

# CLASS "C"

## WATER and/or WASTEWATER UTILITIES

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

OFFICIAL COPY  
DIVISION OF

WATER AND SEWER

Do Not Remove

# ANNUAL REPORT

## Magnolia Manor Water Works

EXACT LEGAL NAME OF RESPONDENT

495-W

Certificate Number(s)

Submitted To The

## STATE OF FLORIDA



WU547-00-AR

MAGNOLIA MANOR WATER WORKS

REGISTRY  
FLORIDA PUBLIC SERVICE  
COMMISSION  
01 AUG 16 AM 8:57  
DIVISION OF  
ECONOMIC REGULATION

## PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED SEPTEMBER 18, 2000

## GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 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 will result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional schedules should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceding year ending December 31.

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

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

## GENERAL DEFINITIONS

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

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

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

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

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

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

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

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

(a) 350 gallons per day

(b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or

(c) The number of gallons which has been approved by the DEP for a single family residential unit.

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

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

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

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

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

## TABLE OF CONTENTS

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

# **FINANCIAL SECTION**

REPORT OF

Magnolia Manor Water Works

(Exact name of utility)

200 Corporate Center Drive, Suite 200	200 Corporate Center Drive, Suite 200
Coraopolis, PA 15108	200 Corporate Center Drive, Suite 200
Mailing Address	Street Address
Telephone Number (412) 393-3625	Date Utility First Organized 04/01/81

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

Individual
  Sub Chapter S Corporation
  1120 Corporation
  Partnership

Location where books and records are located: 200 Corporate Center Drive, Suite 200  
Coraopolis, PA 15108

Names of subdivisions where service is provided: Magnolia Manor (as Receiver)

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Nance L. Guth	East Region Accounting Manager	6960 Professional Parkway E Sarasota, FL	
Person who prepared this report: Nance L. Guth	East Region Accounting Manager	6960 Professional Parkway E Sarasota, FL	
Officers and Managers:			
Frank A. Hoffman	President	200 Corporate Center Dr., Suite 200 Coraopolis, PA	None
Robert J. Gaipo	Regional Presidnet	6960 Professional Parkway E Sarasota, FL	None
Martin J. Stanek	Vice President/Secretary	200 Corporate Center Dr., Suite 200 Coraopolis, PA	None
Anthony J. Villotti	Vice President/CFO/Treasurer	200 Corporate Center Dr., Suite 200 Coraopolis, PA	None
James A. Lahtinen	Vice President-Rates & Regulatory	200 Corporate Center Dr., Suite 200 Coraopolis, PA	None
Julie I. Avins	Assistant Secretary	6960 Professional Parkway E Sarasota, FL	None
Carey A. Thomas	Vice President-Administration	200 Corporate Center Dr., Suite 200 Coraopolis, PA	None
Renee J. Cypher	Assistant Secretary	200 Corporate Center Dr., Suite 200 Coraopolis, PA	None

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

Name	Percent Ownership In Utility	Principle Business Address	Salary Charged Utility
None - Operates utility as court appointed receiver			

UTILITY NAME: Magnolia Manor Water Works

YEAR OF REPORT  
September 18, 2000

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other (1)	Total Company
Gross Revenue:					
Residential _____		\$ 9,996	N/A	N/A	\$ 9,996
Commercial _____					
Industrial _____					
Multiple Family _____					
Guarenteed Revenues _____					
Other (Specify) _____		275			275
Total Gross Revenue _____		10,271	N/A	N/A	10,271
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	8,780			8,780
Depreciation Expense _____	F-5	69			69
CIAC Amortization Expense _____	F-8	(8)			(8)
Taxes Other Than Income _____	F-7	462			462
Income Taxes _____	F-7				
Total Operating Expenses _____		9,303			9,303
Net Operating Income (Loss)		968			968
Other Income:					
Nonutility Income _____					
_____					
_____					
Other Deductions:					
Miscellaneous Nonutility Expenses _____					
Interest Expense _____					
_____					
_____					
_____					
Net Income (Loss)		\$ 968	N/A	N/A	\$ 968





UTILITY NAME: Magnolia Manor Water Works

<b>YEAR OF REPORT</b> September 18, 2000
---

**COMPARATIVE BALANCE SHEET  
NOTES TO FINANCIAL STATEMENTS**

In 1989, the Circuit Court of Sumter County, Florida appointed USA Utilities, Inc. (USA) as Receiver for Magnolia Manor Water Works (Magnolia). Subsequently, in 1996, Crystal River Utilities, Inc. acquired the stock of USA and took over the responsibilities as Receiver.

In 1998, AquaSource Utility, Inc. acquired the stock of Crystal River Utilities, Inc. and assumed the responsibilities as Receiver for Magnolia.

On September 18, 2000 ownership of the Magnolia Manor system of Crystal River Utilities, Inc. was transferred to Sumter County, Florida.

This will be the last Annual Report filed for this system.

Revenue and Expense are for for 9 months. Regulatory Assessment Fees for the collected revenue are included with this report.

