

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date 07/28/98

Docket No. 980954-WS

1. Division Name/Staff Name Water and Wastewater/Iwenjiora *JJ CSAC*

2. OPR WAW

3. OCR LEG, AFAD

4. Suggested Docket Title Disposition of CIAC Gross-up Funds Collected During the Years 12/31/92 Through 12/31/96 by JJ's Mobile Homes, Inc. In Lake County.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

Mr. F. Marshall Deterding
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, Florida 32302-1567

Mr. Robert C. Nixon
Cronin, Jackson, Nixon & Wilson
2560 Gulf-To-Bay Blvd. Suite 200
Clearwater, Florida 33765-4419

2. Interested Persons and their representatives (if any)

6. Check one:

- Documentation is attached.
- Documentation will be provided with recommendation.

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

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F. MARSHALL DETERDING
BRIAN L. DOSTER
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (850) 656-4029

April 20, 1998

ROBERT M. C. ROSE
OF COUNSEL

VIA HAND DELIVERY

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

RECEIVED
APR 20 1998
Florida Public Service Commission
Division of Water and Wastewater

Re: JJ's Mobile Homes, Inc.
Disposition of Gross up Monies for 1992-1996
Our File No. 27037.01

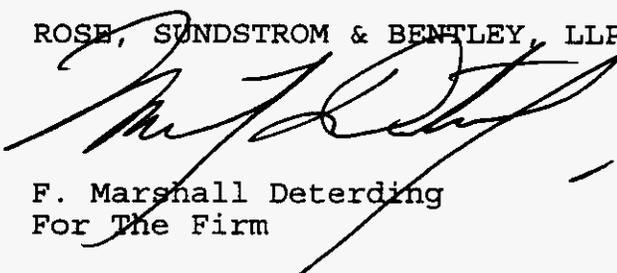
Dear Jennifer:

As you requested today, I am enclosing all of our invoices as back up for the information concerning total legal costs incurred by JJ's Mobile Homes, Inc. related to gross-up for the years 1992 through 1996 submitted to you on February 13th. I trust that this answers your questions.

Should you have any other questions or concerns about these costs, or about JJ's proposed disposition of gross-up funds, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP


F. Marshall Deterding
For The Firm

FMD/tms
Enclosures
cc: Robert C. Nixon, CPA
Mr. Jordan Hypes

JJ'S MOBILE HOMES, INC.
Legal Fees and Costs Re: Gross-Up Disposition 1992-1993

| <u>Invoice Number</u> | <u>Billing Date</u> | <u>Fees</u> | <u>Out-of Pocket</u> | <u>Total</u> |
|--|---------------------|--------------------|----------------------|--------------------|
| 11986* | 06/13/94 | \$ 1,191.90 | \$ 41.04 | \$ 1,232.94 |
| 12094* | 07/12/94 | 44.84 | 1.92 | 46.76 |
| 12191* | 08/10/94 | 254.10 | 5.63 | 259.73 |
| 12531* | 11/10/94 | 660.00 | 39.25 | 699.25 |
| 12649* | 12/13/94 | 583.20 | 8.76 | 591.96 |
| 14946* | 05/15/96 | <u>132.30</u> | <u>62.53</u> | <u>194.83</u> |
| Total Fees & Costs | | \$ 2,866.34 | \$ 159.13 | \$ 3,025.47 |
| Estimated to Complete to PAA (if unprotested) | | <u>1,750.00</u> | <u>200.00</u> | <u>1,950.00</u> |
| Total Actual & Estimated Fees Through PAA | | <u>4,616.34</u> | <u>359.13</u> | <u>4,975.47</u> |

1992 (1/2)

2,488.00

1903

1993 (1/2)

2,488.00

1902

*3015-117
720
3917*

3917 1912

ROSE, SUNDBSTROM & BENTLE

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

P.O. BOX 1567
TALLAHASSEE, FLORIDA 32302

(904) 877-8555

F.E.I.# 59-2783536

PLEASE REFER TO INVOICE NUMBER
WHEN REMITTINGJJ'S MOBILE HOMES, INC
C/O JORDAN W HYPES
1 DORA PINES AVE
MT DORA, FL 32757INVOICE # 11986
JUNE 13, 1994
FILE # 27037-0001

PAGE 1

MATTER

GENERAL MATTERS

| | | |
|----------|---|------|
| 05/04/94 | REVIEW LETTER FROM PSC RE: GROSS-UP; TELEPHONE CONFERENCE WITH MR. NIXON RE: SAME; REVIEW FILE RE: SAME; DRAFT LETTER TO MR. HYPES RE: RESPONSE TO SAME AND SEND. | 1.90 |
| 05/12/94 | BEGIN REVIEW OF INDEX INFORMATION RECEIVED FROM MR. NIXON; TELEPHONE CONFERENCE WITH MR. HYPES RE: AFFIRMATION. | 1.00 |
| 05/13/94 | FINISH REVIEW OF INFORMATION RECEIVED FROM MR. NIXON RE: INDEX: DRAFT PLEADING, CUSTOMER NOTICE, REVIEW AND REVISE TARIFFS, ORGANIZE AND FILE WITH COVER LETTER TO CHUCK HILL OF PSC; BEGIN REVIEW OF GROSS-UP SCHEDULES; TELEPHONE NIXON RE: CONTENTS OF SAME. | 3.90 |
| 05/13/94 | FINISH REVIEW OF GROSS-UP SCHEDULES; | 0.00 |
| 05/16/94 | FILE WITH CLERK AND MR. HILL WITH COVER LETTERS TO EACH. | 2.10 |
| 05/24/94 | TELEPHONE CONFERENCE WITH PAUL DECHARIO OF MR. NIXON'S OFFICE RE: INDEX FILING AND QUESTIONS RAISED BY PSC STAFF MEMBER DEWBERRY; REVIEW STATUTE AND RULE RELATIVE TO INDEX FILINGS, AFFIRMATION AND EARNINGS QUESTIONS; REVIEW ANNUAL REPORT RE: SAME. | 1.20 |
| 05/24/94 | REVIEW STATUTE AND RULE RE: OVERR EARNINGS | 0.00 |
| 05/25/94 | INQUIRY FROM STAFF; FINISH REVIEW OF INDEX FILING AND ANNUAL REPORT RE: SAME. | 0.90 |
| 05/26/94 | TELEPHONE CONFERENCE WITH MR. NIXON RE: ANNUAL REPORT CONTENTS AND EARNINGS REFLECTED AND COMPONENTS THEREOF; REVIEW FAX FROM MR. NIXON RE: SAME AND ATTEMPT TO CONTACT STAFF ANALYST RE: SAME. | 1.70 |
| 05/27/94 | CONTINUE REVIEW OF FILE AND NIXON'S | 1.00 |

- 92-93

1/3 92-93

92-93

Continued

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JJ'S MOBILE HOMES, INC

INVOICE # 11986
JUNE 13, 1994
FILE # 27037-0001

PAGE 2

SCHEDULE RECEIVED BY FAX; TELEPHONE
CONFERENCE WITH MS. DEWBERRY RE: INDEX
FILING RE: QUESTIONS ON EARNINGS LEVELS
RAISED BY MS. DEWBERRY AND EFFECT OF
SAME.

13.70

2,055.00

LONG DISTANCE CALLS
PHOTOCOPIES

10.00
60.75

TOTAL COSTS ADVANCED

70.75

TOTAL STATEMENT

\$2,125.75

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P.O. BOX 1567

TALLAHASSEE, FLORIDA 32302

F.E.J.# 59-2783536

(904) 877-6555

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JJ'S MOBILE HOMES, INC
C/O JORDAN W HYPES
1 DORA PINES AVE
MT DORA, FL 32757

INVOICE # 12094
JULY 12, 1994
FILE # 27037-0001

PAGE 1

MATTER GENERAL MATTERS

| | | | |
|----------|--|-------|----------|
| 06/09/94 | TELEPHONE CONFERENCE WITH MS. DEWBERRY RE: INDEX ERROR AND NOTICE; TELEPHONE CONFERENCE WITH MR. HYPES RE: SAME AND PROPOSED DATE; REVISE CUSTOMER NOTICE AND TARIFFS AND SEND WITH COVER LETTER TO PSC. | 1.80 | |
| 06/20/94 | TELEPHONE CONFERENCE WITH MS. DEWBERRY RE: INDEX; REVIEW FILE; DRAFT REVISED TARIFF AND SEND WITH COVER LETTER. | 1.00 | |
| 06/24/94 | TELEPHONE CONFERENCE WITH MS. IWENJORA RE: JJ'S CIAC AND GROSS-UP REPORT. | 0.30 |] 92-83 |
| 06/29/94 | REVIEW LETTER FROM MR. HILL OF PSC RE: GROSS-UP TARIFF REVISIONS; REVIEW FILE RE: SAME; REVIEW TARIFF AND COMPARE TARIFFS; DRAFT REVISED TARIFFS; DRAFT LETTER TO MR. HILL; DRAFT LETTER TO CLIENT AND DELIVER REVISED TARIFFS TO PSC TO IMPLEMENT NEW GROSS-UP FORMULA. | 1.80 | |
| 06/29/94 | | 0.00 | |
| | | 4.90 | |
| | | | 735.00 |
| | LONG DISTANCE CALLS | 1.15 | |
| | PHOTOCOPIES | 30.25 | |
| | TOTAL COSTS ADVANCED | | 31.40 |
| | TOTAL STATEMENT | | \$766.40 |

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JJ'S MOBILE HOMES, INC
C/O JORDAN W HYPES
1 DORA PINES AVE
MT DORA, FL 32757

INVOICE # 12191
AUGUST 10, 1994
FILE # 27037-0001

PAGE 1

MATTER

GENERAL MATTERS

| | | | |
|----------|---|------|----------|
| 07/01/94 | REVIEW TARIFFS RE: INDEX: COMPARE TO FILE AND SEND TO MR. HYPES WITH COVER LETTER. | 0.80 | |
| 07/02/94 | TELEPHONE CONFERENCE WITH MR. HYPES RE: DEFAULT IN CIRCUIT COURT AND RE: NEEDED ACTION RE: SAME: INTRA-OFFICE CONFERENCE RE: SAME. | 0.40 | |
| 07/06/94 | TELEPHONE CONFERENCE RE: CIRCUIT COURT COMPLAINT AND DEFAULT AND RE: RESPONSE TO SAME; REVIEW FILES RE: INFORMATION ON DISMISSAL OF SAME. | 0.80 | |
| 07/15/94 | TELEPHONE CONFERENCE WITH ATTORNEY GRAHAM WHO TELEPHONED; TELEPHONE CONFERENCE WITH ATTORNEY WILLIAMS. | 0.30 | |
| 07/15/94 | TELEPHONE CONFERENCE WITH JENNIFER IWENJIORA RE: GROSS-UP CALCULATIONS; LETTER TO MR. NIXON RE: SAME; REVIEW FILE RE: SAME. | 1.70 |] 92-93 |
| 07/18/94 | TELEPHONE CONFERENCE WITH ATTORNEY WILLIAMS AND MR. HYPES WHO TELEPHONED TO DISCUSS POTENTIAL SALE. | 0.80 | |
| 07/21/94 | REVIEW LETTER FROM ATTORNEY WILLIAMS REGARDING CONFERENCE WITH ATTORNEY GRAHAM; LETTER TO MR. HYPES REGARDING SAME. | 0.30 | |
| 07/22/94 | REVIEW CIRCUIT COURT COMPLAINT FILED BY WIMPEY; LEGAL RESEARCH AND REVIEW OF PREVIOUS PSC DISPUTES; LETTER TO ATTORNEY WILLIAMS CONCERNING SAME. | 1.40 | |
| 07/25/94 | FINALIZE LEGAL RESEARCH REGARDING CIRCUIT COURT ACTION AND LETTER TO ATTORNEY WILLIAMS. | 0.70 | |
| | | 7.70 | |
| | | | 1,155.00 |

Continued

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F.E.I. # 59-2783536

JJ'S MOBILE HOMES, INC
 C/O JORDAN W HYPES
 1 DORA PINES AVE
 MT DORA, FL 32757

INVOICE # 12531
 NOVEMBER 10, 1994
 FILE # 27037-0001

PAGE 1

MATTER GENERAL MATTERS

| | | | |
|----------|---|------|---|
| 10/03/94 | REVIEW FILE RE: GROSS-UP REPORTS AND CONTENTS FILED WITH THE COMMISSION PREVIOUSLY: TELEPHONE CONFERENCE WITH MS. IWENJIORA RE: QUESTIONS ON GROSS-UP FOR 1992/1993: TELEPHONE CONFERENCE WITH MR. NIXON RE: STATUS OF SAME AND | 1.80 | <div style="font-size: 2em; font-family: cursive;">A1</div> <div style="font-size: 2em; font-family: cursive;">9293</div> |
| 10/03/94 | QUESTIONS OUTSTANDING AND/OR ANSWERED: ADDITIONAL TELEPHONE CONFERENCE WITH MS. IWENJIORA RE: SAME. | 0.00 | |
| 10/04/94 | TELEPHONE CONFERENCE WITH IWENJIORA RE: 1992 GROSS-UP AND ANSWERS TO QUESTIONS RAISED BY IWENJIORA: REVIEW INTERROGATORY AND FILING RE: SAME AS TO GROSS-UP COLLECTED REPORTED. | 1.10 | |
| 10/17/94 | REVIEW ORDER ON GROSS-UP FORMULA REVISION: LETTER TO CLIENT RE: SAME AND EFFECT OF SAME. | 1.50 | |
| | | 4.40 | |

360.00

| | | |
|-------------|-------|--|
| TELECOPIER | 1.50 | |
| PHOTOCOPIES | 37.75 | |

TOTAL COSTS ADVANCED 39.25

TOTAL STATEMENT \$699.25

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JJ'S MOBILE HOMES, INC
C/O JORDAN W HYPES
1 DORA PINES AVE
MT DORA, FL 32757

INVOICE # 12649
DECEMBER 13, 1994
FILE # 27037-0001

PAGE 1

MATTER GENERAL MATTERS

| | | | |
|----------|--|------|---------|
| 11/03/94 | REVIEW FILE; TELEPHONE CONFERENCE WITH CLERK RE: STATUS OF ORDER ON GROSS-UP AND DETERMINE NO PROTESTS: LETTER TO CLIENT RE: SAME. | 0.70 | 92-93 |
| 11/04/94 | REVIEW TARIFFS: DRAFT REVISED GROSS-UP TARIFF SHEETS AND FILE WITH COVER LETTER TO PSC. | 0.90 | |
| 11/15/94 | BEGIN REVIEW OF SCHEDULES ON GROSS-UP: TELEPHONE CONFERENCE WITH MR. NIXON RE: SAME: TELEPHONE CONFERENCE WITH MR. HYPES RE: SAME. | 1.40 | 92-93 |
| 11/16/94 | FINAL REVIEW OF SCHEDULES ON GROSS-UP REPORT: DRAFT LETTER TO PSC CLERK AND MR. HILL RE: SAME AND SUBMIT ALL. | 1.80 | |
| | | 4.30 | 720.0 |
| | LONG DISTANCE CALLS | 1.31 | |
| | PHOTOCOPIES | 9.50 | |
| | TOTAL COSTS ADVANCED | | 10.8 |
| | TOTAL STATEMENT | | \$730.8 |

