

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Transfer)
of Majority Organizational Control)
of Arredondo Utility Company, Inc.)
in Alachua County, Florida to)
AquaSource Utility, Inc.)

DOCKET NO. 981509

NOTICE OF FILING

Applicants hereby notice the filing of the Consolidated Balance Sheet of AquaSource, Inc. in the above-referenced docket.

Respectfully submitted on this 30th day of November, 1998, by:

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By *Martin S. Friedman*
MARTIN S. FRIEDMAN

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RECORDS AND REPORTING

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FPSC-RECORDS/REPORTING

AquaSource, Inc.
Consolidated Balance Sheet
(Unaudited)

| | September 1998 | December 31, 1997 |
|--|-------------------|----------------------|
| Assets | | |
| <i>Current Assets</i> | | |
| Cash | 250,671 | 849,930 |
| Accounts receivable - customers | 3,328,242 | 236,559 |
| Other receivables | 2,188,773 | |
| Income tax receivable | 1,282,776 | 234,799 |
| Funds held by trustee | 831,038 | |
| Inventory | 142,399 | 19,100 |
| Prepayments | 180,634 | |
| Other | 1,415,799 | |
| <i>Total current assets</i> | 9,620,302 | 1,321,288 |
| <i>Fixed Assets</i> | | |
| Utility plant in service | 38,725,977 | 1,276,975 |
| Other fixed assets | 4,702,798 | 733,240 |
| | 43,428,775 | 2,010,215 |
| Accumulated depreciation | (690,310) | (65,253) |
| Construction work in progress | 72,330 | |
| <i>Total fixed assets</i> | 42,810,795 | 1,944,962 |
| <i>Other Assets and Deferred Charges</i> | | |
| Investments in Water Companies | 1,836,662 | 704,031 |
| Regulatory assets | 17,995,139 | |
| Goodwill | 9,134,987 | |
| Customer lists and relationships | 1,368,508 | 5,481,911 |
| Deferred tax assets | 20,800,000 | |
| Investment in marketable securities (collateral account) | 9,641,082 | |
| Other | 5,021,111 | 28,138 |
| <i>Total other assets and deferred charges</i> | 70,797,489 | 6,214,080 |
| <i>Total Assets</i> | 123,228,586 | 9,480,330 |
| Liabilities and Shareholders' Equity | | |
| <i>Liabilities</i> | | |
| <i>Current Liabilities</i> | | |
| Accounts payable | 1,108,945 | 196,081 |
| Accounts payable - affiliates | 250,724 | 245,000 |
| Billings in excess of costs and profits | 902,617 | |
| Customer deposits | 277,088 | |
| Accrued taxes | 43,208 | |
| Other accrued liabilities | 820,514 | |
| <i>Total current liabilities</i> | 3,403,096 | 441,081 |
| <i>Non Current Liabilities</i> | | |
| Deferred income taxes | 26,601,407 | |
| Long term debt | 17,908,582 | |
| Other | 827,994 | |
| <i>Total noncurrent liabilities</i> | 45,337,983 | |
| <i>Shareholders' Equity</i> | | |
| Contributions by the "A" Shareholders | 74,771,660 | 9,856,645 |
| Contributions by the "B" Shareholders | 626,000 | 400,000 |
| Retained earnings | (910,133) | (1,198,296) |
| <i>Total shareholders' equity</i> | 74,487,527 | 9,058,349 |
| <i>Total Liabilities and Shareholders' Equity</i> | 123,228,586 | 9,499,430 |

The accompanying notes are an integral part of these financial statements.

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