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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WU013-10-AR

Bayshore Utilities, Inc.
Exact Legal Name of Respondent

129-W
Certificate Number(s)

Submitted To The

STATE OF FLORIDA

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COMMERCIAL REGULATION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2010

Independent Accountant's Compilation Report

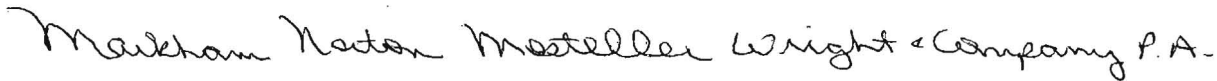
To the Board of Directors
Bayshore Utilities, Inc.
North Fort Myers, Florida

We have compiled the statement of assets, liabilities and equity – cash basis, of Bayshore Utilities, Inc. as of December 31, 2010, and the related statements of revenues, expenses and retained earnings – cash basis, for the year then ended, included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Florida Public Service Commission.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Florida Public Service Commission and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements are presented in accordance with the requirements of the Florida Public Service Commission, which differ from the cash basis of accounting. This report is intended solely for the information and use of the Florida Public Service Commission and is not intended to be and should not be used by anyone other than this specified party.



MARKHAM NORTON MOSTELLER WRIGHT & COMPANY, P.A.
Fort Myers, Florida
April 29, 2011

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages 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 statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

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

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

GENERAL DEFINITIONS

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

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

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

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

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

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

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

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

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

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

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

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

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

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FINANCIAL SECTION

REPORT OF

BAYSHORE UTILITIES, INC

(EXACT NAME OF UTILITY)

2259 CLUBHOUSE ROAD
NORTH FORT MYERS, FL 33917

SAME

LEE

Mailing Address

Street Address

County

Telephone Number 239-482-4024

Date Utility First Organized 1961

Fax Number 239-482-4024

E-mail Address N/A

Sunshine State One-Call of Florida, Inc. Member No. BUI-694

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

Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: 14965 KIMBERLY LANE
FORT MYERS, FL 33908
239-482-4024

Name of subdivisions where services are provided: YACHT CLUB COLONY

CONTACTS

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: WAYNE WAMPLER	PRESIDENT	2259 CLUBHOUSE ROAD N. FT. MYERS, FL 33917	
Person who prepared this report MARKHAM NORTON MOSTELLER WRIGHT & CO.	CPA'S	8961 CONFERENCE DRIVE FORT MYERS, FL 33919	
Officers and Managers: WAYNE WAMPLER	PRESIDENT	2259 CLUBHOUSE ROAD N. FT. MYERS, FL 33917	\$ 0
			\$
			\$
			\$
			\$

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
WAYNE WAMPLER	100%	2259 CLUBHOUSE ROAD N. FT. MYERS, FL 33917	\$ 0
			\$
			\$
			\$
			\$
			\$

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 13,763	\$ _____	\$ _____	\$ 13,763
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues__		_____	_____	_____	_____
Other (Specify (admin fee)		_____	_____	_____	_____
Total Gross Revenue__		\$ 13,763	\$ _____	\$ _____	\$ 13,763
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 17,609	\$ _____	\$ _____	\$ 17,609
Depreciation Expense____	F-5	537	_____	_____	537
CIAC Amortization Expense_	F-8	(206)	_____	_____	(206)
Taxes Other Than Income__	F-7	1,697	_____	_____	1,697
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 19,637	_____	_____	\$ 19,637
Net Operating Income (Loss)		\$ (5,874)	\$ _____	\$ _____	\$ (5,874)
Other Income:					
Nonutility Income		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		0	_____	_____	-
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (5,874)	\$ _____	\$ _____	\$ (5,874)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 122,142	\$ 122,142
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	110,383	109,846
Net Utility Plant -----		\$ 11,759	\$ 12,296
Cash -----		159	46
Customer Accounts Receivable (141) -----			
Other Assets (Specify) -----			
ACQUISITION ADJUSTMENT		(26,612)	(26,612)
ACCUM. AMORT. - ACQUISITION ADJ		26,612	26,612
PREPAID COSTS FOR FUTURE IMPROVEMENTS		2,250	-
Total Assets -----		\$ 14,168	\$ 12,342
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	1,000	1,000
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----			
Retained Earnings (215) -----	F-6	5,055	3,230
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ 6,055	\$ 4,230
Long Term Debt (224) -----	F-6	\$ -	\$ -
Accounts Payable (231) -----			
Notes Payable (232) -----		4,550	3,400
Customer Deposits (235) -----			
Accrued Taxes (236) -----		619	1,562
Other Liabilities (Specify) -----			
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	2,944	3,150
Total Liabilities and Capital -----		\$ 14,168	\$ 12,342