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F.E.I. # 59-2783536

JJ'S MOBILE HOMES, INC
 C/O JORDAN W HYPES
 1 DORA PINES AVE
 MT DORA, FL 32757

INVOICE # 14946
 MAY 15, 1996
 FILE # 27037-0001

PAGE 1

MATTER

GENERAL MATTERS

| | | | |
|----------|--|--------|---------|
| 04/03/96 | TELEPHONE CONFERENCE WITH BOB NIXON RE: INDEX. | 0.30 | |
| 04/25/96 | <i>D</i> OBTAIN AND REVIEW STAFF RECOMMENDATION ON GROSS-UP; SEND WITH COVER LETTER TO CLIENT. | 0.40 | } 93 |
| 04/26/96 | REVIEW BOB NIXON'S SCHEDULES ON INDEX; PREPARE PLEADING, CUSTOMER NOTICE, TARIFFS AND OTHER DOCUMENTS; ORGANIZE AND FILE INDEX WITH COVER LETTER; TELEPHONE CONFERENCE WITH JORDAN HYPES RE: BILLING QUESTIONS AND REVENUE TO BE ANTICIPATED FROM BULK RATE. | 3.00 | |
| 04/26/96 | | 0.00 | |
| 04/30/96 | <i>D</i> PREPARE FOR AND ATTEND AGENDA CONFERENCE ON GROSS-UP PROPOSAL. | 0.50 | } 93 |
| | | 4.20 | 630.00 |
| | LONG DISTANCE CALLS | 6.76 | |
| | PHOTOCOPIES | 291.00 | |
| | TOTAL COSTS ADVANCED | | 297.7 |
| | TOTAL STATEMENT | | \$927.7 |

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JJ'S MOBILE HOMES, INC
 C/O JORDAN W HYPES
 1 DORA PINES AVE
 MT DORA, FL 32757

INVOICE # 14946
 MAY 15, 1996
 FILE # 27037-0001

PAGE 1

| MATTER | GENERAL MATTERS | | |
|----------|--|--------|----------|
| 04/03/96 | TELEPHONE CONFERENCE WITH BOB NIXON RE: INDEX. | 0.30 | |
| 04/25/96 | OBTAIN AND REVIEW STAFF RECOMMENDATION ON GROSS-UP; SEND WITH COVER LETTER TO CLIENT. | 0.40 | 92-93 |
| 04/26/96 | REVIEW BOB NIXON'S SCHEDULES ON INDEX; PREPARE PLEADING, CUSTOMER NOTICE, TARIFFS AND OTHER DOCUMENTS; ORGANIZE AND FILE INDEX WITH COVER LETTER; | 3.00 | |
| 04/26/96 | TELEPHONE CONFERENCE WITH JORDAN HYPES RE: BILLING QUESTIONS AND REVENUE TO BE ANTICIPATED FROM BULK RATE. | 0.00 | |
| 04/30/96 | PREPARE FOR AND ATTEND AGENDA CONFERENCE ON GROSS-UP PROPOSAL. | 0.50 | |
| | | 4.20 | 630.00 |
| | LONG DISTANCE CALLS | 6.76 | |
| | PHOTOCOPIES | 291.00 | |
| | TOTAL COSTS ADVANCED | | 297.76 |
| | TOTAL STATEMENT | | \$927.76 |

PLEASE REFER TO INVOICE # WHEN REMITTING

JJ'S MOBILE HOMES, INC.
 Legal Fees and Costs Re: Gross-Up Disposition 1994-1996

| <u>Invoice Number</u> | <u>Billing Date</u> | <u>Fees</u> | <u>Out-of Pocket</u> | <u>Total</u> |
|--|---------------------|--------------------|----------------------|-----------------|
| 15247* | 07/11/96 | \$ 302.40 | \$ 136.32 | \$ 438.72 |
| 16535* | 02/19/97 | 245.00 | 1.00 | 246.00 |
| 16673* | 03/27/97 | 560.00 | 6.00 | 566.00 |
| 16818* | 04/16/97 | 0.00 | 50.50 | 50.50 |
| 17314* | 07/17/97 | 122.50 | 0.00 | 122.50 |
| 17471* | 08/19/97 | <u>612.50</u> | <u>0.00</u> | <u>612.50</u> |
| Total Fees & Costs Through 11/30/97 | | \$ 1,842.40 | \$ 193.82 | \$ 2,036.22 |
| Incurred But Unbilled | | | | |
| December 1997 | | 385.00 | 19.75 | 404.75 |
| January 1998 | | 0.00 | 0.00 | 0.00 |
| Estimated to Complete to PAA (if unprotested) | | <u>1,750.00</u> | <u>200.00</u> | <u>1,950.00</u> |
| Total Actual & Estimated Fees Through PAA | | <u>3,977.40</u> | <u>413.57</u> | <u>4,390.97</u> |
| 1994 (1/3) | | \$ <u>1,463.00</u> | | |
| 1995 (1/3) | | <u>1,464.00</u> | | |
| 1996 (1/3) | | <u>1,464.00</u> | | |
| Total: | | \$ <u>4,391.00</u> | | |

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 (904) 877-8555

F.E.I. # 59-2783536

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JJ'S MOBILE HOMES, INC
 C/O JORDAN W HYPES
 1 DORA PINES AVE
 MT DORA, FL 32757

INVOICE # 15247
 JULY 11, 1996
 FILE # 27037-0001

PAGE 1

MATTER

GENERAL MATTERS

| | | | |
|----------|---|--------|---------|
| 06/20/96 | REVIEW TARIFFS RE: INDEX AND LETTER TO JORDAN HYPES RE: SAME. | 0.60 | |
| 06/27/96 | REVIEW INFORMATION ON PROPOSED LEGISLATION TO REPEAL TAX ON CIAC; RESEARCH RE: STATUS OF SAME THROUGH INTERNET; CONTACTS WITH HOUSE OF REPRESENTATIVES AND U.S. SENATE; TELEPHONE CONFERENCE WITH NAWC REPRESENTATIVE RE: SAME; | 1.00 | |
| 06/27/96 | DRAFT LETTER TO CLIENT RE: ALL. | 0.00 | |
| 07/01/96 | REVIEW GROSS-UP FILING INFORMATION PREPARED BY BOB NIXON; DRAFT COVER LETTER TO CLERK AND COVER LETTER TO CHUCK HILL RE: FILING OF ALL FOR 1994 AND 1995. | 2.00 | |
| | | 3.60 | 540.0 |
| | LONG DISTANCE CALLS | 10.42 | |
| | TELECOPIER | 12.50 | |
| | PHOTOCOPIES | 220.50 | |
| | TOTAL COSTS ADVANCED | | 243.4 |
| | TOTAL STATEMENT | | \$783.4 |

94-95

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F.E.I. # 59-2783536

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JJ'S MOBILE HOMES, INC
 C/O JORDAN W HYPES
 1 DORA PINES AVE
 MT DORA, FL 32757

INVOICE # 16535
 FEBRUARY 19, 1997
 FILE # 27037-0001

PAGE 1

| MATTER | GENERAL MATTERS | | |
|----------|--|------|----------|
| 01/14/97 | TELEPHONE CONFERENCE WITH JENNIFER IWENJIORA OF PSC STAFF RE: GROSS-UP STATUS AND POST-JUNE 12TH COLLECTIONS, IF ANY; REVIEW FILES RE: GROSS-UP FILINGS TO DATE; TELEPHONE CONFERENCE WITH BOB NIXON RE: SAME. | 0.70 | 1/2 |
| 01/15/97 | TELEPHONE CONFERENCE WITH BOB NIXON RE: POST-JUNE 12TH GROSS-UP COLLECTIONS AND LETTER TO PSC RE: NONE COLLECTED. | 0.70 | > |
| | | 1.40 | 245.00 |
| | PHOTOCOPIES | 1.00 | |
| | TOTAL COSTS ADVANCED | | 1.00 |
| | TOTAL STATEMENT | | \$246.00 |

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A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

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TALLAHASSEE, FLORIDA 32302-1567

(904) 877-6555

PLEASE REFER TO INVOICE NUMBER
WHEN REMITTING

F.E.I. # 59-2783536

JJ'S MOBILE HOMES, INC
C/O JORDAN W HYPES
1 DORA PINES AVE
MT DORA, FL 32757

INVOICE # 16673
MARCH 27, 1997
FILE # 27037-0001

PAGE 1

| MATTER | GENERAL MATTERS | | |
|----------|--|------|----------|
| 02/18/97 | REVIEW WILLIAMS' CORRESPONDENCE RE: NEEDED INFORMATION ON ADMINISTRATIVE FEES AND BEGIN REVIEW OF DOCUMENTS, | 0.90 | |
| 02/19/97 | FINISH REVIEW OF FILES AND PREVIOUS DEVELOPER AGREEMENT; DRAFT LETTER TO WILLIAMS AND DRAFT ADDITIONAL LETTER FOR SUBMISSION TO CLAIM TO ADMINISTRATIVE FEES AND SEND. | 2.30 | |
| | | 3.20 | 566.00 |
| | TELECOPIER | 6.00 | |
| | TOTAL COSTS ADVANCED | | 6.00 |
| | TOTAL STATEMENT | | \$566.00 |

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HOSE, SUNDBSTROM & BENTLEY

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WHEN REMITTING

FE.I. # 59-2783536

JJ'S MOBILE HOMES, INC
C/O JORDAN W HYPES
1 DORA PINES AVE
MT DORA, FL 32757

INVOICE # 16818
APRIL 16, 1997
FILE # 27037-0001

PAGE 1

MATTER

GENERAL MATTERS

2

0.00

0.00

PHOTOCOPIES

50.50

TOTAL COSTS ADVANCED

50.50

TOTAL STATEMENT

\$50.50

PLEASE REFER TO INVOICE # WHEN REMITTING

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP

P. O. BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

(904) 877-8555

PLEASE REFER TO INVOICE NUMBER
WHEN REMITTING

F.E.I. # 59-2783536

JJ'S MOBILE HOMES, INC
C/O JORDAN W HYPES
1 DORA PINES AVE
MT DORA, FL 32757

INVOICE # 17314
JULY 17, 1997
FILE # 27037-0001

PAGE 1

MATTER GENERAL MATTERS

| | | | |
|----------|---|--------------|---------|
| 06/20/97 | TELEPHONE CONFERENCE WITH JENNIFER IWENJIORA RE: STATUS OF GROSS-UP REPORT FOR 1996; REVIEW FILE RE: SAME; TELEPHONE CONFERENCE WITH NIXON'S OFFICE RE: SAME. | 0.70 0.70 | 122.5 |
| | TOTAL COSTS ADVANCED | | 0.0 |
| | TOTAL STATEMENT | | \$122.5 |

PLEASE REFER TO INVOICE # WHEN REMITTING

LAW OFFICES
JOSE, SUNDSTROM & BENTLEY, LLP

P. O. BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

(850) 877-6555

PLEASE REFER TO INVOICE NUMBER
WHEN REMITTING

F.E.I. # 59-2783536

JJ'S MOBILE HOMES, INC
C/O JORDAN W HYPES
1 DORA PINES AVE
MT DORA, FL 32757

INVOICE # 17471
AUGUST 19, 1997
FILE # 27037-0001

PAGE 1

| MATTER | GENERAL MATTERS | | |
|----------|--|------|---------|
| 07/09/97 | TELEPHONE CONFERENCE WITH STAFF RE: GROSS-UP REPORTS; REVIEW FILE; TELEPHONE CONFERENCE WITH NIXON RE: SAME; REVIEW PREVIOUS FILINGS. | 1.00 | |
| 07/11/97 | TELEPHONE CONFERENCE WITH NIXON RE: GROSS-UP FILINGS AND INFORMATION TO COME. | 0.40 | |
| 07/14/97 | REVIEW SCHEDULES RE: GROSS-UP AND TAX RETURNS FROM NIXON AND FORWARD WITH COVER LETTER TO PSC. | 2.10 | |
| | | 3.50 | 612.5 |
| | TOTAL COSTS ADVANCED | | 0.0 |
| | TOTAL STATEMENT | | \$612.5 |

PLEASE REFER TO INVOICE # WHEN REMITTING

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

CHRIS H. BENTLEY, P.A.
F. MARSHALL DETERDING
BRIAN L. DOSTER
MARTIN S. FRIEDMAN, P.A.
TANGELA M. HOPKINS
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (850) 656-4029

ROBERT M. C. ROSE
OF COUNSEL

February 13, 1998

VIA HAND DELIVERY

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

RECEIVED

FEB 13 1998

Florida Public Service Commission
Division of Water and Wastewater

Re: JJ's Mobile Homes, Inc.
Gross-up Refund Reports for 1992-1996
Our File No. 27037.01

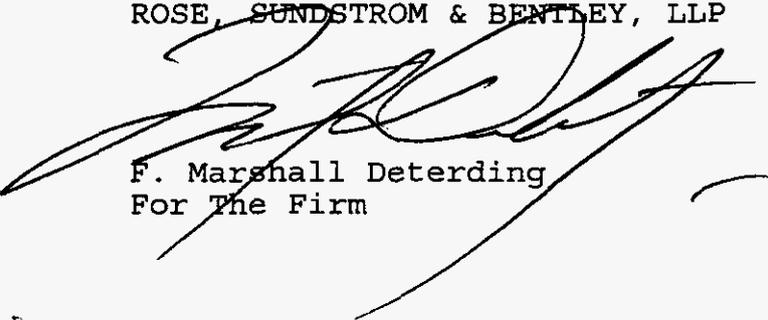
Dear Jennifer:

Attached is a copy of a letter prepared by Bob Nixon in response to your recent inquiries and draft disposition of gross-up funds for the years 1992 through 1996. I trust that this answers your questions and that you will modify the staff recommendation in recognition of the points raised by Mr. Nixon's letter and work papers.

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tms

Enclosures

cc: Robert C. Nixon
Mr. Jordan W. Hypes

jj\2iwenjiora.ltr

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
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(813) 797-3602

February 2, 1998

F. Marshall Deterding, Esquire
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, FL 32301

BY FEDERAL EXPRESS

Re: JJ's Mobile Homes, Inc. - Gross-up Refund Reports for 1992-1996

Dear Marty:

This letter is in response to Jennifer Iwenjiora's letter dated December 22, 1997.

That letter requested answers to a number of questions and also included a copy of the Staff calculated gross-up refunds for 1992 through 1996.

With regard to Staff's questions, I have enclosed each of the questions and our answers as a separate enclosure. I believe that Question 3A deserves further discussion. As you will note in our response to that question, 1992 and 1993 were the only two years which did not reconcile directly to the Annual Reports. Accordingly, we prepared reconciliations for these two years, which are attached to the questions and answers. The second page of the reconciliations for these two years shows the differences in operating expenses per the gross-up reports and the PSC adjustments to operation and maintenance expense.

We did not prepare the 1992 Annual Report or income tax return. In 1993, we prepared the Annual Report, but not the income tax return. With this as background, Staff's 1992 adjustment increasing operation and maintenance expense by \$40,417 is an adjustment with which we strongly disagree.

1. In comparing the income tax return to the Annual Report, we found that the former accountant did not include \$28,861 of contract services for sewer plant operation and maintenance in the Annual Report. We picked up this expense as an above-the-line item in the 1992 gross-up report.

2. The other adjustment relates to legal fees. As you know, in 1992, the Company was involved in an attempt to sell the Utility to the City of Mt. Dora, finishing up litigation regarding its service territory, and hammering out agreements with Wimpy Homes, the developer of the Country Club of Mt. Dora. The legal fees of \$69,292 were included in the Annual Report and classified below-the-line in the gross-up report. The net of the contract sewer plant operation and maintenance expense and legal fees amounts to the \$40,417 adjustment proposed by Staff (excluding the \$140 adjustment for water used at the sewer plant).

For 1993, the following points of disagreement are noted:

1. In connection with preparing the Annual Report, we accrued, among other expenses, management fees, rent, transportation, and reversed a prior year accrual. Because the intercompany accruals had not been paid, they could not be deducted on the tax return under IRS regulations related to closely held corporations and related party transactions. Under these rules, a deduction can only occur when such amounts are actually paid. As a result, they were not on the tax return and not included in the Utility's gross-up report for 1993. Staff has added all of these expenses back to above-the-line operations as if they were on the tax return. They account for \$52,806 of the total Staff adjustment of \$55,480. We were unable to determine what the other \$2,674 adjustment is. Apparently, it is a combination of small things or perhaps an error on the part of Staff in calculating the amount of the adjustment.

The Company strongly disagrees with this adjustment, since the expenses involved are not even contained in the tax return on which the gross-up report was based.

