

CLASS "A" OR "B"
WATER and/or WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

SU293-05-AR

Forest Utilities, Inc.

Exact Legal Name of Respondent

Various

Certificate Numbers

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2005

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
DIVISION OF
ECONOMIC REGULATION

06 FEB 22 PM 1:07

Cronin, Jackson, Nixon & Wilson
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February 17, 2006

Officers and Directors
Forest Utilities, Inc.

We have compiled the 2005 Annual Report of Forest Utilities, Inc. in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Forest Utilities, Inc. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

Cronin, Jackson, Nixon & Wilson
CRONIN, JACKSON, NIXON & WILSON

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B**

Company: Forest Utilities, Inc.

For the Year Ended December 31, 2005

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate revenues (521.1 - 521.6)	\$ 512,361	\$ 512,361	\$ -
Total Measured Revenues (522.1 - 522.5)	184,606	184,606	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	8,400	8,400	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
Total Wastewater Operating Revenue	\$ 705,367	\$ 705,367	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 705,367	\$ 705,367	\$ -

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

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EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT
December 31, 2005


UTILITY NAME: Forest Utilities, Inc.

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

- | | | | |
|--------------|-----------|----|---|
| YES
(X) | NO
() | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES
(X) | NO
() | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
(X) | NO
() | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
(X) | NO
() | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified

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



(signature of the chief executive officer of the utility) *

1.	2.	3.	4.
()	()	()	()

N/A

(signature of the chief financial officer of the utility) *

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

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

ANNUAL REPORT OF

YEAR OF REPORT December 31, 2005

Forest Utilities, Inc.
 (Exact Name of Utility)

County: Lee

List below the exact mailing address of the utility for which normal correspondence should be sent:

6000 Forest Blvd
 Fort Myers, Florida 33919

Telephone: (239) 481-0111

e-Mail Address: forestu@aol.com

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

Name and address of person to whom correspondence concerning this report should be addressed:

Robert C. Nixon, CPA
 Cronin, Jackson, Nixon & Wilson, CPA's, PA
 2560 Gulf-to-Bay Blvd, Suite 200
 Clearwater, Florida 34625

Telephone: (727) 791-4020

List below the address of where the utility's books and records are located:

6000 Forest Blvd
 Fort Myers, Florida 33919

Telephone: (239) 481-0111

List below any groups auditing or reviewing the records and operations:

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: 12/31/80

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

Individual
 Partnership
 Sub S Corporation
 1120 Corporation

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

	Name	Percent Ownership
1.	David W. Swor	100.0 %
2.		%
3.		%
4.		%
5.		%
6.		%
7.		%
9.		%
10.		%

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2005

**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Robert C. Nixon	CPA	Cronin, Jackson, Nixon & Wilson, CPA's	Accounting & rate matters
Martin S. Friedman	Attorney	Rose, Sundstrom & Bentley	Legal matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll:

UTILITY NAME: Forest Utilities, Inc.