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ <u>122,142</u>	\$ _____	\$ _____	\$ <u>122,142</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____ _____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>122,142</u>	\$ _____	\$ _____	\$ <u>122,142</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>109,846</u>	\$ _____	\$ _____	\$ <u>109,846</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ <u>537</u>	\$ _____	\$ _____	\$ <u>537</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>537</u>	\$ _____	\$ _____	\$ <u>537</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>110,383</u>	\$ _____	\$ _____	\$ <u>110,383</u>

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT DECEMBER 31, 2010

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share_____	1	_____
Shares authorized_____	1,000	_____
Shares issued and outstanding_____	1,000	_____
Total par value of stock issued_____	1,000	_____
Dividends declared per share for year_____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year_____	\$ _____	\$ 3,230
Changes during the year (Specify):		
NET INCOME(LOSS)	_____	(5,874)
NON-UTILITY INCOME	_____	7,699
Balance end of year_____	\$ _____	\$ 5,055

PROPRIETARY CAPITAL (218)
N/A

	Proprietor Or Partner	Partner
Balance first of year_____	\$ _____	\$ _____
Changes during the year (Specify):		
_____	_____	_____
_____	_____	_____
Balance end of year_____	\$ _____	\$ _____

LONG TERM DEBT (224)
N/A

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
_____	_____	_____	_____
_____	_____	_____	_____
Total_____			\$ _____

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	900	_____	_____	900
Regulatory assessment fee _____	619	_____	_____	619
Other (Specify) _____	_____	_____	_____	_____
PAYROLL TAX _____	-	_____	_____	-
MISCELLANEOUS _____	178	_____	_____	178
Total Taxes Accrued _____	\$ 1,697	\$ _____	\$ _____	\$ 1,697

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
MARKHAM NORTON MOSTELLER	\$ 200	\$ _____	ACCOUNTING
WW WATER SYSTEMS	\$ 2,600	\$ _____	PLANT OPERATIONS & MAINT.
TKW CONSULTING ENGINEERS	\$ 800	\$ _____	INSPECTION
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 29,150	\$ _____	\$ 29,150
2) Add credits during year _____	\$ -	\$ _____	\$ -
3) Total _____	29,150	_____	29,150
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	29,150	_____	29,150
6) Less Accumulated Amortization _____	26,206	_____	26,206
7) Net CIAC _____	\$ 2,944	\$ _____	\$ 2,944

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

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ 0

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 26,000	\$ _____	\$ 26,000
Add Credits During Year: _____	206	_____	206
Deduct Debits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ 26,206	\$ _____	\$ 26,206

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT DECEMBER 31, 2010

SCHEDULE "A"

N/A

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	<u>100.00</u> %		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate: _____ %
Commission Order Number approving AFUDC rate: _____

READ INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR **

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT DECEMBER 31, 2010

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

N/A

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted	_____	_____	_____	_____	_____
Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
Total	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>