Also enclosed is a revised gross-up refund proposal, as well as support for the legal and accounting fees for each year. We have eliminated Staff's adjustments to O&M expense and other adjustments to taxes and interest expense. Apparently, Staff did not agree that income tax related to CIAC should be below-the-line for 1995 and 1996. This is at odds with every other case we have filed. Also, in 1996, we did not include interest expense on long-term debt after the date of the sale of the Utility. Staff has increased above-the-line interest expense for interest after the Company was no longer regulated by the PSC. This is ridiculous. Although we obtained Ms. Iwenjiora's workpapers, we could find no support for the increase to 1996 O&M expense of \$15,939. Apparently, this is an adjustment to "other deductions," which makes the total an even \$75,000. Therefore, the adjustment is very suspect.

*did you reverse
over 1993?*

*When the expense
were actually incurred
in what year was the
accrual paid?*

Review

F. Marshall Deterding, Esq.
February 2, 1998
Page 3

In the revised gross-up refund schedule, you will note that I have added back first year depreciation on CIAC for all years. This is because all depreciation expense was recaptured in computation of the gain on sale of the Utility assets. As a result, JJ's never received a single dollar of tax benefits from any of the depreciation on CIAC.

After offset for 50 percent of accounting and legal fees, no refunds are required for 1992, 1993, or 1996. Refunds of \$3,757 and \$5,924 are proposed for 1994 and 1995, respectively. The refunds of these years result from the collection of gross-up on meter fees.

Please contact me if you have any questions or believe we need to furnish Staff with any additional information.

Very truly yours,

CRONIN, JACKSON, NIXON & WILSON



Robert C. Nixon

RCN/apf

Enclosures

cc: J. Hypes (w/encl.)

JJ's Mobile Homes, Inc.
 Revised Proposed Gross-up Refunds
 Five Years Ended December 31, 1996

Because of the gross-up refund, the utility is not allowed to deduct depreciation on CIAC.

| | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|------------------|------------------|-------------------|-------------------|------------------|
| I. Above the line income before CIAC | | | | | |
| Above the line taxable CIAC income before CIAC per Staff | \$ (13,966) | \$ 7,569 | \$ 12,069 | \$ 107,469 | \$ 31,521 |
| Adjustments per Utility: | | | | | |
| Eliminate Staff adjustments to O&M expense, Lines 6,7 & 8 | 40,417 | 55,480 | | | 15,939 |
| Eliminate Staff adjustment to taxes - other | | | | (5,867) | 3,575 |
| Eliminate Staff adjustment to interest expense | | | | | 3,695 |
| Utility above the line income before CIAC | \$ 26,451 | \$ 63,049 | \$ 12,069 | \$ 101,602 | \$ 54,731 |
| II. Income tax on CIAC & refund | | | | | |
| CIAC subject to gross-up per Staff (Staff Line 26) <i>Hydro's line 26</i> | \$ 12,851 | \$ 196,578 | \$ 329,457 | \$ 312,087 | \$ 29,289 |
| Add: First year depreciation on CIAC (1) <i>dep.</i> | 19 | 8,502 | 14,028 | 4,188 | - |
| Utility taxable CIAC | 12,870 | 205,080 | 343,485 | 316,275 | 29,289 |
| Marginal tax rate | 0.3763 | 0.3763 | 0.3763 | 0.3763 | 0.3763 |
| Income tax on CIAC | 4,843 | 77,172 | 129,253 | 119,014 | 11,021 |
| Gross-up expansion factor | 1.6033 | 1.6033 | 1.6033 | 1.6033 | 1.6033 |
| Gross-up required | 7,765 | 123,730 | 207,231 | 190,815 | 17,670 |
| Gross-up collected | (7,765) | (124,346) | (213,383) | (198,629) | (18,613) |
| Gross-up under (over) collected | - | (616) | (6,152) | (7,814) | (943) |
| Less: 50% of accounting & legal fees | 3,964 | 6,066 | 2,395 | 1,890 | 3,094 |
| Net under (over) gross-up collected | \$ 3,964 | \$ 5,450 | \$ (3,757) | \$ (5,924) | \$ 2,151 |

Notes: (1) On July 3, 1996, all Utility assets were sold to the City of Mt. Dora. All depreciation expense was recaptured; therefore, the Utility never received any tax benefit whatsoever from depreciation on CIAC. See Form 4797 in 1996 Federal Tax Return.

JJ's Mobile Homes, Inc.
 Summary of Legal & Accounting Expense for
 Gross-up Reports & Depreciation
 Five Years Ended 1996

| <u>Year</u> | <u>Legal</u> | <u>Accounting</u> | <u>Total</u> |
|-------------|-----------------|---------------------------|------------------|
| 1992 | \$ 2,488 | \$ 5,440 5,241 | \$ 7,928 |
| 1993 | 2,488 | 9,644 7,395 | 12,132 |
| 1994 | 1,463 | 3,326 3,195 | 4,789 |
| 1995 | 1,463 | 2,317 3,224 | 3,780 |
| 1996 | <u>1,463</u> | <u>4,725</u> 4,391 | <u>6,188</u> |
| Total | <u>\$ 9,365</u> | <u>\$ 25,452</u> | <u>\$ 34,817</u> |

JJ'S MOBILE HOMES, INC.
Legal Fees and Costs Re: Gross-Up Disposition 1994-1995/6

| <u>Invoice Number</u> | <u>Billing Date</u> | <u>Fees</u> | <u>Out-of Pocket</u> | <u>Total</u> |
|---|---------------------|-----------------|----------------------|-----------------|
| 15247* | 07/11/96 | \$ 302.40 | \$ 136.32 | \$ 438.72 |
| 16535* | 02/19/97 | 245.00 | 1.00 | 246.00 |
| 16673* | 03/27/97 | 560.00 | 6.00 | 566.00 |
| 16818* | 04/16/97 | 0.00 | 50.50 | 50.50 |
| 17314* | 07/17/97 | 122.50 | 0.00 | 122.50 |
| 17471* | 08/19/97 | <u>612.50</u> | <u>0.00</u> | <u>612.50</u> |
| Total Fees & Costs Through 11/30/97 | | \$ 1,842.40 | \$ 193.82 | \$ 2,036.22 |
| Incurred But Unbilled | | | | |
| December 1997 | | 385.00 | 19.75 | 404.75 |
| January 1998 | | 0.00 | 0.00 | 0.00 |
| Estimated to Complete to PAA (if unprotested) | | <u>1,750.00</u> | <u>200.00</u> | <u>1,950.00</u> |
| Total Actual & Estimated Fees Through PAA | | <u>3,977.40</u> | <u>413.57</u> | <u>4,390.97</u> |

1994 (1/3) \$1463
1995 (1/3) 1464
1996 (1/3) 1464
Total \$4391

1750 - 5 = 1350

1350 - 40 = 1310

1310

JJ'S MOBILE HOMES, INC.
Legal Fees and Costs Re: Gross-Up Disposition 1992-1993

| <u>Invoice Number</u> | <u>Billing Date</u> | <u>Fees</u> | <u>Out-of Pocket</u> | <u>Total</u> |
|--|-------------------------|-----------------|--------------------------|-----------------|
| 11986* | 06/13/94 | \$ 1,191.90 | \$ 41.04 | \$ 1,232.94 |
| 12094* | 07/12/94 | 44.84 | 1.92 | 46.76 |
| 12191* | 08/10/94 | 254.10 | 5.63 | 259.73 |
| 12531* | 11/10/94 | 660.00 | 39.25 | 699.25 |
| 12649* | 12/13/94 | 583.20 | 8.76 | 591.96 |
| 14946* | 05/15/96 | <u>132.30</u> | <u>62.53</u> | <u>194.83</u> |
| Total Fees & Costs | | \$ 2,866.34 | \$ 159.13 | \$ 3,025.47 |
| Estimated to Complete to PAA (if unprotected) | | <u>1,750.00</u> | <u>200.00</u> | <u>1,950.00</u> |
| Total Actual & Estimated Fees Through PAA | | <u>4,616.34</u> | <u>359.13</u> | <u>4,975.47</u> |
| 1992 (1/2) | | <u>2,488.00</u> | | |
| 1993 (1/2) | | <u>2,488.00</u> | | |

Are we sure that these cost have not been included in the bill? OAC M expense?

JJ's Mobile Homes, Inc.
 Gross-up Report Accounting Expense
 1992-1996
 Cronin, Jackson, Nixon & Wilson

January that cost amount was included in 1992. Inconsistent - includes 1992 amount.

| Invoice Date (1) | Year of Report | | | | | Total |
|--|-----------------|-----------------------|------------------|-----------------|-----------------|--------------------|
| | 1992 | 1993 | 1994 | 1995 | 1996 | |
| 06/15/94 | \$ 2,897 | | | | | \$ 2,897 |
| 08/09/94 | 553 | | | | | 553 |
| 09/20/94 | | \$ 2,320 | | | | 2,320 |
| 10/24/94 | | 422 843 50% | | | | 843-422 |
| 11/21/94 | | 3,271 50% | | | | 3,271 1635 |
| 12/20/94 | | 1,295 | | | | 1,295 |
| 05/24/96 | | | | \$ 236 | | 236 |
| 06/25/96 | | | \$ 870 | | | 870 |
| 07/16/96 | | | 1,141 | 1,141 | | 2,282 |
| 08/15/97 | | | | | \$ 3,234 | 3,234 |
| 01/22/98 | | | | | 551 | 551 |
| Total actual expense through 12/97 | 3,450 | 5,612 7,729 | 2,011 | 1,377 | 3,785 | 18,352 |
| Unbilled Charges | | | | | | |
| R. Nixon (2) | 351 645 | 585 645 | 501 645 | 451 645 | 517 645 | 3,225 2,902 |
| P. DeChario (2) | 1,050 745 | 975 597 | 375 335 | | | 2,400 2,100 |
| Clerical | 30 20 | 30 20 | 30 20 | 30 20 | 30 20 | 150 135 |
| Copies, phone & Fed Ex | 25 22 | 25 22 | 25 22 | 25 22 | 25 22 | 125 110 |
| Total unbilled expense | 1,750 | 1,507 1,675 | 900 1,075 | 700 | 700 | 5,900 5,517 |
| Estimate to complete | 240 | 240 | 240 | 240 | 240 | 1,200 |
| Total actual & estimated accounting expense | \$ 5,440 | \$ 7,525 9,644 | \$ 3,326 | \$ 2,317 | \$ 4,725 | \$ 25,452 |

Notes: (1) Amounts shown are net of 10% discount.

(2) Unbilled charges as follows:

Research & answer Staff questions per letter of 12/22/97; prepare analysis of 1992 & 1993 expense per Annual Reports & tax returns; prepare revised schedule of proposed refunds; prepare schedule of legal & accounting fees; letter of explanation & transmittal to Marty Deterding

- R. Nixon - 21.5 hours @ \$150 x 90% (divide equally)
- P. DeChario - 32 hours @ \$75 x 90% (actual time each year)
- Clerical - 6 hours @ \$25 x 90% (divide equally)

(3) Review Staff Recommendation, PAA, and conferences with client & attorney

R. Nixon - 8 hours @ \$150

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
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JAMES L. WILSON, C.P.A.

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SUITE 200
CLEARWATER, FLORIDA 34625-4419
(813) 791-4020
TELECOPIER
(813) 797-3602

I N V O I C E

June 15, 1994

COPY

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
May, 1994 as follows:

| | |
|---|-------------------|
| 1. Preparation and review of the 1994 indexed rate adjustment. | \$ 337.50 |
| 2. Answer interrogatories from George Wimpey of Florida, Inc. | 472.50 |
| 3. Prepare gross-up refund report for the year ended December 31, 1992. | 3,219.00 |
| 4. Telephone, federal express charges, and copies. | <u>85.45</u> |
| Total | <u>\$4,114.45</u> |

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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(813) 791-4020
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(813) 797-3602

COPY

I N V O I C E

August 9, 1994

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
July, 1994 as follows:

| | |
|--|------------------|
| 1. Preparation of rebuttal testimony and exhibits for territory expansion hearing. | \$ 675.00 |
| 2. Preparation of 1992 PSC gross-up refund report. | 540.00 |
| 3. Telephone and Federal Express charges. | 74.84 |
| Subtotal | 1,289.84 |
| Less: Discount @ 10% | (129.84) |
| Less: Discount credit for previous months billing @ 10% | (411.00) |
| Total | <u>\$ 749.00</u> |

Cronin, Jackson, Nixon & Wilson
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(813) 797-3602

I N V O I C E

September 20, 1994

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
August, 1994, as follows:

| | |
|--|-------------------|
| 1. Partial billing for preparation of the 1993 PSC gross-up refund report | \$2,553.00 |
| 2. Telephone, postage, and copies | <u>25.17</u> |
| | 2,578.17 |
| Less discount at 10% | <u>(258.17)</u> |
| Total | <u>\$2,320.00</u> |

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
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(813) 797-3602

I N V O I C E

October 24, 1994

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
September, 1994, as follows:

| | |
|--|---------------------------------|
| 1. Partial billing for work completed on the 1993 gross-up refund report and revisions to the 1993 income tax return | \$906.50 |
| 2. Telephone, postage, and Federal Express charges | <u>31.45</u> |
| Less discount at 10% | <u>937.95</u> <u>(94.95)</u> |
| Total | <u>\$843.00</u> |

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
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CLEARWATER, FLORIDA 34625-4419
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TELECOPIER
(813) 797-3602

I N V O I C E

November 21, 1994

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
October, 1994, as follows:

1. Work relating to proposed sale of utility,
including review of prior valuation studies
and discussions with Ms. Swain regarding
same; providing copies of prior reports to
Ms. Swain
2. Preparation of 1993 gross-up refund report
and review and analysis of the amended state
and federal income tax returns
3. Telephone charges and copies

Less discount at 10%

Total

\$ 607.50

$(3634.50 \times .90) / 2 = 1635$
3,634.50 507

46.06

4,288.06

(429.06)

\$3,859.00

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
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(813) 797-3602

I N V O I C E

December 20, 1994

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
November, 1994, as follows:

| | |
|---|-------------------|
| 1. Preparation and review of the PSC gross-up refund report for the year ended December 31, 1993 | \$1,403.00 |
| 2. Postage, Federal Express charges, and copies | <u>35.93</u> |
| | 1,438.93 |
| Discount at 10% | <u>(143.93)</u> |
| Total | <u>\$1,295.00</u> |

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 34625-4419
(813) 791-4020
FACSIMILE
(813) 797-3602



I N V O I C E

May 24, 1996

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

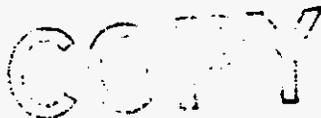
#402

For professional services rendered during
April, 1996, as follows:

| | |
|--|------------------|
| 1. Preparation of computerized general ledger and financial statements for the month of February, 1996 | \$ 217.50 |
| 2. Preparation of 1996 indexed rate adjustment | 228.75 |
| 3. Partial billing for work completed on the 1995 gross-up refund report | 262.50 |
| 4. Preparation of the 1995 state and federal income tax returns and property tax return | 221.30 |
| 5. Telephone, Federal Express charges, and copies | <u>106.55</u> |
| | 1,036.60 |
| Less discount at 10% | <u>(104.60)</u> |
| Total | <u>\$ 932.00</u> |

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
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SUITE 200
CLEARWATER, FLORIDA 34625-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

I N V O I C E

June 25, 1996

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
May, 1996, as follows:

| | |
|--|-----------------|
| 1. Partial billing for preparation of 1994 PSC gross-up refund report | \$960.50 |
| 2. Telephone charges | <u>5.75</u> |
| | 966.25 |
| Less discount at 10% | <u>(96.25)</u> |
| Total | <u>\$870.00</u> |

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

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SUITE 200
CLEARWATER, FLORIDA 34625-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

I N V O I C E

July 16, 1996

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
June, 1996, as follows:

| | |
|---|-----------------------------|
| 1. Preparation of computerized general ledger and financial statements for the month of March and April, 1996 | \$ 707.55 |
| 2. Preparation of CIAC gross up refund reports for 1994 and 1995 | 2,536.25 |
| 3. Tax research related to sale of land and mobile home including conferences with Mr. Stokes | 562.50 |
| 4. Telephone, postage and copies | 51.23 |
| Less discount at 10% | <u>3,857.53</u> (386.53) |
| Total | <u>\$3,471.00</u> |

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA M. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
TRACY A. RIZZO, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

I N V O I C E

August 15, 1997

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
One Dora Pines Avenue
Mt. Dora, FL 32757

#402

For professional services rendered during
July, 1997, as follows:

| | |
|--|-------------------|
| 1. Preparation of general ledger and computer-generated financial statements for the six months ended June, 1997 | \$ 281.25 |
| 2. Preparation of payroll tax returns | 30.00 |
| 3. Preparation and review of the 1996 PSC gross-up refund report | 3,593.75 |
| 4. Conference with client on various tax matters (Jackson - 4 hours) | 540.00 |
| 5. Telephone, postage, and copies | 34.88 |
| | <u>4,479.88</u> |
| Less discount at 10% | <u>(448.88)</u> |
| Total | <u>\$4,031.00</u> |

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
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JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

COPY

I N V O I C E

January 22, 1998

Mr. Jordan Hypes, President
JJ's Mobile Homes, Inc.
1401 Lakeshore Boulevard
Tavares, FL 32778

#402

For professional services rendered during
December, 1997, as follows:

| | |
|---|-----------------------------|
| 1. Preparation of general ledger and financial statements for the months of October and November, 1997, including research on the cost of lots in inventory and customer deposits | \$ 880.00 |
| 2. Partial billing for preparation of the 1996 PSC CIAC gross-up refund report | 612.50 |
| 3. Tax research and projections related to dividend distributions and tax projections | 466.25 |
| 4. Telephone, postage, and copies | 7.77 |
| Less discount at 10% | <u>1,966.52</u> (197.52) |
| Total | <u>\$1,769.00</u> |

JJ's Mobile Homes, Inc.
Gross-up Questions

- 1)A) Please explain why all the legal fees included in "Other Deductions" were allocated below-the-line and not included above-the-line, as reported in the 1991 Annual Report.

