

**Sun City West Water**

Test Year Ended December 31, 2016

Projected Income Statements - Present & Proposed Rates

Exhibit

Schedule F-1

Page 1

Witness: Murrey

Line No.		Test Year Actual Results (b)	At Present Rates Year Ended (a) 12/31/2017	At Proposed Rates Year Ended (a) 12/31/2017	
1	Operating Revenues	\$ 8,647,268	\$ 8,665,072	\$ 9,565,637	
2					
3	Operation & Maintenance Expense	\$ 3,071,361	\$ 3,473,764	\$ 2,744,064	
4	Depreciation & Amortization	1,917,198	2,681,429	2,681,429	
5	Other Taxes	429,379	470,912	482,753	
6	Income Taxes	740,243	775,079	1,113,316	
7	Total Expense	\$ 6,158,181	\$ 7,401,185	\$ 7,021,562	Sum Lines [3-6]
8	Operating Income	\$ 2,489,087	\$ 1,263,888	\$ 2,544,075	Line [1] - Line [7]
9					
10	Other Income Net	\$ (52,921)	\$ (52,921)	\$ (52,921)	
11					
12	Long-Term Interest	\$ 571,197	\$ 741,807	\$ 741,807	
13					
14	Other Income and Deductions	\$ -	\$ -	\$ -	
15	Net Income	\$ 1,970,811	\$ 575,001	\$ 1,855,189	Line [8] - Sum Lines [10-14]
16					
17					
18	Earnings Per Average Share	\$ 49.09 (c)	\$ 14.32 (c)	\$ 46.21 (c)	
19					
20	Return on Common Equity	11.98% (c)	3.26% (d)	11.26% (d)	
21					
22					
23	Purchased Power Expenses Not Included		732,641		
24	Purchased Water Expenses Not Included		-		
25	Total Expense		732,641		
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42	Supporting Schedules:	Recap Schedules:			
43	(a) C-1	A-2			
44	(b) E-2				
45	(c) A-2				
46	(d) D-1				
47					
48	Workpapers & Supporting Documents:				
49					
50	\2016 Sun City West Water.xlsm				

**Sun City West Water**

Test Year Ended December 31, 2016

Projected Statements of Changes in Financial Position

Exhibit

Schedule F-2

Page 1

Witness: Murrey

Line No.	Test Year Actual Results (a)	At Present Rates Year Ended 12/31/2017	At Proposed Rates Year Ended 12/31/2017	
1	Source of Funds			
2	From Operations			
3	Net Income	\$ 1,970,811	\$ 575,001 (b)	\$ 1,855,189 (b)
4	Depreciation and Amortization	1,917,198	2,681,429 (b)	2,681,429 (b)
5	Def. Investment Tax Credits	-	- (a)	- (a)
6	Deferred income Taxes	1,090,712	1,090,712 (a)	1,090,712 (a)
7	Amort. of Regulatory Expense	-	- (a)	- (a)
8	Total From Operations	<u>\$ 4,978,720</u>	<u>\$ 4,347,142</u>	<u>\$ 5,627,330</u> Sum Lines [3-7]
9	From Financing			
10	Advances in Aid of Construction	\$ (49,690)	\$ (49,690) (a)	\$ (49,690) (a)
11	Contributions in Aid of Construction	50,456	50,456 (a)	50,456 (a)
12	Issuance of Long-Term Debt	(3,020)	(3,020) (a)	(3,020) (a)
13	Increase / (Decrease) in Net Amounts Due to Parent and Affiliates	(3,790,534)	(3,790,534) (a)	(3,790,534) (a)
14	Total From Financing	<u>\$ (3,792,788)</u>	<u>\$ (3,792,788)</u>	<u>\$ (3,792,788)</u> Sum Lines [10-14]
15				
16				
17	Total Funds Provided	<u>\$ 1,185,932</u>	<u>\$ 554,354</u>	<u>\$ 1,834,542</u> Line [8] + Line [15]
18	Application of Funds			
19	Construction Expenditures	\$ 3,232,036	\$ 2,425,061 (e)	\$ 2,425,061 (e)
20	Rate Case Expenses	-	59,097 (a)	59,097 (a)
21	Dividends Paid	326,771	326,771 (a)	326,771 (a)
22	Other Deferred Debits and Credits	7,712	7,712 (a)	7,712 (a)
23	Total Funds Applied	<u>\$ 3,566,519</u>	<u>\$ 2,818,641</u>	<u>\$ 2,818,641</u> Sum Lines [19-22]
24				
25	Details of Financing			
26	Changes in Short-Term Debt	\$ - (c)	\$ -	\$ -
27	Changes in Long-Term Debt	\$ (3,020) (c)	\$ (3,020) (d)	\$ (3,020) (d)
28	Changes in Preferred Stock	\$ - (c)	\$ -	\$ -
29	Changes in Common Equity	\$ 692,825 (c)	\$ 575,001 (c)	\$ 1,855,189 (c)
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43	Supporting Schedules:	Recap Schedules:		
44	(a) E-3	A-5		
45	(b) F-1			
46	(c) E-1			
47	(d) D-2			
48	(e) F-3			
49	Workpapers & Supporting Documents:			
50	\2016 Sun City West Water.xlsm			

Line No.	Business Unit	Actual Test Year <u>12/31/2016</u>	Projected Thru <u>12/31/2017</u>	Projected Thru <u>12/31/2018</u>	Projected Thru <u>12/31/2019</u>	
1	Property Classification					
2						
3	Projected Capital Expenditures	\$ 3,232,036	\$ 2,425,061	\$ 6,204,806	\$ 3,799,517	(a)
4						
5						
6						
7	Total Plant	<u>\$ 3,232,036</u>	<u>\$ 2,425,061</u>	<u>\$ 6,204,806</u>	<u>\$ 3,799,517</u>	Sum Line [3-6]
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43	Supporting Schedules					Recap Schedules:
44	(a) A-4					F-2
45						
46						
47	Workpapers and Supporting Documents					
48						
49						
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Line

No.

1 Customer growth:

2

3 -Revenues annualized for customer growth during test year. See Schedule C-2.

4 -Sales normalized for effects of weather. See Schedules C-2

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6 Growth or decline in consumption and customer demand:

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8 -Expenses have been adjusted to reflect annualization of customer growth / loss  
9 per residential customer. See Schedule C-2.

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12 Changes in expenses:

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14 -See Schedule C-2 and testimonies of Ms. Sarah M. Clor, Ms. Sandra L. Murrey and Mr. Jon P. Boizelle.

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17 Construction requirements, including production reserves and changes in plant capacity:

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19 -Construction requirements reflect the Company's 2017 - 2019 business plan.

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22 Capital structure changes:

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24 See Schedule D-1 and the testimony of Ms. Sheryl L. Hubbard.

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27 Financing costs, interest rates:

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29 See Schedule D-2, page 2 and the testimony of Ms. Sheryl L. Hubbard.

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43 Supporting Schedules

Recap Schedules:

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47 Workpapers and Supporting Documents

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