .1 COLLECTION EXPENSES- OPERATIONS | .2 COLLECTION EXPENSES- MAINTENANCE | .3 PUMPING EXPENSES - OPERATIONS | .4 PUMPING EXPENSES - MAINTENANCE | .5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS | .6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE |
|-----------------------------------|--|--------------|---------------------------------------|--|-------------------------------------|--------------------------------------|--|---|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 701 | Salaries and Wages - Employees | \$ 75,204 | \$ 8,746 | \$ 8,746 | \$ 8,746 | \$ 8,746 | \$ 8,746 | \$ 8,746 |
| 703 | Salaries and Wages - Officers, Directors and Majority Stockholders | 9,268 | - | - | - | - | - | - |
| 704 | Employee Pensions and Benefits | 19,340 | 2,003 | 2,003 | 2,003 | - | 2,003 | 2,003 |
| 710 | Purchased Sewage Treatment | - | - | - | - | - | - | - |
| 711 | Sludge Removal Expense | 23,600 | - | - | - | - | 23,600 | - |
| 715 | Purchased Power | 58,392 | 19,464 | - | 19,464 | - | 19,464 | - |
| 716 | Fuel for Power Purchased | - | - | - | - | - | - | - |
| 718 | Chemicals | 8,487 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 |
| 720 | Materials and Supplies | 11,303 | 1,413 | 1,413 | 1,413 | 1,413 | 1,413 | 1,413 |
| 731 | Contractual Services-Engineering | 15 | - | - | - | - | - | - |
| 732 | Contractual Services - Accounting | 1,637 | - | - | - | - | - | - |
| 733 | Contractual Services - Legal | 374 | - | - | - | - | - | - |
| 734 | Contractual Services - Mgt. Fees | - | - | - | - | - | - | - |
| 735 | Contractual Services - Testing | - | - | - | - | - | - | - |
| 736 | Contractual Services - Other | 2,373 | 297 | 297 | 297 | 297 | 297 | 297 |
| 741 | Rental of Building/Real Property | 127 | - | - | - | - | - | - |
| 742 | Rental of Equipment | - | - | - | - | - | - | - |
| 750 | Transportation Expenses | 8,125 | 1,016 | 1,016 | 1,016 | 1,016 | 1,016 | 1,016 |
| 756 | Insurance - Vehicle | - | - | - | - | - | - | - |
| 757 | Insurance - General Liability | - | - | - | - | - | - | - |
| 758 | Insurance - Workman's Comp. | - | - | - | - | - | - | - |
| 759 | Insurance - Other | 9,659 | 1,207 | 1,207 | 1,207 | 1,207 | 1,207 | 1,207 |
| 760 | Advertising Expense | 46 | - | - | - | - | - | - |
| 766 | Regulatory Commission Expenses - Amortization of Rate Case Expense | 12,361 | - | - | - | - | - | - |
| 767 | Regulatory Commission Exp.-Other | 1,542 | - | - | - | - | - | - |
| 770 | Bad Debt Expense | 313 | - | - | - | - | - | - |
| 775 | Miscellaneous Expenses | 41,103 | 5,138 | 5,138 | 5,138 | 5,138 | 5,138 | 5,138 |
| Total Wastewater Utility Expenses | | \$ 283,269 | \$ 40,698 | \$ 21,234 | \$ 40,698 | \$ 21,234 | \$ 64,298 | \$ 21,234 |

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : Polk County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