These were legal expenses related to the sale of the Utility to the City of Mt. Dora and litigation expenses with the City over the right to serve the Mt. Dora Country Club. By definition they are below-the-line and would never be allowed in customer service rates.

- B) To whom were these fees paid and why?

Robert Williams, Esquire

Rose, Sundstrom & Bentley

Mirikoff & McDaniel

Cox & Lowery

As advisors for the utility, why didn't they inform the utility that these expenses should be reported above the line. It is hard to think that the owner did not know this.

- C) According to Schedule No. 5, the total company had a loss of \$(4,229) and \$(74,092) for 1974 and 1980, respectively. Please specify the amount of NOLs that were generated from the utility operations only.

JJ's Mobile Homes, Inc. purchased the utility from Dora Pines, Inc. in December, 1979. The NOL of \$4,229 in 1974 related to mobile home operations and was, therefore, below-the-line.

The 1980 NOL of \$(74,092) consisted of \$(23,180) from utility operations and \$(50,912) from mobile home operations. As shown on Schedule No. 6, \$(12,572) of the utility loss was from above-the-line operations and \$(10,608) was from below-the-line operations.

- D) Further, please explain why depreciation, taxes - other, and interest expenses for the period 1980-1986, as reported on Schedule No. 6, does not agree with the amount in the Annual Report for those years.

I note no discrepancy in the amounts reported on Schedule No. 6 and the Annual Reports for the respective years +/- \$1 for rounding. Please note that it is necessary to combine the above- and below-the-line amounts.

The discrepancy is that in the annual report all of the depreciation, taxes - other, and interest expenses are reported above the line. It is hard to think that the owner did not know this.

- E) Also, explain why Operations & Maintenance (O&M) expense for 1986 on Schedule No. 6 does not agree with the amount reported in the Annual Report.

The preparer of the 1986 Annual Report included interest expense in O&M expenses in error. Schedule No. 6 has reported interest expense as a separate line item. O&M expense per Schedule No. 6 and the 1986 Annual Report is as follows:

Per Schedule No. 6:

| | |
|--------------------------------------|-----------------|
| Above-the-line expenses: | |
| Operations & Maintenance | \$58,023 |
| Below-the-line expenses: | |
| Legal expense | 11,662 |
| Travel & Entertainment | <u>1,876</u> |
| Total O&M expense per Schedule No. 6 | 71,561 |
| Interest expense | <u>19,051</u> |
| O&M expense per Annual Report | <u>\$90,612</u> |

- F) Explain why interest expense of \$19,051 was reported above-the-line in the Annual Report and was excluded from the tax return for 1986 (Schedule No. 6).

It was reported above-the-line in error, as explained above. The Utility had a negative rate base of \$(14,115) at December 31, 1986. Therefore, all interest expense was shown below-the-line on Schedule No. 6.

- 2)A) How much prepaid CIAC, if any, was collected in 1991?

\$136,078

- B) and was gross-up collected on it; when was it collected?

No gross-up monies were collected on CIAC received during 1991. Gross-up authority was granted in Docket No. 920032WS; therefore, the Utility did not have authority to collect gross-up in 1991. Interim approval was not granted until March 9, 1992.

- C) How much gross-up was collected on the 1991 prepaid CIAC?

None - per 2)B) above.

How did the prepaid CIAC receive regular CIAC? and was gross-up paid on it?

CIAC

D) Was the prepaid CIAC reported as taxable income in the year it was collected and, if not, when was the prepaid CIAC reported?

Yes. In accordance with the tax regulations in effect, all CIAC collected during 1991, and subsequent years, was recorded as income in the year received.

E) Further, for the years 1992 through 1996, was prepaid CIAC collected and was it reported as taxable income?

Yes. For the years in question, following is the CIAC collected, prepaid CIAC, and taxable income reported:

| | <u>CIAC Collected</u> | <u>Prepaid CIAC</u> | <u>Taxable Income</u> |
|------|---------------------------|-------------------------|---------------------------|
| 1992 | \$ 17,862 | | \$ 17,862 |
| 1993 | 205,080 | \$ 42,900 | 205,080 |
| 1994 | 353,664 | 6,903 | 353,664 |
| 1995 | 316,275 | | 316,275 |
| 1996 | 29,228 | | 29,228 |

3)A) For the years 1992 through 1996, please provide documentation and/or explanation why the above-the-line O&M expenses reported in the gross-up reports were different from the amounts reported in the Annual Reports.

The Utility was an operating division of JJ's Mobile Homes. JJ's Mobile Homes was also in the business of selling mobile home units and mobile home lots within the Dora Pines Subdivision, as well as repairs and maintenance of common areas. See attached reconciliation for 1992 and 1993. For 1994 through 1996, there were no differences. The Utility division was sold during 1996 to the City of Mt. Dora, therefore, no Annual Report was required or filed.

B) In 1994, reimbursable engineering and legal expense of \$223,837 has been classified as below-the-line taxable income and as a below-the-line deduction. Was this related to rate case expense? Please clarify.

By contractual agreement with the developer of the Country Club of Mt. Dora, the cost of engineering for property to be contributed and the legal expenses related to the territory dispute with the City of Mt. Dora and developer for utility service was to be paid by JJ's Mobile Homes and was reimbursed by the developer.

This is a non-operating, income neutral transaction, and is, therefore, classified as below-the-line for the determination of net taxable utility operating income. This activity was not related to rate case expense.

Handwritten notes:
 The Rest of the
 1994-1996
 1994-1996
 1994-1996

4) Besides 1993, were amended tax returns filed in any of the other years being reviewed?

Yes, 1996. See attached return. This was the only other amended return.

? No

JJ's Mobile Home
Reconciliation of 1992 Annual Report Expense
to Gross Up Report & Tax Return

| | Gross Up Report | | | | | | 1992 Tax Return Total [(4) + (5)] (7) |
|--------------------------------------|-------------------------|-------------------------------------|-------------------------------------|--|---|--|---|
| | Annual Report (1) | Utility Above the Line (2) | Utility Below the Line (3) | Total Utility [(2) + (3)] (4) | Non-utility Below the Line (5) | Total Below the Line [(3) + (5)] (6) | |
| Purchased Power | 9,514 | 9,514 | | 9,514 | 1,057 | 1,057 | 10,571 |
| Materials & Supplies | 1,064 | 1,064 | | 1,064 | 1,596 | 1,596 | 2,660 |
| Contract Services | 3,124 | 3,124 | | 3,124 | 782 | 782 | 3,906 |
| Rents | 3,968 | 3,968 | | 3,968 | 3,967 | 3,967 | 7,935 |
| Insurance Expense | 1,220 | 1,220 | | 1,220 | 1,832 | 1,832 | 3,052 |
| Auto Expense | 384 | 384 | | 384 | 893 | 893 | 1,277 |
| Bank Charges | 244 | 244 | | 244 | 62 | 62 | 306 |
| Interest | 9,860 | 9,860 | | 9,860 | 39,435 | 39,435 | 49,295 |
| Legal & Professional | 1,460 | 1,460 | | 1,460 | 1,460 | 1,460 | 2,920 |
| Miscellaneous | 82 | 82 | | 82 | 123 | 123 | 205 |
| Office Expense | 192 | 192 | | 192 | 289 | 289 | 481 |
| Postage | 396 | 396 | | 396 | 100 | 100 | 496 |
| Repairs & Maintenance | 1,354 | 1,354 | | 1,354 | 338 | 338 | 1,692 |
| Telephone | 456 | 456 | | 456 | 682 | 682 | 1,138 |
| Travel & Entertainment | 762 | | 762 | 762 | 764 | 1,526 | 1,526 |
| Legal Fees - Utility | 69,292 | | 69,292 | 69,292 | | 69,292 | 69,292 |
| Total Annual Report | 103,372 | 33,318 | 70,054 | 103,372 | 53,380 | 123,434 | 156,752 |
| Water | | 140 | | 140 | | 0 | 140 |
| Sewer (Plant operator & Maintenance) | | 28,861 | | 28,861 | | 0 | 28,861 |
| Taxes | 11,845 | 7,031 | | 7,031 | 1,314 | 1,314 | 8,345 |
| Depreciation | 8,565 | 11,170 | | 11,170 | 2,257 | 2,257 | 13,427 |
| Advertising | | | | 0 | 1,180 | 1,180 | 1,180 |
| Employee Benefits | | | | 0 | 8,355 | 8,355 | 8,355 |
| Dues & Subs | | | | 0 | 400 | 400 | 400 |
| Permits | | | | 0 | 500 | 500 | 500 |
| Trash Collection | | | | 0 | 15,206 | 15,206 | 15,206 |
| Total Other Expenses | 20,410 | 47,202 | 0 | 47,202 | 29,212 | 29,212 | 76,414 |
| Total Deductions | 123,782 | 80,520 | 70,054 | 150,574 | 82,592 | 152,646 | 233,166 |

Note (1): Interest was included in O & M expense by former accountant

JJ's Mobile Home
Reconciliation of 1992 Annual Report Expenses
to Gross Up Report & Tax Form

| | Gross Up Report | | | |
|--------------------------------------|------------------------------|-------------------------|---------------------|---------------------------------------|
| | Annual Report | Utility Gross Up Report | PSC Gross Up Report | Utility vs PSC Difference [(2) - (3)] |
| | (1) | (2) | (3) | (4) |
| Above The Line Deductions | | | | |
| Purchased Power | 9,514 | 9,514 | 9,514 | |
| Materials & Supplies | 1,064 | 1,064 | 1,064 | |
| Contract Services | 3,124 | 3,124 | 3,124 | |
| Rents | 3,968 | 3,968 | 3,968 | |
| Insurance Expense | 1,220 | 1,220 | 1,220 | |
| Auto Expense | 384 | 384 | 384 | |
| Bank Charges | 244 | 244 | 244 | |
| Interest | 9,860 | 9,860 | 9,860 | |
| Legal & Professional | 1,460 | 1,460 | 1,460 | |
| Miscellaneous | 82 | 82 | 82 | |
| Office Expense | 192 | 192 | 192 | |
| Postage | 396 | 396 | 396 | |
| Repairs & Maintenance | 1,354 | 1,354 | 1,354 | |
| Telephone | 456 | 456 | 456 | |
| Water | | 140 | | 140 |
| Sewer (Plant operator & Maintenance) | | 28,861 | | 28,861 |
| Taxes | 11,845 | 7,031 | 7,031 | |
| Depreciation | 8,565 | 11,170 | 11,170 | |
| Travel & Entertainment | 762 | | 126 | (126) Transposition error by PSC |
| Legal Fees - Utility | 69,292 | | 69,292 | (69,292) |
| Total A-T-L Deductions | 123,782 63,728 | 80,520 | 120,937 | (40,417) |
| Below The Line Deductions | | | | |
| Travel & Entertainment | 762 | 762 | 636 | 126 S/B 381 x2, used 318 x 2 |
| Legal Fees - Utility | 69,292 | 69,292 | | 69,292 |
| Purchased Power | | 1,057 | 1,057 | |
| Materials & Supplies | | 1,596 | 1,596 | |
| Contract Services | | 782 | 782 | |
| Rents | | 3,967 | 3,967 | |
| Insurance Expense | | 1,832 | 1,832 | |
| Auto Expense | | 893 | 893 | |
| Bank Charges | | 62 | 62 | |
| Interest | | 39,435 | 39,435 | |
| Legal & Professional | | 1,460 | 1,460 | |
| Miscellaneous | | 123 | 123 | |
| Office Expense | | 289 | 289 | |
| Postage | | 100 | 100 | |
| Repairs & Maintenance | | 338 | 338 | |
| Telephone | | 682 | 682 | |
| Travel & Entertainment | | 764 | 764 | |
| Taxes | | 1,314 | 1,314 | |
| Depreciation | | 2,257 | 2,257 | |
| Advertising | | 1,180 | 1,180 | |
| Employee Benefits | | 8,355 | 8,355 | |
| Dues & Subs | | 400 | 400 | |
| Permits | | 500 | 500 | |
| Trash Collection | | 15,206 | 15,206 | |
| Water | | | 140 | (140) |
| Sewer (Plant operator & Maintenance) | | | 28,861 | (28,861) |
| | 70,054 | 152,646 | 112,229 | 40,417 |
| | <u>123,782</u> | <u>233,166</u> | <u>233,166</u> | <u>0</u> |

JJ's Mobile Home
Reconciliation of 1993 Annual Report Expenses
to Gross Up Report & Tax Return

| | Gross Up Report | | | |
|----------------------------------|------------------|-------------------------------|---------------------------|--|
| | Annual Report | Utility Gross Up Report | PSC Gross Up Report | Utility vs PSC Difference [(2) - (3)] |
| | (1) | (2) | (3) | (4) |
| Above the Line Deductions | | | | |
| Purchased Power | 12,331 (2) | 12,331 (2) | 12,331 | |
| Sludge Removal Exp | 5,463 (2) | 5,463 (2) | 5,463 | |
| Sewer (2) | | (515) (2) | | (515) |
| Chemicals | | | | |
| Materials & Supplies | 2,189 | 2,331 | 2,189 | 142 |
| Contract Services | 12,686 (2) | 12,686 (2) | 12,686 | |
| Contract Labor | 5,368 | 5,369 | 5,368 | 1 |
| Rents | | | | |
| Insurance Expense | 2,694 | 2,694 | 2,694 | |
| Auto Expense | 19 | 19 | 19 | |
| Bank Charges | 108 | 108 | 108 | |
| Legal & Professional | 2,651 | 2,651 | 2,651 | |
| Permits | 200 | 200 | 200 | |
| Miscellaneous | 400 | | 400 | (400) |
| Office Expense | 299 | 299 | 299 | |
| Postage | 487 | 487 | 487 | |
| Repairs & Maintenance | 6,802 | 6,801 | 6,801 | (6,801) |
| Telephone | 1,001 | 1,001 | 1,001 | |
| Travel & Entertainment | | | | |
| Legal Fees - Utility | 17,129 | 15,228 | 17,129 | (1,901) |
| Legal Fees - Reimbursement | | | | |
| Accrued Purch Power | 231 (1) | | 231 | (231) |
| InterCo Mgmt Fees | 37,405 (1) | | 37,405 | (37,405) |
| InterCo Rent | 12,000 (1) | | 12,000 | (12,000) |
| Interco Transport | 3,480 (1) | | 3,480 | (3,480) |
| PY Accrual | (310) (1) | | (310) | 310 |
| Taxes | 11,209 | 11,209 | 11,209 | |
| Interest | | 5,606 | 10,783 | (5,177) |
| Depreciation | 5,137 | 10,192 | 10,192 | |
| Total A-T-L Deductions | 138,979 | 94,160 | 154,816 | (67,457) |
| Below the Line Deductions | | | | |
| Interest | | 34,958 | 29,781 | 5,177 |
| Depreciation | | 8,502 | 8,502 | |
| Legal Fees - Utility | | 31,652 | 31,652 | |
| Legal Fees - Reimbursement | | (31,652) | (31,652) | |
| Materials & Supplies | | 3,236 | 3,378 | (142) |
| Contract Labor | | 154 | 155 | (1) |
| Rents | | 7,153 | 7,153 | |
| Insurance Expense | | 6,769 | 6,769 | |
| Auto Expense | | 4,135 | 4,135 | |
| Bank Charges | | 22 | 22 | |
| Legal & Professional | | 549 | 549 | |
| Permits | | 25 | 25 | |
| Miscellaneous | | 1,768 | 1,768 | |
| Office Expense | | 117 | 117 | |
| Postage | | 101 | 101 | |
| Repairs & Maintenance | | (5,224) | (12,025) | 6,801 |
| Telephone | | 207 | 207 | |
| Travel & Entertainment | | 958 | 958 | |
| Legal Fees - Utility | | 48,527 | 46,626 | 1,901 |
| Legal Fees - Reimbursement | | (34,000) | (34,000) | |
| Taxes | | 10,167 | 9,767 | 400 |
| Depreciation | | 20,755 | 20,755 | |
| Advertising | | 874 | 874 | |
| Equipment | | 91 | 91 | |
| Trash Collection | | 17,719 | 17,204 | 515 |
| Total Other Expenses | 0 | 127,563 | 112,912 | 14,651 |
| Total Deductions | 138,979 | 221,723 | 267,728 | (52,806) |