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

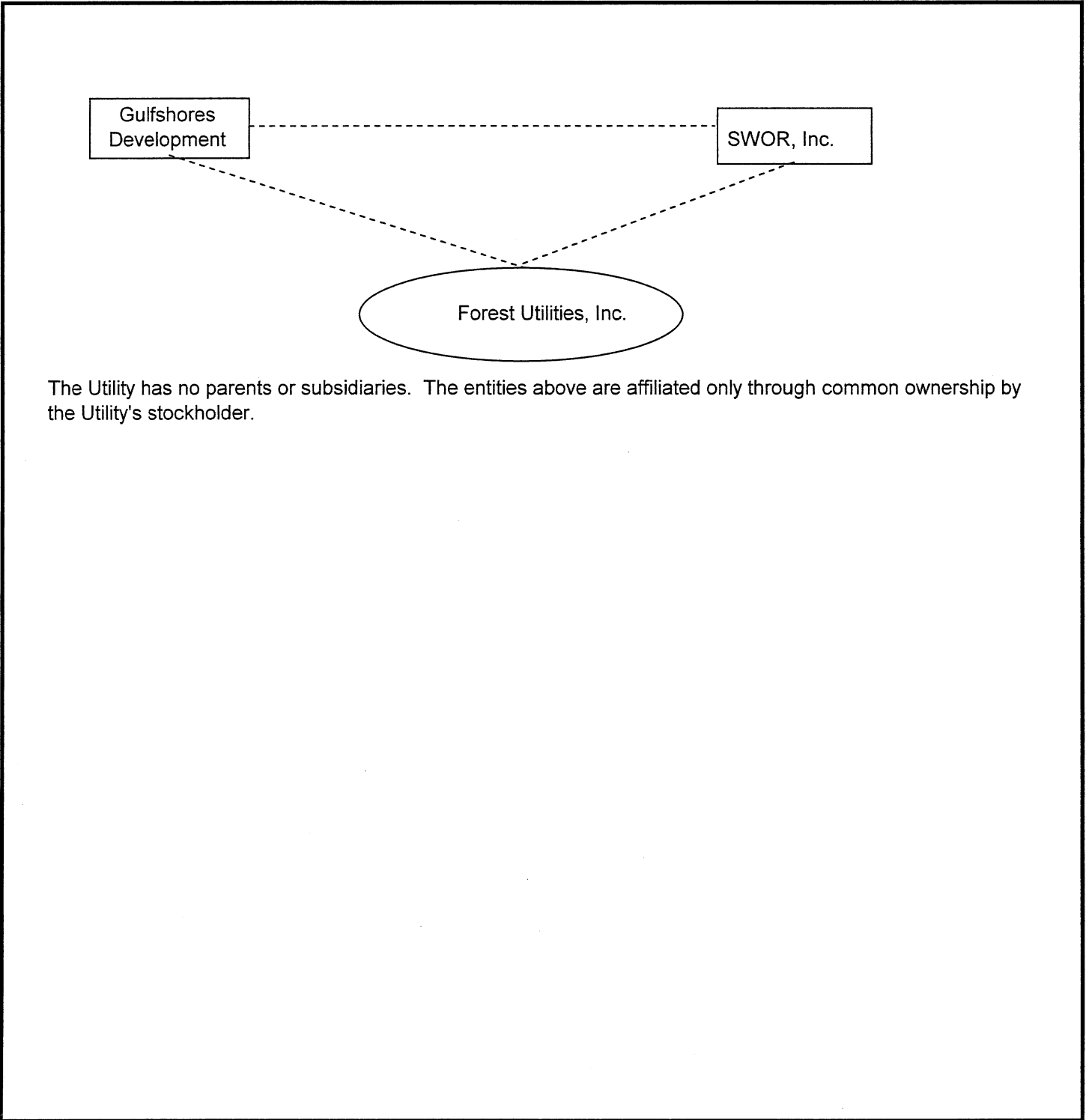
- (A) The Utility was organized December 31, 1980 to provide sewer service to the Forest Development. The Utility has experienced customer growth from other developments since its organization.
- (B) Sewer service only.
- (C) The Utility's goals are to provide quality sewer service and earn a fair return on its investment in Plant in Service.
- (D) Sewer service only.
- (E) The Company expects to add approximately 480 ERCs over the next 6 years, with build-out expected in 2010
- (F) None

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2005

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/05

Complete below an organizational chart that shows all parents and subsidiaries of the utility. The chart must also show the relationship between the utility and the affiliates listed on E-7, E-10(a) and E-10(b).



The Utility has no parents or subsidiaries. The entities above are affiliated only through common ownership by the Utility's stockholder.

UTILITY NAME: Forest Utilities, Inc.

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.

NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
David W. Swor	President	60 %	\$ 120,000
Doris Swor	Vice President/Secretary	10 %	\$ None
Judy Mallett	Treasurer	30 %	\$ 50,000
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
David W. Swor	President	4	\$ None
Judy Mallett	Treasurer	4	\$ None
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Forest Utilities, Inc.

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, and other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on Page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
David W. Swor	Health Insurance	\$ 15,728	Swor, Inc.
David W. Swor	Computer Services	6,000	Swor, Inc.
David Swor	ACH Bank Fees	2,150	Swor, Inc.

concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Forest Utilities, Inc.

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principal occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
David W. Swor	Development Real Estate	Shareholder Shareholder	Gulfshores Development Swor, Inc.
Judy Mallett	Treasurer	Employee	Gulfshores Development
Doris Swor	V.P./Secretary	Officer	Forest Utilities, Inc.

UTILITY NAME: Forest Utilities, Inc.

BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water and/or sewer service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2005
--

BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6 identifying the parties, amounts, dates and product, asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
 - management, legal and accounting services
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land and equipment
 - rental transactions
 - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Swor, Inc.	Health Insurance	1985	P	\$ 15,728
Swor, Inc.	Computer Services	1999	P	6,000
Swor, Inc.	ACH Bank Fees	2005	P	2,150

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2005
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

- | | |
|--|---|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> - purchase, sale or transfer of equipment. - purchase, sale or transfer of land and structures. - purchase, sale or transfer of securities. - noncash transfers of assets. - noncash dividends other than stock dividends. - writeoff of bad debts or loans. | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (a) Enter name of related party or company. (b) Describe briefly the type of assets purchased, sold or transferred. (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S". (d) Enter the net book value for each item reported. (e) Enter the net profit or loss for each item (column (c) - column (d)). (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value. |
|--|---|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

FINANCIAL

SECTION

UTILITY NAME: Forest Utilities, Inc.