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

**WATER
OPERATING
SECTION**

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT DECEMBER 31, 2010

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises_____				
303	Land and Land Rights_____	8,000			8,000
304	Structures and Improvements_____	45,501			45,501
305	Collecting and Impounding Reservoirs_____				
306	Lake, River and Other Intakes_____				
307	Wells and Springs_____				
308	Infiltration Galleries and Tunnels_____				
309	Supply Mains_____	29,724			29,724
310	Power Generation Equipment_____				
311	Pumping Equipment_____	2,501			2,501
320	Water Treatment Equipment_____	7,815			7,815
330	Distribution Reservoirs and Standpipes_____	9,800			9,800
331	Transmission and Distribution Lines_____	3,546			3,546
333	Services_____				
334	Meters and Meter Installations_____	10,952			10,952
335	Hydrants_____				
336	Backflow Prevention Devices_____				
339	Other Plant and Miscellaneous Equipment_____	600			600
340	Office Furniture and Equipment_____	3,703			3,703
341	Transportation Equipment_____				
342	Stores Equipment_____				
343	Tools, Shop and Garage Equipment_____				
344	Laboratory Equipment_____				
345	Power Operated Equipment_____				
346	Communication Equipment_____				
347	Miscellaneous Equipment_____				
348	Other Tangible Plant_____				
	Total Water Plant_____	\$ <u>122,142</u>	\$ <u>-</u>	\$ _____	\$ <u>122,142</u>

READ INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements	15	%	6.67 %	\$ 41,506	\$	\$ 236	\$ 41,742
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains	7.5	%	13.33 %	29,724			29,724
310	Power Generating Equipment		%	%				
311	Pumping Equipment	6	%	16.67 %	2,501			2,501
320	Water Treatment Equipment	7	%	14.29 %	7,815			7,815
330	Distribution Reservoirs & Standpipes	15	%	6.67 %	9,800			9,800
331	Trans. & Dist. Mains	11	%	9.09 %	3,546			3,546
333	Services		%	%				
334	Meter & Meter Installations	6	%	16.67 %	10,952			10,952
335	Hydrants		%	%				
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment	7	%	14.29 %	600			600
340	Office Furniture and Equipment	7	%	14.29 %	3,402		301	3,703
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 109,846	\$	\$ 537	\$ 110,383 *

* This amount should tie to Sheet F-5.

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT DECEMBER 31, 2010

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	_____
604	Employee Pensions and Benefits_____	_____
610	Purchased Water_____	_____
615	Purchased Power_____	3,700
616	Fuel for Power Production_____	_____
618	Chemicals_____	4,073
620	Materials and Supplies_____	2,036
630	Contractual Services:	
	Billing_____	_____
	Professional_____	353
	Testing_____	_____
	Other_____ MAINTENANCE & OPERATIONS	3,400
640	Rents_____	_____
650	Transportation Expense_____	533
655	Insurance Expense_____	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
670	Bad Debt Expense_____	_____
675	Miscellaneous Expenses _____ SAMPLES \$2,165, DUES \$663, POSTAGE \$421, TELEPHONE \$265	3,514
	Total Water Operation And Maintenance Expense_____	\$ 17,609 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	191	191	191
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
General Service					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	191	191

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT DECEMBER 31, 2010

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b) Water Purchased For Resale (Omit 000's)	(c) Finished Water From Wells (Omit 000's)	(d) Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	(e) Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	(f) Water Sold To Customers (Omit 000's)
January		1,035.10	106.53	928.57	928.57
February		897.40	92.36	805.04	805.04
March		1,079.50	111.10	968.40	968.40
April		1,156.00	118.98	1,037.02	1,037.02
May		1,421.20	146.27	1,274.93	1,274.93
June		1,363.30	140.31	1,222.99	1,222.99
July		1,071.50	110.28	961.22	961.22
August		919.50	94.63	824.87	824.87
September		1,103.40	113.56	989.84	989.84
October		1,350.30	138.97	1,211.33	1,211.33
November		1,169.80	120.40	1,049.40	1,049.40
December		1,205.50	124.07	1,081.43	1,081.43
Total for Year		13,772.50	1,417.46	12,355.04	12,355.04