Notes: (1) Tax return is cash basis. Amounts accrued are not on the tax return.
(2) Plant operator and maintenance

**Amended U.S. Corporation
Income Tax Return**

For tax year ending in

12/31/96

(Enter month and year)

| | | |
|-------------------------------|--|---|
| Please Type or Print | Name J.J.'S MOBILE HOMES, INC. | Employer identification number 59-1566455 |
| | Number, street, and room or suite no. (if a P.O. box, see instructions.) ONE DORA PINES AVENUE | |
| | City or town, state, and ZIP code MT. DORA FL 32757 | Telephone number (optional) |

Enter name and address used on original return (if same as above, write "Same.")

Same

Internal Revenue Service Center
where original return was filed

Atlanta, GA 39901

Fill in Applicable Items and Use Part II To Explain Any Changes

| Part I | Income and Deductions (see instructions) | (a) As originally reported or as previously adjusted | (b) Net change (increase or decrease - explain in Part II) | (c) Correct amount |
|--------|---|--|--|--------------------|
| 1 | Total income (Form 1120 or 1120-A, line 11) | 1,225,566 | 0 | 1,225,566 |
| 2 | Total deductions (total of lines 27 and 29c, Form 1120, or lines 23 and 25c, Form 1120-A) | 636,846 | 0 | 636,846 |
| 3 | Taxable income. Subtract line 2 from line 1 | 588,720 | 0 | 588,720 |
| 4 | Tax (Form 1120, line 31, or Form 1120-A, line 27) | 200,165 | 0 | 200,165 |

Payments and Credits (see instructions)

| | | | | |
|----|---|---------|---|---------|
| 5a | Overpayment in prior year allowed as a credit | | | |
| b | Estimated tax payments | 240,000 | 0 | 240,000 |
| c | Refund applied for on Form 4466 | | | |
| d | Subtract line 5c from the sum of lines 5a and 5b | 240,000 | 0 | 240,000 |
| e | Tax deposited with Form 7004 | | | |
| f | Credit from regulated investment companies | | | |
| g | Credit for Federal tax on fuels | | | |
| 6 | Tax deposited or paid with (or after) the filing of the original return | | | 141 |
| 7 | Add lines 5d through 6, column (c) | | | 240,141 |
| 8 | Overpayment, if any, as shown on original return or as later adjusted | | | 39,844 |
| 9 | Subtract line 8 from line 7 | | | 200,297 |

Tax Due or Refund

| | | |
|----|---|-----|
| 10 | Tax due. Subtract line 9 from line 4, column (c). Make check payable to "Internal Revenue Service" (see instructions) | |
| 11 | Refund. Subtract line 4, column (c), from line 9 | 132 |

Please Sign Here Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ Title: **REDACTED**

| | | | | |
|---------------------------------|---|----------|--------------------------|--------------------------------|
| Paid Preparer's Use Only | Preparer's signature | Date | Check if self-employed | Preparer's social security no. |
| | Firm's name (or yours if self-employed) and address | 3/19/97 | <input type="checkbox"/> | ██████████ |
| | Cronin, Jackson, Nixon & Wilson, CPA's | EIN | | 59-1680455 |
| | 2560 Gulf to Bay Blvd., #200 | ZIP code | | 34625 |
| | Clearwater, FL | | | |

For Paperwork Reduction Act Notice, see instructions on page 3.

Part II Explanation of Changes to Income, Deductions, Credits, etc. Enter the line number from page 1 for the items you are changing, and give the reason for each change. Show any computation in detail. Attach additional sheets if necessary.

If the change is due to a net operating loss carryback, a capital loss carryback, or a general business credit carryback, see Carryback Claims on page 3, and check here

ERROR MADE ON THE ORIGINAL FORM 2220 ON PART I OF ANNUALIZED INCOME INSTALLMENT METHOD. OPTION 1 WAS USED WHEN THE CORPORATION DID NOT MAKE A TIMELY ELECTION ON FORM 8842. THE AMENDED RETURN CALCULATES THE ANNUALIZED INCOME USING THE CORRECT "STANDARD OPTION" METHOD. ORIGINAL AND AMENDED FORMS 2220 ARE ATTACHED.

| | |
|---|------------|
| ESTIMATED TAX PAYMENT PENALTY - ORIGINAL RETURN | \$141 |
| ESTIMATED TAX PAYMENT PENALTY - AMENDED RETURN | 9 |
| REDUCTION IN FORM 2220 PENALTY | <u>132</u> |

LAW OFFICES

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January 23, 1998

VIA HAND DELIVERY

ROBERT M. C. ROSE
Of Counsel

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

Re: JJ's Mobile Homes, Inc.
CIAC Gross-up Refund for the Period
January 1, 1992 through June 12, 1996
Our File No. 27037.01

RECEIVED
JAN 23 1998

Florida Public Service Commission
Division of Water and Wastewater

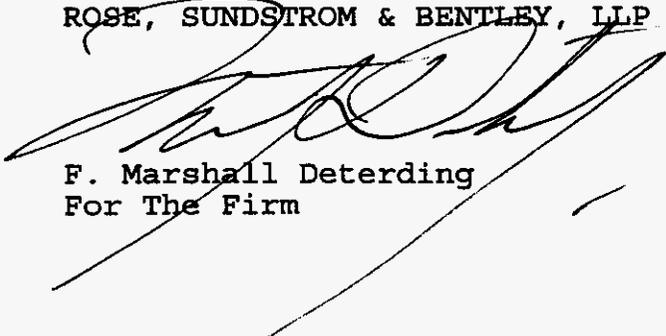
Dear Jennifer:

I received your letter dated December 22, 1997 just before the new year. The Utility and its accountants have been working on preparing responses to the information provided in your letter and they continue to do so at this time. The process has, however, taken slightly longer than expected and that process is not yet complete. As such, it will take us approximately one to two more weeks to finalize a response and submit it to you. We will, however, be providing you with the detailed additional information by that time.

We appreciate your patience and we will provide you that information as quickly as possible, hopefully earlier than the two week period outlined above. Should you have any questions in this regard, or have any problems with the additional time needed to finalize our response, please let me know.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP


F. Marshall Deterding
For The Firm

FMD/tms

cc: Lila Jaber, Esquire
Ms. Connie McCaskill
Ms. Christine Romig
Robert C. Nixon, CPA
Mr. Jordan W. Hypes

jj\iwenjiora.ltr

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
DIANE K. KIESLING
JOE GARCIA



CAPITAL CIRCLE OFFICE CENTER
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

Public Service Commission

December 22, 1997

Mr. F. Marshall Deterding
Rose, Sundstrom & Bentley
Post Office Box 1567
Tallahassee, FL 32302-1567

Dear Mr. Deterding:

Re: JJ's Mobile Homes, Inc. - CIAC Gross-up Refund for the period January 1, 1992 through June 12, 1996.

Pursuant to Order No. PSC-96-0686-FOF-WS, all current Contributions-in-aid-of Construction (CIAC) gross-up cases or any CIAC gross-up cases filed prior to any change in Commission policy, shall be processed under the provisions of Order Nos. 16791 and 23541. Therefore, we have reviewed the CIAC Gross-up Reports of JJ's Mobile Homes, Inc.. We are in the process of finalizing our CIAC gross-up refund analysis. A copy of our preliminary analysis of the refund calculation is attached. However, before we can finalized our calculations, the following CIAC gross-up information should be provided for the period of January 1, 1991 through June 12, 1996:

1. Refer to the June 1, 1992 analysis provided by Bob Nixon which was included in the utility's "Application for Approval of Gross-up Authority" to show the appropriate calculation of net operating loss (NOLs) carry forward, taxable income, and allocation between above-the-line and below-the-line operations for 1991. Please explain why all the Legal fees included in "Other Deductions" were allocated below-the-line and not included above-the-line as reported in the 1991 annual report. To whom were these fees paid and why? According to Schedule No. 5, the total company had a loss of \$4,229 and \$74,092 for 1974 and 1980, respectively, please specify the amount of NOLs that were generated from the utility operations, only. Further, please explain why depreciation, taxes-others, and Interest Expenses for the period 1980-1986 as reported on schedule No. 6 does not agree with the amount in the Annual Report for those respective years. Also, explain why Operation and Maintenance (O&M) expense for 1986 on schedule No. 6 does not agree with the amount reported in the Annual Report. Explain why Interest expense of \$19,051 was reported above-the-line in the Annual Report and was excluded from the Tax Return for 1986 (Sch. No. 6). In addition, please provide the 1991 tax return. Attached as "Exhibit A" is a copy of the referenced filing.

Mr. F. Marshall Deterding

Page 2

December 22, 1997

2. How much prepaid CIAC, if any, was collected in 1991 and was gross-up collected on it when it was collected? How much gross-up was collected on the prepaid CIAC? Was the prepaid CIAC reported as taxable income in the year it was collected, and if not, when was the prepaid CIAC reported as income. Further, for the years 1992 through 1996 was prepaid CIAC collected and was it reported as taxable income?
3. For the years 1992 through 1996, please provide documentation and/or explanation why the above-the-line O&M expenses reported in the gross-up reports were different from the amounts reported in the Annual Reports. In 1994 reimbursable engineering and legal expense of \$223,837 has been classified as below-the-line taxable income and as a below-the-line deduction. Was this expense related to rate case expense? Please clarify? Further, please provide a copy of the CIAC and gross-up ledger account.
4. Besides 1993, were amended tax returns filed in any of the other years being reviewed? If so, please provide the amended tax return for those years.
5. For 1996, please provide documentation for the legal and accounting fees that have been requested to offset the refund.
6. Further, please note that first years depreciation will be imputed on cash CIAC collections (including prepaid) in calculating the gross-up refund.

We should be able to finalize our analysis and review once this information has been submitted. If you disagree with our preliminary refund calculations, please provide us with supporting documentation and a revised proposed refund calculation.

Please respond by January 22, 1998. Should you have any questions, please contact Jennifer J. Iwenjiora in our office.

Sincerely,


Jennifer J. Iwenjiora
Regulatory Analyst

Enclosures

JJI/jji

cc: Division of Water and Wastewater (McCaskill)
Division of Legal Services (Jaber)
Division of Auditing & Financial Analysis (C. Romig)
Mr. Robert C. Nixon

Commissioners:

J. TERRY DEASON, CHAIRMAN
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING
LUIS J. LAUREDO



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 488-8482

Public Service Commission

April 28, 1994

Mr. F. Marshall Deterding
Rose, Sundstrom & Bentley
Post Office Box 1567
Tallahassee, Florida 32302-1567

RE: JJ's Mobile Homes, Inc. - Disposition of CIAC Gross-Up Refunds for Years Ended 1992.

Dear Mr. Deterding:

Staff must address the collection of gross-up funds for the year ended December 31, 1992. Order Nos. 16971 and 24129 require that utilities annually file information which would be used to determine the actual state and federal income tax liability directly attributable to the CIAC and whether a refund of the gross-up is appropriate for any given year for which gross-up was in effect. If the utility was not grossing-up during any period, please provide a statement from the owners that would confirm that gross-up was not collected. In addition, please provide copies of tax returns for the *respective period* so that staff can verify that no gross-up was reported for tax purposes. In order to determine the appropriate refund, the following CIAC gross-up information must be provided for the year ended December 31, 1992:

1. A detailed statement of the CIAC tax impact account;
2. Signed copies of the utility's federal and state income tax returns along with a completed copy of the CIAC report form (copy attached), (Federal and State tax returns filed in connection with CIAC gross-up may be given confidential treatment if filed in accordance with rule 25-22.006, Florida Statutes.
3. Workpapers which show the treatment of CIAC on the tax return.

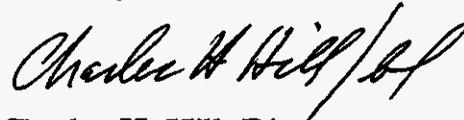
In addition to the above three items, staff requests the following:

1. The actual above-the-line tax liability before the effect of CIAC is taken into consideration;
2. The actual above-the-line tax liability after the effect of CIAC is taken into consideration;
3. The amount of CIAC collected for the reporting period;

4. The amount of gross-up collected for the reporting period;
5. The amount of above and below-the-line Net Operating Loss (NOL) carryforwards that were utilized/or available for the tax year;
6. The amount of Income Tax Credit (ITC) that was realized for each tax year;
7. Calculation of the amount of over or under collection of CIAC gross-up;
8. The proposed amount of refund and interest, if any; the refund calculation should be consistent with the calculation contained in Order No. PSC-0961-FOF-WS, issued September 9, 1992.

Response to the above questions should be provided no later than May 28, 1994. Should you have any questions, please contact Jennifer J. Iwenjiora in our office.

Sincerely,



Charles H. Hill, Director
Division of Water and Wastewater

CHH/jji

Enc.(1)

cc: Division of Water and Wastewater (Hill, McCaskill)
Division of Legal Services (Jaber, Summerlin)
Division of Auditing & Financial Analysis (Causseaux)

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January 15, 1997

VIA HAND DELIVERY

Charles H. Hill, Director
Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

RECEIVED

JAN 15 1997

Florida Public Service Commission
Division of Water and Wastewater

Re: JJ's Mobile Homes, Inc.
Post-June 12, 1996 Gross-up
Our File No. 27037.01

Dear Mr. Hill:

As a result of conversations with several members of the Commission Staff in recent weeks, I am writing to inform you that JJ's Mobile Homes, Inc. did not collect any CIAC gross-up after June 12, 1996. As such, no refunds are due in accordance with the requirements of Order No. PSC-96-1180-FOF-WS. As you know, the Utility was sold to the City of Mt. Dora within a few days of the June 12th cut-off date for taxation of CIAC.

Should you have any questions in this regard or need any further information in order to satisfy the requirements of the order, please let me know.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY


F. Marshall Deterding
For the Firm

FMD/lts

cc: Mr. Jordan Hypes
Robert C. Nixon, C.P.A.

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA M. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
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July 10, 1997

Officers and Directors
JJ's Mobile Homes, Inc.