| ACCT. NO. (a) | ACCOUNT NAME (b) | .7 CUSTOMER ACCOUNTS EXPENSE (j) | .8 ADMIN. & GENERAL EXPENSES (k) | .9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l) | .10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m) | .11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n) | .12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o) |
|-----------------------------------|--|--|--|---|---|---|--|
| 701 | Salaries and Wages - Employees | \$ 5,252 | \$ 17,473 | \$ - | \$ - | \$ - | \$ - |
| 703 | Salaries and Wages - Officers, Directors and Majority Stockholders | - | 9,268 | - | - | - | - |
| 704 | Employee Pensions and Benefits | 1,202 | 6,123 | - | - | - | - |
| 710 | Purchased Sewage Treatment | - | - | - | - | - | - |
| 711 | Sludge Removal Expense | - | - | - | - | - | - |
| 715 | Purchased Power | - | - | - | - | - | - |
| 716 | Fuel for Power Purchased | - | - | - | - | - | - |
| 718 | Chemicals | - | - | - | - | - | - |
| 720 | Materials and Supplies | 1,413 | 1,413 | - | - | - | - |
| 731 | Contractual Services-Engineering | - | 15 | - | - | - | - |
| 732 | Contractual Services - Accounting | - | 1,637 | - | - | - | - |
| 733 | Contractual Services - Legal | - | 374 | - | - | - | - |
| 734 | Contractual Services - Mgt. Fees | - | - | - | - | - | - |
| 735 | Contractual Services - Testing | - | - | - | - | - | - |
| 736 | Contractual Services - Other | 297 | 297 | - | - | - | - |
| 741 | Rental of Building/Real Property | - | 127 | - | - | - | - |
| 742 | Rental of Equipment | - | - | - | - | - | - |
| 750 | Transportation Expenses | 1,016 | 1,016 | - | - | - | - |
| 756 | Insurance - Vehicle | - | - | - | - | - | - |
| 757 | Insurance - General Liability | - | - | - | - | - | - |
| 758 | Insurance - Workman's Comp. | - | - | - | - | - | - |
| 759 | Insurance - Other | 1,207 | 1,207 | - | - | - | - |
| 760 | Advertising Expense | - | 46 | - | - | - | - |
| 766 | Regulatory Commission Expenses - Amortization of Rate Case Expense | - | 12,361 | - | - | - | - |
| 767 | Regulatory Commission Exp.-Other | - | 1,542 | - | - | - | - |
| 770 | Bad Debt Expense | 313 | - | - | - | - | - |
| 775 | Miscellaneous Expenses | 5,138 | 5,138 | - | - | - | - |
| Total Wastewater Utility Expenses | | \$ 15,838 | \$ 58,036 | \$ - | \$ - | \$ - | \$ - |

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| |
|-----------------------------|
| YEAR OF REPORT 31-Dec-11 |
|-----------------------------|

SYSTEM NAME / COUNTY :

CYPRESS LAKES / POLK

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

| WATER METER SIZE (a) | TYPE OF WATER METER (b) | EQUIVALENT FACTOR (c) | NUMBER OF WATER METERS (d) | TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e) |
|---|-----------------------------------|--------------------------|-------------------------------|---|
| All Residential | | 1.0 | 1,437 | 1,437 |
| 5/8" | Displacement | 1.0 | 3 | 3 |
| 3/4" | Displacement | 1.5 | | 0 |
| 1" | Displacement | 2.5 | 1 | 3 |
| 1 1/2" | Displacement or Turbine | 5.0 | 1 | 5 |
| 2" | Displacement, Compound or Turbine | 8.0 | | 0 |
| 3" | Displacement | 15.0 | | 0 |
| 3" | Compound | 16.0 | | 0 |
| 3" | Turbine | 17.5 | | 0 |
| 4" | Displacement or Compound | 25.0 | | 0 |
| 4" | Turbine | 30.0 | | 0 |
| 6" | Displacement or Compound | 50.0 | | 0 |
| 6" | Turbine | 62.5 | | 0 |
| 8" | Compound | 80.0 | | 0 |
| 8" | Turbine | 90.0 | | 0 |
| 10" | Compound | 115.0 | | 0 |
| 10" | Turbine | 145.0 | | 0 |
| 12" | Turbine | 215.0 | | 0 |
| Total Wastewater System Meter Equivalents | | | | <u>1,448</u> |

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

(a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per

NOTE:

Total gallons treated includes both treated and purchased treatment.

| |
|--|
| ERC Calculation: 46.422/365/280=454 ERC's |
|--|

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : CYPRESS LAKES / POLK

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

| | | | |
|-------------------------------------|------------------------------|--|--|
| Permitted Capacity | 0.190 mgd | | |
| Basis of Permit Capacity (1) | TMADF | | |
| Manufacturer | Poured-In-Place & Tube Tanks | | |
| Type (2) | Ext. Aeration | | |
| Hydraulic Capacity | 0.190 mgd | | |
| Average Daily Flow | 0.127 mgd | | |
| Total Gallons of Wastewater Treated | 46.422 mg | | |
| Method of Effluent Disposal | Golf Course Irrigation | | |

