

M E M O R A N D U M
February 29, 1996

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) *W*

RE: DOCKET NO. 950387-SU -- FLORIDA CITIES WATER COMPANY
RATE CASE AUDIT REPORT - PERIOD ENDED 12/31/94
AUDIT CONTROL NO. 95-137-2-1
ADDENDUM TO AUDIT REPORT

Page 5 was inadvertently left out of the above referenced audit report transmitted August 3, 1995.

Please forward a copy of page 5 of this report to:

Florida Cities Water Company
Paul Bradmiller
4837 Swift Road, Suite 100
Sarasota, FL 34231

All recipients listed below should also receive a copy.

DNV/sp

Attachment

cc: Chairman Clark
Commissioner Deason
Commissioner Johnson
Commissioner Kiesling
Commissioner Garcia
Mary Andrews Bane, Deputy Executive Director/Technical
Legal Services
Division of Auditing and Financial Analysis (Devlin/Causseaux/
(File Folder)
Division of Water and Wastewater (Clark)
Tampa District Office (Bouckaert)

Office of Public Counsel

DOCUMENT NUMBER-DATE

02512 FEB 29 96

FPSC-RECORDS/REPORTING

AUDIT DISCLOSURE No. 1

SUBJECT: OVERSTATED GUARANTEED REVENUES

STATEMENT OF FACTS:

The Guaranteed Revenue and associated Gross Receipts Tax relating to the South Ft. Myers - Water division was posted to the North Ft. Myers - Sewer division in February and October 1994. Similarly, the North Ft. Myers Sewer division Guaranteed Revenue and tax for these two months was posted to the South Ft. Myers - Water division.

STATEMENT OF OPINION:

The net effect of these mispostings is that the 1994 North Ft. Myers - Sewer division revenues are overstated \$7,987 and the gross receipts tax expense is overstated \$359.

Since these are prior year revenue adjustments between operating divisions, no adjustment needs to be made on the books of the Company. However, for rate making purposes, 1994 actual revenues earned should be reduced \$7,987 and Taxes Other than Income should be reduced \$359.

COMPANY COMMENTS - VERBATIM:

The Company may respond at a later date.