As requested, we have prepared the accompanying Special Report of JJ's Mobile Homes, Inc., consisting of Schedules No. 1 through No. 5. This report is intended solely for use in fulfilling certain reporting requirements related to collection of tax impact charges on contributions in aid of construction, for the year ended December 31, 1996, to be filed with the Florida Public Service Commission. We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

JJ's Mobile Homes, Inc.
 Schedule of Tax on CIAC and Proposed Gross-up Refund
 For the Taxable Year Ended December 31, 1996

| <u>Line</u> <u>No.</u> | | |
|---------------------------|--|-----------------|
| 1 | Above the line taxable CIAC (Schedule No. 2) | \$29,288 |
| 2 | Effective Federal & State tax rate | <u>.3763</u> |
| 3 | Tax on CIAC | 11,021 |
| 4 | Expansion factor for gross-up taxes | <u>1.6033</u> |
| 5 | Gross-up required to pay tax effect | 17,670 |
| 6 | Gross-up collected | <u>18,613</u> |
| 7 | Gross-up over collected | 943 |
| 8 | Less: 50% of legal & accounting fees to prepare and | |
| 9 | process this report (1) | <u>(3,538)</u> |
| 10 | Net amount to be refunded | <u>\$ 0</u> |
| 11 | Notes: (1) Actual accounting fees to prepare this report | \$ 3,075 |
| 12 | Estimate to complete | <u>2,000</u> |
| 13 | Total accounting fees | <u>5,075</u> |
| 14 | Estimated legal expense, assuming no prolonged | |
| 15 | Staff inquiry | <u>2,000</u> |
| 16 | Total actual and estimated expense | <u>\$ 7,075</u> |
| 17 | 50% of expense | <u>\$ 3,538</u> |

JJ's Mobile Homes, Inc.
 Schedule of Above and Below the Line Taxable Income
 For the Taxable Year Ended December 31, 1996

| <u>Line No.</u> | | |
|---------------------|---|-------------------|
| 1 | <u>Above the line taxable income</u> | |
| 2 | Gross receipts/sales (Line 1c) (Schedule No. 3) | \$ 163,942 |
| 3 | Deductions (Schedule No. 3): | |
| 4 | Salaries & wages (Line 13) | 12,082 |
| 5 | Taxes (Line 17) | 18,028 |
| 6 | Interest expense (Line 18) (Schedule No. 4) | 11,450 |
| 7 | Depreciation (Line 21b) (Schedule No. 4) | 7,576 |
| 8 | Employee benefits (Line 25) | 1,014 |
| 9 | Other deductions (Line 26) | <u>59,061</u> |
| 10 | Total deductions | <u>109,211</u> |
| 11 | Taxable income before CIAC | <u>54,731</u> |
| 12 | CIAC: | |
| 13 | Taxable CIAC | 29,288 |
| 14 | Taxable gross-up | 18,613 |
| 15 | Interest on gross-up | <u>2,026</u> |
| 16 | Total CIAC | <u>49,927</u> |
| 17 | Total above the line taxable income | <u>104,658</u> |
| 18 | <u>Below the line taxable income</u> | |
| 19 | Gross receipts/sales (Line 1c) (Schedule No. 3) | 56,912 |
| 20 | Interest income (Line 5) | 20,009 |
| 21 | Capital gain | 940,617 |
| 22 | Garbage income | 28,134 |
| 23 | RV parking income | 1,019 |
| 24 | Meter fees | 4,095 |
| 25 | Commissions | 530 |
| 26 | Miscellaneous income | <u>36</u> |
| 27 | Total below the line income | <u>1,051,352</u> |
| 28 | Deductions (Schedule No. 3): | |
| 29 | Cost of goods sold (Line 2) | 39,655 |
| 30 | Compensation of officers (Line 12) | 300,000 |
| 31 | Salaries & wages (Line 13) | 4,382 |
| 32 | Bad debts (Line 15) | 29 |
| 33 | Taxes & licenses (Line 17) | 41,422 |
| 34 | Interest expense (Line 18) (Schedule No. 4) | 108,483 |
| 35 | Depreciation (Line 21b) (Schedule No. 4) | 25,330 |
| 36 | Employee benefits (Line 25) | 125 |
| 37 | Other deductions (Line 26) | <u>47,864</u> |
| 38 | Total deductions | <u>567,290</u> |
| 39 | Below the line taxable income | <u>484,062</u> |
| 40 | Total taxable income | <u>\$ 588,720</u> |

JJ's Mobile Homes, Inc.
Utility and Non-utility Taxable Income (Loss)
For the Taxable Year Ended December 31, 1996

| Line No. | | Total Company | Utility Operations | Mobile Home Park |
|-------------|---|-------------------|-----------------------|------------------------|
| 1 | Gross receipts/sales (Line 1c) | \$ 220,854 | \$ 163,942 | \$ 56,912 |
| 2 | Cost of goods sold (Line 2) | <u>(39,655)</u> | <u> </u> | <u>(39,655)</u> |
| 3 | Gross profit (Line 3) | 181,199 | 163,942 | 17,257 |
| 4 | Interest income (Line 5) (Note 1) | 22,035 | 2,026 | 20,009 |
| 5 | Capital gain income (Line 8) (Note 1) | 940,617 | | 940,617 |
| 6 | Other income (Line 10) (Schedule No. 4) | <u>81,715</u> | <u>51,996(2)</u> | <u>29,719</u> |
| 7 | Total income (Line 11) | <u>1,225,566</u> | <u>217,964</u> | <u>1,007,602</u> |
| 8 | Deductions: | | | |
| 9 | Compensation of officers (Line 12) | 300,000 | | 300,000 |
| 10 | Salaries & wages (Line 13) | 16,464 | 12,082 | 4,382 |
| 11 | Bad debts (Line 15) | 29 | | 29 |
| 12 | Taxes & licenses (Line 17) | 59,450 | 18,028 | 41,422 |
| 13 | Interest expense (Schedule No. 4) | 119,933 | 11,450 | 108,483 |
| 14 | Depreciation (Schedule No. 4) | 32,906 | 7,576 | 25,330 |
| 15 | Employee benefits (Line 25) | 1,139 | 1,014 | 125 |
| 16 | Other deductions (Line 26) | | | |
| 17 | (Schedule No. 4) | <u>106,925</u> | <u>59,061</u> | <u>47,864</u> |
| 18 | Total deductions (Line 28) | <u>636,846</u> | <u>109,211</u> | <u>527,635</u> |
| 19 | Net federal taxable income | <u>\$ 588,720</u> | <u>\$ 108,753</u> | <u>\$ 479,967</u> |
| 20 | Notes: (1) The Utility assets were sold July 3, 1996. | | | |
| 21 | (2) Includes \$4,095 of meter fees. | | | |

JJ's Mobile Homes, Inc.
Utility and Non-utility Taxable Income (Loss)
For the Taxable Year Ended December 31, 1996

| Line No. | | <u>Total Company</u> | <u>Utility Operations</u> | <u>Mobile Home Park</u> |
|-------------|-----------------------------------|--------------------------|-------------------------------|---------------------------------|
| 1 | <u>Other income (Line 10)</u> | | | |
| 2 | Garbage revenue | \$ 28,134 | | \$ 28,134 |
| 3 | RV parking income | 1,019 | | 1,019 |
| 4 | Commissions | 530 | | 530 |
| 5 | CIAC collected | 29,288 | \$ 29,288 | |
| 6 | Gross-up collected | 18,613 | 18,613 | |
| 7 | Meter fees | 4,095 | 4,095 | |
| 8 | Miscellaneous income | <u>36</u> | | <u>36</u> |
| 9 | Total other income | <u>\$ 81,715</u> | <u>\$ 51,996</u> | <u>\$ 29,719</u> |
| 10 | <u>Other deductions (Line 26)</u> | | | |
| 11 | Garbage removal | \$ 19,421 | | \$ 19,421 |
| 12 | Sludge removal | 7,480 | \$ 7,480 | |
| 13 | Purchased power | 8,144 | 7,933 | 211 |
| 14 | Materials & supplies | 573 | 573 | |
| 15 | Chemicals | 2,130 | 2,130 | |
| 16 | Contract services | 47,355 | 37,130 | 10,225 |
| 17 | Transportation | 3,216 | | 3,216 |
| 18 | Insurance | 21 | (367) | 388 |
| 19 | Miscellaneous | 12,925 | 4,182 | 8,743 |
| 20 | Telephone | 814 | | 814 |
| 21 | Utilities | 138 | | 138 |
| 22 | Bank charges | 367 | | 367 |
| 23 | Non-utility cost of sale | 4,009 | | 4,009 |
| 24 | 50% of meals & entertainment | <u>332</u> | | <u>332</u> |
| 25 | Total other deductions | <u>\$ 106,925</u> | <u>\$ 59,061</u> | <u>\$ 47,864</u> |

JJ's Mobile Homes, Inc.
Schedule of Above and Below the Line
Interest and Depreciation Expense
For the Taxable Year Ended December 31, 1996

Line
No.

| | | |
|----|---|--------------------|
| 1 | A. <u>Interest expense</u> | |
| 2 | Utility plant (1) | \$ 1,312,615 |
| 3 | Accumulated depreciation (1) | (160,275) |
| 4 | CIAC (net) (1) | <u>(1,083,902)</u> |
| 5 | Rate base | <u>\$ 68,438</u> |
| 6 | Total utility debt (1) | <u>\$ 541,967</u> |
| 7 | Debt in excess of rate base | <u>\$ 473,529</u> |
| 8 | Excess percentage | 87.37% |
| 9 | Above the line percentage | <u>12.63%</u> |
| 10 | | <u>100.00%</u> |
| 11 | Interest on utility debt (1) | \$ 90,654 |
| 12 | Above the line percentage | <u>12.63%</u> |
| 13 | Above the line interest expense | 11,450 |
| 14 | Below the line interest expense | <u>108,483</u> |
| 15 | Total interest expense (Line 18) | <u>\$ 119,933</u> |
| 16 | B. <u>Depreciation expense</u> | |
| 17 | Depreciation consists of the following: | |
| 18 | Depreciation on invested property | \$ 7,576 |
| 19 | First year depreciation on CIAC (2) | |
| 20 | Depreciation on prior years contributed | |
| 21 | property | 29,865 |
| 22 | Non-utility depreciation | <u>(4,535)</u> |
| 23 | | <u>\$ 32,906</u> |
| 24 | Above the line depreciation: | |
| 25 | Depreciation on invested property | <u>\$ 7,576</u> |
| 26 | Below the line depreciation: | |
| 27 | Depreciation on prior years contributed | |
| 28 | property | 29,865 |
| 29 | Non-utility depreciation | <u>(4,535)</u> |
| 30 | | <u>25,330</u> |
| 31 | Total depreciation (Line 21b) | <u>\$ 32,906</u> |
| 32 | Notes (1) Rate base and interest expense through July 3, 1996, date | |
| 33 | of utility sale. | |
| 34 | (2) Due to utility sale, no tax depreciation is calculated in | |
| 35 | year of disposition. | |

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
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(813) 797-3602

June 26, 1996

Officers and Directors
JJ's Mobile Homes, Inc.

As requested, we have prepared the accompanying Special Report of JJ's Mobile Homes, Inc., consisting of Schedules No. 1 through No. 5. This report is intended solely for use in fulfilling certain reporting requirements related to collection of tax impact charges on contributions in aid of construction, for the year ended December 31, 1995, to be filed with the Florida Public Service Commission. We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

JJ's Mobile Homes, Inc.
Schedule of Tax on CIAC and Proposed Gross-up Refund
For the Taxable Year Ended December 31, 1995
(Unaudited)

| <u>Line</u> <u>No.</u> | | |
|---------------------------|---|--------------------|
| 1 | Above the line taxable CIAC (Schedule No. 2) | \$ 316,275 |
| 2 | Less: First year's depreciation on CIAC (Schedule No. 4) | <u>(4,188)</u> |
| 3 | Net taxable CIAC | 312,087 |
| 4 | Effective federal and state tax rate | <u>.3763</u> |
| 5 | Tax on CIAC | 117,438 |
| 6 | Expansion factor for gross-up taxes | <u>1.6033</u> |
| 7 | Gross-up required to pay tax effect | 188,288 |
| 8 | Less: CIAC gross-up collected (Schedule No. 2) | <u>(198,629)</u> |
| 9 | Gross-up under (over) collected | <u>\$ (10,341)</u> |
| 10 | Note (1): The Company proposes a refund of \$10,341, plus interest. | |

JJ's Mobile Homes, Inc.
 Schedule of Above and Below the Line Taxable Income
 For the Taxable Year Ended December 31, 1995
 (Unaudited)

| <u>Line No.</u> | | |
|---------------------|--|------------------|
| 1 | <u>Above the line taxable income</u> | |
| 2 | Gross receipts/sales (Line 1c) (Schedule No. 3) | <u>\$274,814</u> |
| 3 | Deductions (Schedule No. 4): | |
| 4 | Salaries and wages (Line 13) | 19,446 |
| 5 | Taxes (Line 17) | 28,378 |
| 6 | Interest expense (Line 18) (Schedule No. 4) | 50 |
| 7 | Depreciation (Line 21b) (Schedule No. 4) | 13,829 |
| 8 | Employee benefits (Line 25) | 3,220 |
| 9 | Other deductions (Line 26) | <u>108,289</u> |
| 10 | Total deductions | <u>173,212</u> |
| 11 | Taxable income before CIAC | <u>101,602</u> |
| 12 | CIAC: | |
| 13 | Taxable CIAC | 316,275 |
| 14 | Taxable gross-up | 198,629 |
| 15 | Interest on gross-up | <u>12,906</u> |
| 16 | Total CIAC | <u>527,810</u> |
| 17 | Total above the line taxable income | <u>629,412</u> |
| 18 | <u>Below the line taxable income</u> | |
| 19 | Gross receipts/sales (Line 1c) (Schedule No. 3): | |
| 20 | Garbage revenue | 29,066 |
| 21 | RV parking income | 520 |
| 22 | Commissions | 760 |
| 23 | Meter fees | 18,369 |
| 24 | Interest income | <u>1,673</u> |
| 25 | Total below the line income | <u>50,388</u> |
| 26 | Deductions (Line 26) (Schedule No. 4): | |
| 27 | Salaries and wages (Line 13) | 2,980 |
| 28 | Taxes and licenses (Line 17) | 27,227 |
| 29 | Interest (Line 18) (Schedule No. 4) | 1,088 |
| 30 | Depreciation (Line 21b) (Schedule No. 5) | 45,252 |
| 31 | Advertising (Line 23) | 116 |
| 32 | Employee benefits (Line 25) | 398 |
| 33 | Other deductions (Line 26) | <u>37,382</u> |
| 34 | Total deductions | <u>114,443</u> |
| 35 | Below the line taxable income | <u>(64,055)</u> |
| 36 | Total taxable income | <u>\$565,357</u> |