UTILITY NAME:

Magnolia Manor Water Works

**YEAR OF REPORT**  
September 18, 2000

**GROSS UTILITY PLANT**

<b>Plant Accounts: (101 - 107) Inclusive</b>	<b>Water</b>	<b>Sewer</b>	<b>Plant Other Than Reporting Systems</b>	<b>Total</b>
Utility Plant In Service (101) _____	3,307	N/A	N/A	3,307
Construction Work In Progress (105) _____				
Other (Specify) Transferred to Sumter County _____	(3,307)			(3,307)
<b>Total Utility Plant</b> _____	<b>0</b>	<b>N/A</b>	<b>N/A</b>	<b>0</b>

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

<b>Account 108</b>	<b>Water</b>	<b>Wastewater</b>	<b>Other Than Reporting Systems</b>	<b>Total</b>
Balance First Of Year _____	\$ 180			\$ 180
<b>Add Credits During Year:</b>				
Accruals charged to depreciation account _____	69			69
Salvage _____				
Other credits (specify) _____				
<b>Total credits</b> _____	<b>69</b>			<b>69</b>
<b>Deduct Debits During Year:</b>				
Book cost of plant retired _____				
Cost of removal _____				
Other debits (specify) Transferred to Sumter County _____	(249)			(249)
<b>Total debits</b> _____	<b>(249)</b>			<b>(249)</b>
<b>Balance End of Year</b> _____	<b>0</b>	<b>N/A</b>	<b>N/A</b>	<b>0</b>

UTILITY NAME: Magnolia Manor Water Works

**YEAR OF REPORT**  
September 18, 2000

**CAPITAL STOCK (201 - 204)**

	Common Stock	Preferred Stock
Par or stated value per share _____	N/A	N/A
Shares authorized _____		
Shares issued and outstanding _____		
Total par value of stock issued _____		
Dividends declared per share for year _____		

**RETAINED EARNINGS (215)**

	Appropriated	Un-Appropriated
Balance first of year _____	N/A	\$ (536)
Charges during the year (specify):		
Current Year Income _____		968
Transferred to Sumter County _____		(432)
_____		
Balance end of year _____		0

**PROPRIETARY CAPITAL (218)**

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

**LONG TERM DEBT (224)**

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Interest		Principal Per Balance Sheet Date
	Rate	# of Payments	
_____	____%	_____	\$ _____
_____	____%	_____	_____
_____	____%	_____	_____
_____	____%	_____	_____
Total _____			N/A

**TAXES ACCRUED (236)**

(a)	WATER (b)	SEWER (c)	OTHER (d)	TOTAL (e)
Income Taxes:				
Federal income tax _____	\$ -	\$ -	\$ -	\$ -
State income tax _____				
Taxes Other Than Income:				
State ad valorem tax _____				
Local property tax _____				
Regulatory assessment fee _____				
Other (Specify): _____				
_____				
_____				
_____				
Total taxes accrued _____	\$ -	\$ -	\$ -	\$ -

**PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
None			

UTILITY NAME: Magnolia Manor Water Works

**YEAR OF REPORT**  
September 18, 2000

**CONTRIBUTIONS IN AID OF CONSTRUCTION (271)**

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year_____	\$ 365		\$ 365
2. Add credits during year:			
3. Total_____	365		365
4. Deduct charges during year (Transferred to Sumter County)___	(365)		(365)
5. Balance end of year_____	0		0
6. Less Accumulated Amortization_____	0		0
7. Net CIAC_____	\$ -		\$ -

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

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____		\$ -	\$ -
_____			
_____			
_____			
Sub-total _____		NONE	NONE
<b>Report below all capacity charges, main extension charges and customer connections charges received during the year.</b>			
Description of Charge	Number of Connections	Charge per Connection	
_____			
_____			
_____			
Total Credits During Year (Must agree with line # 2 above)_____			NONE #REF!

**ACCUMULATED AMORTIZATION OF CIAC**

	Water	Wastewater	Total
Balance First of Year_____	\$ 138	N/A	\$ 138
Add Debits During Year:_____	8		8
Deduct Credits During Year: Transferred to Sumter County___	(146)		(146)
Balance End of Year (Must agree with line #6 above)_____	\$ -	N/A	\$ -

UTILITY NAME: Magnolia Manor Water Works

<b>YEAR OF REPORT</b> September 18, 2000
---

**SCHEDULE "A"**

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

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

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

**APPROVED AFUDC RATE**

Current Commission approved AFUDC rate: _____ %
Commission order approving AFUDC rate: _____

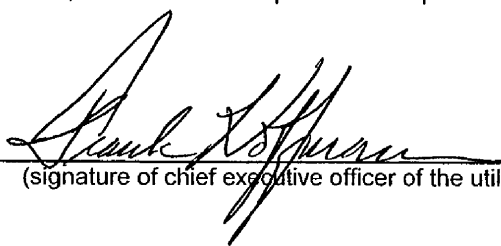


# CERTIFICATION OF ANNUAL REPORT

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

- |              |           |  |
|--------------|-----------|--|
| YES<br>( X ) | NO<br>( ) | 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<br>( X ) | NO<br>( ) | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 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<br>( X ) | NO<br>( ) | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

ITEMS CERTIFIED			
1.	2.	3.	4.
( X )	( X )	( X )	( X )
( )	( )	( )	( )

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

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.