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: CYPRESS LAKES UTILITIES INC

YEAR OF REPORT
31-Dec-11

SYSTEM NAME / COUNTY : CYPRESS LAKES / POLK

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served 1,230

2. Maximum number of ERCs* which can be served 1,650

3. Present system connection capacity (in ERCs*) using existing lines 1,650

4. Future connection capacity (in ERCs*) upon service area buildout 1,650

5. Estimated annual increase in ERCs* 10

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
NONE

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known. Cypress Lakes Golf Course - 0.127 mgd

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? N/A
If so, when? _____

9. Has the utility been required by the DEP or water management district to implement reuse? N/A
If so, what are the utility's plans to comply with this requirement? _____

10. When did the company last file a capacity analysis report with the DEP? 2008

11. If the present system does not meet the requirements of DEP rules:
a. Attach a description of the plant upgrade necessary to meet the DEP rules.
b. Have these plans been approved by DEP? _____
c. When will construction begin? _____
d. Attach plans for funding the required upgrading.
e. Is this system under any Consent Order with DEP? No

12. Department of Environmental Protection ID # FLA013123

* An ERC is determined based on the calculation on S-11.

Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations

| |
|-----------------------------|
| YEAR OF REPORT 31-Dec-11 |
|-----------------------------|

UTILITY NAME: CYPRESS LAKES UTILITIES INC

| | (A) | (B) | (C) | (D) |
|--|-----|---------|-------------------------------------|--|
| Accounts | | | Gross Water Revenues per Sch W-9 | Gross Water Revenues per RAF Return |
| | | | Difference (B)-(C) | |
| Gross Revenues: | | | | |
| Unmetered Water Revenues | | - | | |
| Total Metered Sales | | 332,144 | 332,144 | 0 |
| Total Fire Protection Revenue | | - | | - |
| Other Sales to Public Authorities | | - | | - |
| Sales to Irrigation Customers | | - | | - |
| Sales for Resale | | - | | - |
| Interdepartmental Sales | | - | | - |
| Total Other Water Revenue | | 2,720 | 2,720 | (1) |
| Total Water Operating Revenue | | 334,864 | 334,864 | (0) |
| Less: Expense for Purchased Water from FPSC Regulated Utility | | | | - |
| Net Water Operating Revenues | | 334,864 | 334,864 | (0) |

Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations

| |
|------------------------------------|
| YEAR OF REPORT 31-Dec-11 |
|------------------------------------|

UTILITY NAME:

CYPRESS LAKES UTILITIES INC

| | (A) | (B) | (C) | (D) |
|--|---------------------------------------|---------|--|--------------------|
| Accounts | | | Gross Wastewater Revenues per RAF Return | Difference (B)-(C) |
| | Gross Wastewater Revenues per Sch S-9 | | | |
| Gross Revenues: | | | | |
| Total Flat-Rate Revenues | | 15,672 | | 15,672 |
| Total Measured Revenues | | 678,275 | 693,947 | (15,672) |
| Revenues from Public Authorities | | - | | |
| Revenues from Other Systems | | - | | |
| Interdepartmental Revenues | | - | | |
| Total Other Wastewater Revenues | | 1,250 | 1,250 | (0) |
| Reclaimed Water Sales | | | | |
| Total Wastewater Operating Revenue | | 695,196 | 695,197 | (0) |
| Less: Expense for Purchased Wastewater from FPSC Regulated Utility | | | | |
| Net Wastewater Operating Revenues | | 695,196 | 695,197 | (0) |

Explanatory note for 2010 Florida Annual Reports:

This company has reported "Year End Number of Customers" using yearend active ERC calculations.

An ERC is a ratio assigned to a customer or class of customers based on meter size, with one ERC being the standard connection for a single family residence.

Please note: These ERC counts are input in place of customer count because these counts are the basis for all allocation methods.

*Below are Active ERC counts by sub:

| County | SUB | W | WW |
|--------|---------------|--------|--------|
| Polk | Cypress Lakes | 1252.4 | 1150.1 |