JJ's Mobile Homes, Inc.
Utility and Non-utility Taxable Income (Loss)
For the Taxable Year Ended December 31, 1995
(Unaudited)

| Line No. | | <u>Total Company</u> | <u>Utility Operations</u> | <u>Mobile Home Park</u> |
|-------------|--|--------------------------|-------------------------------|---------------------------------|
| 1 | Gross receipts/sales (Line 1c) | \$274,814 | \$ 274,814 | |
| 2 | Interest income (Line 5) | 14,579 | 14,579 | |
| 3 | Other income (Line 10) | <u>563,619</u> | <u>533,273</u> | <u>\$ 30,346</u> |
| 4 | Total income (Line 11) | <u>853,012</u> | <u>822,666</u> | <u>30,346</u> |
| 5 | Deductions: | | | |
| 6 | Salaries and wages (Line 13) | 22,426 | 19,446 | 2,980 |
| 7 | Taxes and licenses (Line 17) | 55,605 | 55,158 | 447 |
| 8 | Interest expense | | | |
| 9 | (Schedule No. 4) | 1,138 | 1,138 | |
| 10 | Depreciation (Schedule No. 4) | 59,081 | 52,506 | 6,575 |
| 11 | Advertising (Line 23) | 116 | | 116 |
| 12 | Employee benefits (Line 25) | 3,618 | 3,220 | 398 |
| 13 | Other deductions (Line 26) | <u>145,671</u> | <u>108,289</u> | <u>37,382</u> |
| 14 | Total deductions (Line 27) | <u>287,655</u> | <u>239,757</u> | <u>47,898</u> |
| 15 | Net federal taxable income (loss) | <u>\$565,357</u> | <u>\$ 582,909</u> | <u>\$(17,552)</u> |
| 16 | Note (1): Detail of other deductions, with utility and non-utility | | | |
| 17 | classification as follows: | | | |
| 18 | | | | |
| 19 | | <u>Total</u> | <u>Utility</u> | <u>Mobile</u> |
| 20 | | <u>Company</u> | <u>Operations</u> | <u>Home</u> |
| | | | | <u>Park</u> |
| 21 | Garbage removal | \$ 20,378 | | \$ 20,378 |
| 22 | Sludge removal | 14,985 | \$ 14,985 | |
| 23 | Purchased power | 18,459 | 18,359 | 100 |
| 24 | Materials & supplies | 1,613 | 1,229 | 384 |
| 25 | Chemicals | 4,424 | 4,424 | |
| 26 | Contract services | 54,064 | 52,135 | 1,929 |
| 27 | Transportation | 1,339 | | 1,339 |
| 28 | Insurance | 8,251 | 7,854 | 397 |
| 29 | Miscellaneous | 21,850 | 9,303 | 12,547 |
| 30 | Telephone | 29 | | 29 |
| 31 | 50% of Meals & entertainment | <u>279</u> | | <u>279</u> |
| 32 | Total other deductions | <u>\$145,671</u> | <u>\$ 108,289</u> | <u>\$ 37,382</u> |

JJ's Mobile Homes, Inc.
Schedule of Above and Below the Line
Interest and Depreciation Expense
For the Taxable Year Ended December 31, 1995
(Unaudited)

| <u>Line No.</u> | | |
|---------------------|--|--------------------|
| 1 | A. <u>Interest expense</u> | |
| 2 | Utility plant | \$ 1,233,893 |
| 3 | Accumulated depreciation | (146,343) |
| 4 | CIAC (net) | <u>(1,063,986)</u> |
| 5 | Rate base | <u>\$ 23,564</u> |
| 6 | Total utility debt | <u>\$ 541,967</u> |
| 7 | Debt in excess of rate base | <u>\$ 518,403</u> |
| 8 | Excess percentage | 95.65% |
| 9 | Interest expense on utility debt | <u>\$ 1,138</u> |
| 10 | Below the line interest expense | 1,088 |
| 11 | Above the line interest expense | <u>50</u> |
| 12 | Total interest expense (Line 18) | <u>\$ 1,138</u> |
| 13 | B. <u>Depreciation expense</u> | |
| 14 | Depreciation consists of the following: | |
| 15 | Depreciation on invested property | \$ 13,829 |
| 16 | First year depreciation on CIAC | 4,188 |
| 17 | Depreciation on prior years contributed property | 34,489 |
| 18 | Non-utility depreciation | <u>6,575</u> |
| 19 | Total depreciation (Line 21b) | <u>\$ 59,081</u> |
| 20 | Above the line depreciation: | |
| 21 | Depreciation on invested property | <u>\$ 13,829</u> |
| 22 | Below the line depreciation: | |
| 23 | First year depreciation on CIAC | 4,188 |
| 24 | Depreciation on prior years contributed property | 34,489 |
| 25 | Non-utility depreciation | <u>6,575</u> |
| 26 | Total below the line depreciation | <u>45,252</u> |
| 27 | Total depreciation (Line 21b) | <u>\$ 59,081</u> |

JJ's Mobile Homes, Inc.
Detailed Statement of Tax Impact Escrow Account
For the Year Ended December 31, 1995
(Unaudited)

| <u>Line</u> <u>No.</u> | | |
|---------------------------|---------------------------------------|-------------------|
| 1 | Beginning balance, January 1, 1995 | <u>\$ 361,449</u> |
| 2 | Gross-up collected | 198,629 |
| 3 | Interest earned | 12,906 |
| 4 | Payment of 1994 and 1995 income taxes | <u>(275,177)</u> |
| 5 | | <u>(63,642)</u> |
| 6 | Ending balance, December 31, 1995 | <u>\$ 297,807</u> |

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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JOHN H. CRONIN, JR., C.P.A.
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June 26, 1996

Florida Public Service Commission
Division of Water and Wastewater

Officers and Directors
JJ's Mobile Homes, Inc.

As requested, we have prepared the accompanying Special Report of JJ's Mobile Homes, Inc., consisting of Schedules No. 1 through No. 6. This report is intended solely for use in fulfilling certain reporting requirements related to collection of tax impact charges on contributions in aid of construction, for the year ended December 31, 1994, to be filed with the Florida Public Service Commission. We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

JJ's Mobile Homes, Inc.
Schedule of Tax on CIAC and Proposed Gross-up Refund
For the Taxable Year Ended December 31, 1994
(Unaudited)

| <u>Line No.</u> | | |
|---------------------|--|-------------------|
| 1 | Above the line taxable CIAC (Schedule No. 2) | \$ 353,664 |
| 2 | Less: First year's depreciation of CIAC assets | <u>(14,028)</u> |
| 3 | Net taxable CIAC | 339,636 |
| 4 | Effective federal and state tax rate | <u>.3763</u> |
| 5 | Tax on CIAC | 127,805 |
| 6 | Expansion factor for gross-up taxes | <u>1.6033</u> |
| 7 | Gross-up required to pay tax effect | 204,910 |
| 8 | Less: CIAC gross-up collected (Schedule No. 2) | <u>(213,383)</u> |
| 9 | Gross-up under (over) collected | <u>\$ (8,473)</u> |
| 10 | Note (1): The Company proposes a refund of \$8,473, plus interest. | |

JJ's Mobile Homes, Inc.
 Schedule of Above and Below the Line Taxable Income (Loss)
 For the Taxable Year Ended December 31, 1994
 (Unaudited)

Line
No.

| | | |
|----|--|------------------|
| 1 | <u>Above the line taxable income</u> | |
| 2 | Gross receipts/sales (Line 1c) (Schedule No. 3) | <u>\$206,351</u> |
| 3 | Deductions (Schedule No. 4): | |
| 4 | Salaries and wages (Line 13) | 12,365 |
| 5 | Bad debts (Line 15) | 103 |
| 6 | Taxes and licenses (Line 17) | 21,604 |
| 7 | Depreciation (Line 21b) (Schedule No. 5) | 23,026 |
| 8 | Other deductions (Line 26) (Schedule No. 4) | <u>129,883</u> |
| 9 | Total deductions | <u>186,981</u> |
| 10 | Taxable income before CIAC | <u>19,370</u> |
| 11 | CIAC: | |
| 12 | Taxable CIAC | 353,664 |
| 13 | Taxable gross-up | 213,383 |
| 14 | Interest on gross-up | <u>12,300</u> |
| 15 | Total CIAC | <u>579,347</u> |
| 16 | Total above the line taxable income | <u>598,717</u> |
| 17 | <u>Below the line taxable income</u> | |
| 18 | Gross receipts/sales (Line 1c) (Schedule No. 3): | |
| 19 | Garbage income | 27,500 |
| 20 | Commission income | 719 |
| 21 | Mobile home sales | 107,710 |
| 22 | Engineering and legal fees reimbursed | 223,837 |
| 23 | Meter fees | 7,020 |
| 24 | Other income | 11,673 |
| 25 | Interest income | <u>544</u> |
| 26 | Total below the line income | <u>379,003</u> |
| 27 | Other deductions (Line 26) (Schedule No. 4): | |
| 28 | Salaries and wages (Line 13) | 1,648 |
| 29 | Rents (Line 16) | 6,760 |
| 30 | Taxes and licenses (Line 17) | 22,912 |
| 31 | Interest (Line 18) | 53,637 |
| 32 | Depreciation (Line 21b) (Schedule No. 5) | 23,535 |
| 33 | Advertising (Line 23) | 1,357 |
| 34 | Other deductions (Line 26) | <u>231,840</u> |
| 35 | Total deductions | <u>341,689</u> |
| 36 | Below the line taxable income | <u>37,314</u> |
| 37 | Total taxable income | <u>\$636,031</u> |

JJ's Mobile Homes, Inc.
Schedule of Taxable Income
For the Taxable Year Ended December 31, 1994
(Unaudited)

| <u>Line</u> <u>No.</u> | | |
|---------------------------|--|--------------------|
| 1 | I. <u>Gross receipts/sales</u> | |
| 2 | Utility operating revenues: | |
| 3 | Water | \$ 103,257 |
| 4 | Wastewater | <u>103,094</u> |
| 5 | Total utility operating revenues | <u>206,351</u> |
| 6 | Non-utility income: | |
| 7 | Garbage income | 27,500 |
| 8 | Mobile home sales | 107,710 |
| 9 | RV parking income | 547 |
| 10 | Commission earned | 719 |
| 11 | Other income | 11,126 |
| 12 | Meter fees | 7,020 |
| 13 | Engineering and legal fees reimbursement | <u>223,837</u> |
| 14 | Total non-utility revenues | <u>378,459</u> |
| 15 | CIAC: | |
| 16 | Taxable CIAC | 353,664 |
| 17 | Taxable gross-up | <u>213,383</u> |
| 18 | Total CIAC gross-up | <u>567,047</u> |
| 19 | Total gross receipts/sales (Line 1c) | <u>\$1,151,857</u> |

JJ's Mobile Homes, Inc.
Utility and Non-utility Taxable Income (Loss)
For the Taxable Year Ended December 31, 1994
(Unaudited)

| <u>Line No.</u> | | <u>Total Company</u> | <u>Utility Operations</u> | <u>Mobile Home Park</u> |
|---------------------|--|--------------------------|-------------------------------|---------------------------------|
| 1 | Gross receipts/sales (Line 1c) | \$1,151,857 | \$1,004,253 | \$ 147,602 |
| 2 | Interest income (Line 5) | <u>12,844</u> | <u>12,844</u> | |
| 3 | Total income (Line 11) | <u>1,164,701</u> | <u>1,017,099</u> | <u>147,602</u> |
| 4 | Deductions: | | | |
| 5 | Salaries and wages (Line 13) | 14,013 | 12,365 | 1,648 |
| 6 | Bad debts (Line 15) | 103 | 103 | |
| 7 | Rents (Line 16) | 6,760 | | 6,760 |
| 8 | Taxes and licenses (Line 17) | 44,516 | 21,604 | 22,912 |
| 9 | Interest (Line 18) | 53,637 | 53,637 | |
| 10 | Depreciation (Line 21b) | 46,561 | 37,054 | 9,507 |
| 11 | Advertising (Line 23) | 1,357 | | 1,357 |
| 12 | Other deductions (Line 26) | <u>361,723</u> | <u>353,720</u> (1) | <u>8,003</u> |
| 13 | Total deductions (Line 27) | <u>528,670</u> | <u>478,483</u> | <u>50,187</u> |
| 14 | Taxable income (Line 30) | <u>\$ 636,031</u> | <u>\$ 538,616</u> | <u>\$ 97,415</u> |
| 15 | Note (1): Detail of utility other deductions, with above and below the | | | |
| 16 | line classification as follows: | | | |
| 17 | | <u>Utility</u> | <u>Above</u> | <u>Below</u> |
| 18 | | <u>Operations</u> | <u>the Line</u> | <u>the Line</u> |
| 19 | Insurance | \$ 4,272 | \$ 4,272 | |
| 20 | Health insurance | 5,777 | 5,777 | |
| 21 | Legal & professional | 2,567 | 2,567 | |
| 22 | Office supplies & expenses | 744 | 744 | |
| 23 | Contract labor | 3,612 | 3,612 | |
| 24 | Bank charges | 90 | 90 | |
| 25 | Repairs & maintenance | 11,290 | 11,290 | |
| 26 | Telephone | 1,526 | 1,526 | |
| 27 | Utilities - electric | 810 | 810 | |
| 28 | Water (plant operation) | 8,417 | 8,417 | |
| 29 | Sewer (plant operation) | 47,331 | 47,331 | |
| 30 | Legal fees - utility | 40,132 | 40,132 | |
| 31 | Postage | 658 | 658 | |
| 32 | Supplies | 2,657 | 2,657 | |
| 33 | Reimbursable legal & engineering | <u>223,837</u> | | <u>\$ 223,837</u> |
| 34 | Total other deductions | <u>\$ 353,720</u> | <u>\$ 129,883</u> | <u>\$ 223,837</u> |

JJ's Mobile Homes, Inc.
Schedule of Above and Below the Line
Interest and Depreciation Expense
For the Taxable Year Ended December 31, 1994
(Unaudited)

Line
No.

| | | |
|----|--|--------------------|
| 1 | A. <u>Interest expense</u> | |
| 2 | Utility plant | \$ 861,865 |
| 3 | Accumulated depreciation | (120,904) |
| 4 | CIAC (net) | <u>(751,804)</u> |
| 5 | Rate base | <u>\$ (10,843)</u> |
| 6 | Due to negative rate base, all interest expense is below the line. | |
| 7 | B. <u>Depreciation expense</u> | |
| 8 | Depreciation consists of the following: | |
| 9 | Depreciation on invested property | \$ 23,026 |
| 10 | First year depreciation on CIAC | 14,028 |
| 11 | Non-utility depreciation | <u>9,507</u> |
| 12 | Total depreciation | <u>\$ 46,561</u> |
| 13 | Above the line depreciation: | |
| 14 | Depreciation on invested property | <u>\$ 23,026</u> |
| 15 | Below the line depreciation: | |
| 16 | First year depreciation on CIAC | 14,028 |
| 17 | Non-utility depreciation | <u>9,507</u> |
| 18 | Total below the line depreciation | <u>23,535</u> |
| 19 | Total depreciation (Line 21b) | <u>\$ 46,561</u> |

JJ's Mobile Homes, Inc.
Detailed Statement of Tax Impact Escrow Account
For the Year Ended December 31, 1994
(Unaudited)

Line
No.

| | | |
|---|------------------------------------|------------------|
| 1 | Beginning balance, January 1, 1994 | <u>\$135,766</u> |
| 2 | Gross-up collected | 213,383 |
| 3 | Interest earned | <u>12,300</u> |
| 4 | Ending balance, December 31, 1994 | <u>\$361,449</u> |

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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November 14, 1994

Officers and Directors
JJ's Mobile Homes, Inc.