If water is purchased for resale, indicate the following: N/A
 Vendor _____
 Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities: N/A

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	1 1/2"	460			460
PVC	2 1/2"	6,540			6,540
PVC	3"	720			720
CAST IRON	4"	2,150			2,150
PVC	5"	2,950			2,950

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT DECEMBER 31, 2010

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1963	1982	_____	_____
Types of Well Construction and Casing _____	GALVANIZED	PVC	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	280'	230'	_____	_____
Diameters of Wells _____	4"	6"	_____	_____
Pump - GPM _____	80"	150"	_____	_____
Motor - HP _____	5	15	_____	_____
Motor Type * _____	_____	_____	_____	_____
Yields of Wells in GPD _____	115,200	216,000	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	STORAGE CONCRETE	HYDRO-PNEUMATIC	_____	_____
Capacity of Tank _____	REINF STEEL	2,100 GAL	_____	_____
Ground or Elevated _____	17,500 GAL	GROUND	_____	_____
	GROUND			

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer _____	MARATHON	PEERLESS	A. D. SMITH	WIS WIS
Type _____	240 V/AC	240 V/AC	115 V/AC	GAS GAS
Rated Horsepower _____	10	10	5	18.3
<u>Pumps</u>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Capacity in GPM _____	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN
Average Number of Hours Operated Per Day _____	3.5	RELICT	8	BANKRUPT
Auxiliary Power _____	_____	_____	_____	_____

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT DECEMBER 31, 2010

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_	115,200	116,000	
Type of Source_	WELL	WELL	

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_	AERATION & CHLORINATION		
Make_	WALLACE & TURMAN		
Permitted Capacity (GPD)_	331,200		
High service pumping Gallons per minute_			
Reverse Osmosis_			
Lime Treatment Unit Rating_			
Filtration Pressure Sq. Ft._			
Gravity GPD/Sq Ft._			
Disinfection Chlorinator_			
Ozone_			
Other_			
Auxiliary Power_			

UTILITY NAME: BAYSHORE UTILITIES, INC

YEAR OF REPORT
DECEMBER 31, 2010

SYSTEM NAME: _____

GENERAL 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 _____ 96,7126
2. Maximum number of ERCs * which can be served _____ 946,29
3. Present system connection capacity (in ERCs *) using existing lines. _____
4. Future connection capacity (in ERCs *) upon service area buildout _____
5. Estimated annual increase in ERCs * 5%
6. Is the utility required to have fire flow capacity? _____ N/A
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities. _____ N/A
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system _____ N/A

9. When did the company last file a capacity analysis report with the DEP? _____ N/A
10. If the present system does not meet the requirements of DEP rules, submit the following _____ N/A
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # _____ N/A
12. Water Management District Consumptive Use Permit # _____ N/A
 - a. Is the system in compliance with the requirements of the CUP? _____
 - b. If not, what are the utility's plans to gain compliance? _____

- * An ERC is determined based on one of the following methods:
- (a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
 - (b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day)

READ INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

WASTEWATER OPERATING SECTION

Note: This utility is a water only service; therefore, Pages S-1 through S-6 have been omitted from this report.

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 in Rule 25-30.115 (1), Florida Administrative Code |
| 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. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>	✓  _____ (signature of chief executive officer of the utility)
---	---	---	---	--

1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>	4. <input type="checkbox"/>	✓  _____ (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.

Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class C

Company:

For the Year Ended December 31, 2010

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 13,763	\$ 13,763	\$ 00
Commercial			
Industrial			
Multiple Family			
Guaranteed Revenues			
Other			
Total Water Operating Revenue	\$ 13,763	\$ 13,763	\$ 00
LESS: Expense for Purchased Water from FPSC-Regulated Utility			
Net Water Operating Revenues	\$ 13,763	\$ 13,763	\$ 00

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).