As requested, we have prepared the accompanying Special Report of JJ's Mobile Homes, Inc., consisting of Schedules No. 1 through No. 6. This report is intended solely for use in fulfilling certain reporting requirements related to collection of tax impact charges on contributions in aid of construction, for the year ended December 31, 1993, to be filed with the Florida Public Service Commission. We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

JJ's Mobile Homes, Inc.
 Schedule of Tax on CIAC and Proposed Gross-up Refund
 For the Taxable Year Ended December 31, 1993
 (Unaudited)

| <u>Line</u> <u>No.</u> | | |
|---------------------------|--|-------------------|
| 1 | Taxable CIAC (Schedule No. 2) | \$ 205,080 |
| 2 | Less: First year depreciation on CIAC assets | <u>(8,502)</u> |
| 3 | Net taxable CIAC | 196,578 |
| 4 | Effective federal and state tax rate | <u>37.63%</u> |
| 5 | Tax on CIAC | 73,972 |
| 6 | Expansion factor for gross-up taxes | <u>1.6033</u> |
| 7 | Gross-up required to pay tax effect | 118,599 |
| 8 | Less: CIAC gross-up collected (Schedule No. 2) | <u>(124,346)</u> |
| 9 | Excess gross-up collected (1) | <u>\$ (5,747)</u> |
| 10 | Note (1): The utility proposes a refund of gross-up collections of | |
| 11 | \$5,747, plus accrued interest to the refund date. | |

JJ's Mobile Homes, Inc.
 Schedule of Above and Below the Line Taxable Income (Loss)
 For the Taxable Year Ended December 31, 1993
 (Unaudited)

| <u>Line No.</u> | | |
|-----------------|--|------------------|
| 1 | <u>Above the line taxable income (loss)</u> | |
| 2 | Gross receipts/sales (Note 1) | \$ 162,386 |
| 3 | Deductions (Schedule No. 3): | |
| 4 | Repairs & Maintenance | 6,801 |
| 5 | Taxes | 11,209 |
| 6 | Interest (Schedule No. 4) | 5,606 |
| 7 | Depreciation (Schedule No. 4) | 10,192 |
| 8 | Other deductions (Schedule No. 5) | <u>60,352</u> |
| 9 | Total deductions | <u>94,160</u> |
| 10 | Taxable income before CIAC | <u>68,226</u> |
| 11 | CIAC: | |
| 12 | Taxable CIAC | 205,080 |
| 13 | CIAC gross-up | <u>124,346</u> |
| 14 | | |
| 15 | Total CIAC | <u>329,426</u> |
| 16 | Above the line taxable income | <u>397,652</u> |
| 17 | <u>Below the line taxable loss</u> | |
| 18 | Income (Note 1): | |
| 19 | Garbage income | 38,380 |
| 20 | Commissions earned | 738 |
| 21 | Meter fees | 8,424 |
| 22 | Interest | <u>4,231</u> |
| 23 | Total other income | <u>51,773</u> |
| 24 | Deductions (Schedule No. 3): | |
| 25 | Repairs | (5,224) |
| 26 | Rents | 7,153 |
| 27 | Taxes | 10,167 |
| 28 | Interest (Schedule No. 4) | 34,958 |
| 29 | Depreciation | 29,257 |
| 30 | Advertising | 874 |
| 31 | Other deductions (Mobile Home division) | <u>50,378</u> |
| 32 | Total other deductions | <u>127,563</u> |
| 33 | Below the line taxable loss | (75,790) |
| 34 | Below the line NOL carryforward deduction (Note 2) | <u>(221,939)</u> |
| 35 | | <u>(297,729)</u> |
| 36 | Total taxable income | <u>\$ 99,923</u> |

JJ's Mobile Homes, Inc.
 Schedule of Above and Below the Line Taxable Income (Loss)
 For the Taxable Year Ended December 31, 1993
 (Unaudited)

| Line No. | | |
|-------------|--------------------|---|
| 1 | Notes: (1) | Total revenue is not broken out on the tax return or |
| 2 | | separately scheduled as an attachment to the return. Revenue |
| 3 | | reported in the tax return consists of the following: |
| 4 | Water revenue | \$ 76,136 |
| 5 | Sewer revenue | <u>86,250</u> |
| 6 | | <u>162,386</u> |
| 7 | Taxable CIAC | 205,080 |
| 8 | Taxable gross-up | <u>124,346</u> |
| 9 | | <u>329,426</u> |
| 10 | Garbage income | 38,380 |
| 11 | Commissions earned | 738 |
| 12 | Meter fees | <u>8,424</u> |
| 13 | | <u>47,542</u> |
| 14 | Interest income | <u>4,231</u> |
| 15 | | <u>\$543,585</u> |
| 16 | (2) | An analysis of the NOL carryforward was included in the |
| 17 | | Company's gross-up application based on the year ended |
| 18 | | December 31, 1991. In 1991, the Company used that portion of the |
| 19 | | NOL related to utility operations. In 1992, the Utility had above |
| 20 | | the line net taxable income. Therefore, all of the 1993 NOL |
| 21 | | carryforward relates to below the line operations. |

JJ's Mobile Homes, Inc.
Utility and Non-Utility Taxable Income (Loss)
For the Taxable Year Ended December 31, 1993
(Unaudited)

| Line No. | | <u>Total Company</u> | <u>Utility Operations</u> | <u>Mobile Home Park</u> |
|-------------|---------------------------------|--------------------------|-------------------------------|---------------------------------|
| 1 | <u>Income</u> | | | |
| 2 | Gross receipts/sales | | | |
| 3 | (Line 1c) | \$ 539,354 | \$ 500,236 | \$ 39,118 |
| 4 | Interest income (Line 5) | <u>4,231</u> | <u>4,231</u> | <u></u> |
| 5 | Total income (Line 11) | <u>543,585</u> | <u>504,467</u> | <u>39,118</u> |
| 6 | <u>Deductions</u> | | | |
| 7 | Repairs (Line 14) | 1,577 | 6,801 | (5,224) |
| 8 | Rents (Line 16) | 7,153 | | 7,153 |
| 9 | Taxes & licenses (Line 17) | 21,376 | 11,209 | 10,167 |
| 10 | Interest (Line 18) | 40,564 | 40,564 | |
| 11 | Depreciation (Line 21b) | 39,449 | 18,694 | 20,755 |
| 12 | Advertising (Line 23) | 874 | | 874 |
| 13 | Other deductions (Line 26) | <u>110,730</u> | <u>60,352</u> | <u>50,378</u> |
| 14 | Total deductions (Line 27) | <u>221,723</u> | <u>137,620</u> | <u>84,103</u> |
| 15 | Taxable income before NOL | | | |
| 16 | deduction (Line 28) | 321,862 | 366,847 | (44,985) |
| 17 | NOL deduction (Line 29c) | <u>(221,939)</u> | <u></u> | <u>(221,939)</u> |
| 18 | Taxable income (loss) (Line 30) | <u>\$ 99,923</u> | <u>\$ 366,847</u> | <u>\$ (266,924)</u> |

JJ's Mobile Homes, Inc.
 Schedule of Above and Below the Line
 Interest and Depreciation Expense
 For the Year Ended December 31, 1993

| <u>Line</u> <u>No.</u> | | |
|---------------------------|--|-------------------|
| 1 | (A) <u>Interest expense</u> | |
| 2 | Utility plant in service | \$ 553,690 |
| 3 | Accumulated depreciation | (103,865) |
| 4 | CIAC (net) | <u>(403,338)</u> |
| 5 | Rate base | <u>\$ 46,487</u> |
| 6 | Total utility debt | <u>\$ 336,262</u> |
| 7 | Debt in excess of rate base | <u>\$ 289,775</u> |
| 8 | Excess percentage | 86.18% |
| 9 | Interest expense on utility debt | <u>\$ 40,564</u> |
| 10 | Below the line interest expense | 34,958 |
| 11 | Above the line interest expense | <u>5,606</u> |
| 12 | Total interest expense | <u>\$ 40,564</u> |
| 13 | (B) <u>Depreciation expense</u> | |
| 14 | Depreciation consists of the following: | |
| 15 | Depreciation on invested property | \$ 10,192 |
| 16 | First year depreciation on CIAC | 8,502 |
| 17 | Non-utility depreciation (auto): <small>From 1098 p. 2</small> | <u>20,755</u> |
| 18 | Total depreciation | <u>\$ 39,449</u> |
| 19 | Above the line depreciation: | |
| 20 | Depreciation on invested property | <u>\$ 10,192</u> |
| 21 | Below the line depreciation: | |
| 22 | First year depreciation on CIAC | 8,502 |
| 23 | Non-utility depreciation | <u>20,755</u> |
| 24 | Total below the line depreciation | <u>29,257</u> |
| 25 | Total depreciation | <u>\$ 39,449</u> |

JJ's Mobile Homes, Inc.
Above and Below the Line Utility "Other Deductions"
For the Taxable Year Ended December 31, 1993
(Unaudited)

| <u>Line</u> <u>No.</u> | | |
|---------------------------|---|-----------------|
| 1 | Total utility "other deductions" (Schedule No. 2) | <u>\$60,352</u> |
| 2 | Above the line other deductions: | |
| 3 | Contract labor | \$ 5,369 |
| 4 | Auto expense | 19 |
| 5 | Bank charges | 108 |
| 6 | Insurance | 2,694 |
| 7 | Legal and professional | 2,651 |
| 8 | Permits | 200 |
| 9 | Office expense | 299 |
| 10 | Postage | 487 |
| 11 | Supplies | 2,331 |
| 12 | Phone | 1,001 |
| 13 | Legal fees | 15,228 |
| 14 | Utilities and sewer (operator and maintenance) | <u>29,965</u> |
| 15 | | <u>\$60,352</u> |

JJ's Mobile Homes, Inc. (Utility Division)
Detailed Statement of Tax Impact Escrow Account
For the Year Ended December 31, 1993

| <u>Line</u> <u>No.</u> | | |
|---------------------------|-----------------------------------|------------------|
| 1 | Beginning balance January 1, 1993 | <u>\$ 7,765</u> |
| 2 | Deposits | 124,346 |
| 3 | Interest earned | <u>3,655</u> |
| 4 | Ending balance December 31, 1993 | <u>\$135,766</u> |

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
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May 12, 1994

Officers and Directors
JJ's Mobile Homes, Inc. (Utility Division)

As requested, we have prepared the accompanying Special Report of JJ's Mobile Homes, Inc. (Utility Division), consisting of Schedules No. 1 through No. 4. This report is intended solely for use in fulfilling certain reporting requirements related to collection of tax impact charges on contributions in aid of construction, for the year ended December 31, 1992, to be filed with the Florida Public Service Commission. We have not audited or reviewed this Special Report and express no opinion or any other form of assurance on it.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

JJ's Mobile Homes, Inc. (Utility Division)
Tax on CIAC, Gross-up Required and Proposed Refund
Year Ended December 31, 1992

| | |
|--|-----------------|
| Taxable CIAC (Schedule No. 2) | \$ 17,160 |
| Less: First years depreciation on CIAC | <u>(19)</u> |
| Net taxable CIAC | 17,141 |
| Combined marginal tax rate | <u>.3763</u> |
| Tax on CIAC | 6,450 |
| Expansion factor for gross-up | <u>1.6033</u> |
| | |
| Gross-up required to pay tax effect | 10,341 |
| Gross-up collected | <u>(7,765)</u> |
| | |
| Under (over) collection of gross-up | <u>\$ 2,576</u> |

Note: No refund is required since actual gross-up collected is less than gross-up required to pay tax effect.

JJ's Mobile Homes, Inc. (Utility Division)
 Schedule of Above and Below the Line Taxable Income (Loss)
 Year Ended December 31, 1992

Above the line taxable income (loss)

| | |
|---|--------------|
| Gross receipts/sales (Note 1) | \$ 106,971 ✓ |
| Deductions (Schedule No. 3) | |
| Repairs | 1,354 ✓ |
| Rents | 3,968 ✓ |
| Taxes | 7,031 |
| Interest (Note 3) | 9,860 ✓ |
| Depreciation (Note 3) | 11,170 |
| Other deductions (Schedule No. 4): | 47,137 |
| | 80,520 |
| | |
| Taxable income before CIAC and gross-up | 26,451 |
| Taxable CIAC | 17,160 |
| Gross-up | 7,765 |
| | 24,925 |
| | |
| Total above the line taxable income | 51,376 |

Below the line taxable income (loss)

| | |
|--|--------------|
| Income (Note 1) | |
| Mobile home park sales (lots) | 43,350 |
| Cost of goods sold (Line 2, 1120) | (14,303) |
| | 29,047 |
| Garbage income | 23,439 |
| Commissions earned | 698 |
| Miscellaneous | 1,963 |
| Meter fees | 702 |
| Interest | 90 |
| | 55,939 |
| | |
| Deductions (Schedule No. 3): | |
| Repairs | 338 |
| Rents | 3,967 |
| Taxes | 1,314 |
| Interest | 39,435 |
| Depreciation | 2,257 |
| Advertising | 1,180 |
| Employee Benefits | 8,355 |
| Other deductions: | |
| Mobile home park (Schedule No. 3) | 25,746 |
| Utility division (Schedule No. 4) | 70,054 |
| | 152,646 |
| | |
| Below the line taxable income (loss) | (96,707) |
| Below the line NOL carryforward deduction (Note 2) | (176,608) |
| | (273,315) |
| | |
| Total taxable income (loss) (Line 30) | \$ (221,939) |

JJ's Mobile Homes, Inc. (Utility Division)
Schedule of Above and Below the Line Taxable Income (Loss)
Year Ended December 31, 1992

Notes: (1): Total revenue is not broken out on the return or separately scheduled as an attachment to the return.
Revenue reported in the return consists of the following:

| | |
|-----------------------------------|-----------------------|
| Water revenue | \$ 49,933 |
| Sewer revenue | 57,038 |
| | <u>106,971</u> |
| Taxable CIAC | 17,160 |
| Taxable gross-up | 7,765 |
| | <u>24,925</u> |
| Mobile home lot sales | 43,350 |
| Garbage income | 23,439 |
| Commissions earned | 698 |
| Meter fees | 702 |
| | <u>68,189</u> |
| Total revenue (Line 1c, 1120) | <u>\$ 200,085</u> |

CIAC reported as revenue in the tax return is identical to amounts reported in the annual report.

(2) An analysis of the NOL carryforward was included in the Company's gross-up application, based on the year ended December 31, 1991. The NOL available at that time totaled \$(214,256), of which \$(137,807) related to above the line utility operations. In 1991, the company had above the line taxable income of \$170,528, which eliminated the NOL carryforward of \$(137,807). See Schedule No. 2 of Company's gross-up application. Therefore, all of the 1992 NOL carryforward relates to below the line operations.

(3) No attempt to classify a portion of interest, depreciation or taxes to below the line operations was made, since the Company has above the line taxable income, before such classification. Although some portion of the wastewater utility may be non-used and useful, the costs to make an analysis and determine the appropriate below the line classification are prohibitive and would only increase the amount of above the line income shown in this report.

JJ's Mobile Homes, Inc. (Utility Division)
 Utility and Non-utility Taxable Income (Loss)
 Year Ended December 31, 1992

| Income | Total Company | Utility Operations | Mobile Home Park |
|--|-------------------------|--|---|
| Gross receipts/sales (Line 1c) | \$ 200,085 | \$ 132,598 | \$ 67,487 |
| Cost of goods sold (Line 2) | (14,303) | | (14,303) |
| Interest income (Line 5) | 90 | | 90 |
| Other income (Line 10) | <u>1,963</u> | | <u>1,963</u> |
| Total income (loss) | <u>187,835</u> | <u>132,598</u> | <u>55,237</u> |
| Deductions: | | | |
| Repairs (Line 14) | 1,692 | 1,354 | 338 |
| Rents (Line 16) | 7,935 | 3,968 | 3,967 |
| Taxes (Line 17) | 8,345 | 7,031 | 1,314 |
| Interest (Line 18) | 49,295 | 9,860 | 39,435 |
| Depreciation (Line 21b) | 13,427 | 11,170 | 2,257 |
| Advertising (Line 23) | 1,180 | | 1,180 |
| Employee benefits (Line 25) | 8,355 | | 8,355 |
| Other deductions (line 26) | <u>142,937</u> | <u>117,191</u> | <u>25,746</u> |
| Total deductions (Line 27) | <u>233,166</u> | <u>150,574</u> | <u>82,592</u> |
| Taxable income before NOL deduction (loss) | (45,331) | (17,976) | (27,355) |
| NOL deduction (Line 29c) | <u>(176,608)</u> | <u>—</u> | <u>(176,608)</u> ← not allowed same as |
| Taxable income (loss) (Line 30) | <u>\$ (221,939)</u> | <u>\$ (17,976)</u> <i>(194,584)</i> | <u>\$ (203,963)</u> |

JJ's Mobile Homes, Inc. (Utility Division)
 Above and Below the Line Utility "Other Deductions"
 Year Ended December 31, 1992

Total utility "Other deductions" (Page 2 this Schedule) \$ 117,191

Above the line "Other deductions":

| | |
|--|---------------|
| Contract labor | 3,124 |
| Auto expense | 384 |
| Bank charges | 244 |
| Insurance | 1,220 |
| Legal & professional | 1,460 |
| Miscellaneous | 82 |
| Office supplies & expenses | 192 |
| Postage | 396 |
| Supplies | 1,064 |
| Telephone | 456 |
| Utilities | 9,514 |
| Water | 140 |
| Sewer (plant operator and maintenance) | 28,861 |
| | <u>47,137</u> |

Below the line "Other deductions":

| | |
|--------------------------|---------------|
| Travel and entertainment | 762 |
| Legal fees | 69,292 |
| | <u>70,054</u> |

Total "Other deductions" \$ 117,191

✓ 11/22/92 11/22/92