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 3,490,740	\$ 3,442,860
108-110	Less: Accumulated Depreciation and Amortization	F-8	(1,992,058)	(1,880,006)
Net Plant			1,498,682	1,562,854
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,498,682	1,562,854
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10	204,518	197,540
126-127	Special Funds	F-10		
Total Other Property and Investments			204,518	197,540
CURRENT AND ACCRUED ASSETS				
131	Cash		497,123	213,876
132	Special Deposits	F-9		200,000
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	66,671	5,644
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-10		
Total Current and Accrued Assets			563,794	419,520

* Not Applicable for Class B Utilities

UTILITY NAME: Forest Utilities, Inc.

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13		
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14		6,125
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits				6,125
TOTAL ASSETS AND OTHER DEBITS			\$ 2,266,994	\$ 2,186,039

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 1,950	\$ 1,950
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital		57,249	57,249
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	239,152	194,501
216	Reacquired Capital Stock		(80,000)	(80,000)
218	Proprietary Capital Investment Holding Gains (Losses) (Proprietorship and Partnership Only)		(2,994)	(1,245)
Total Equity Capital			<u>215,357</u>	<u>172,455</u>
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	94,475	119,075
Total Long Term Debt			<u>94,475</u>	<u>119,075</u>
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		81,824	76,414
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18	87,765	87,765
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits			
236	Accrued Taxes		31,265	15,179
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	1,808	2,509
Total Current and Accrued Liabilities			<u>205,662</u>	<u>182,866</u>

* Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits (Contributed Taxes)	F-21		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits				
OPERATING RESERVES				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	3,263,211	3,132,795
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(1,672,006)	(1,569,980)
Total Net C.I.A.C.			1,591,205	1,562,815
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		148,296	137,185
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other		11,999	11,643
Total Accum. Deferred Income Taxes			160,295	148,828
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 2,266,994	\$ 2,186,039

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 684,054	\$ 705,367
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			684,054	705,367
401	Operating Expenses	F-3(b)	569,436	634,488
403	Depreciation Expense	F-3(b)	79,121	112,052
	Less: Amortization of CIAC	F-22	(50,342)	(102,026)
Net Depreciation Expense			28,779	10,026
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	75,940	84,305
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3	12,516	11,111
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			686,671	739,930
Net Utility Operating Income			(2,617)	(34,563)
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			(2,617)	(34,563)

* For each account, column e should agree with columns f, g + h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
N/A	\$ 705,367	N/A
N/A		
-	705,367	-
	634,488	
	112,052	
-	(102,026)	
-	10,026	-
	84,305	
	11,111	
	739,930	
N/A	(34,563)	
	(34,563)	N/A

* Total of Schedules W-3/S-3 for all rate groups

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ (2,617)	\$ (34,563)
OTHER INCOME AND DEDUCTIONS				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		11,667	19,250
421	Miscellaneous Nonutility Revenue			
426	Miscellaneous Nonutility Expenses		8,741	66,907
Total Other Income and Deductions			20,408	86,157
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income			
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes		1,785	356
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable to Other Income			1,785	356
INTEREST EXPENSE				
427	Interest Expense	F-19	9,573	6,587
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			9,573	6,587
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			<u>0,455</u>	<u>44,051</u>

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	N/A	\$ 3,490,740
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8		(1,992,058)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22		(3,263,211)
252	Advances for Construction	F-20		
Subtotal				(1,764,529)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22		1,672,006
Subtotal				(92,523)
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)			79,311
	Other (Specify): Prepaid CIAC		-	490,048
RATE BASE			\$ -	\$ 476,836
NET UTILITY OPERATING INCOME			\$ -	\$ (34,563)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	-- %

NOTES:

- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ 215,357	47.01 %	11.34 %	5.33 %
Preferred Stock		%	-	%
Long Term Debt	94,475	20.62 %	7.25 %	1.4950 %
Customer Deposits		%	6.00 %	%
Tax Credits - Zero Cost		%	-	%
Tax Credits - Weighted Cost		%	-	%
Deferred Income Taxes	148,296	32.37 %	-	%
Other (Explain)		%	-	%
		%	%	%
Total	\$ 458,128	100.00 %		6.83 %

(1) If the Utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	<u>11.34</u> %
Commission order approving Return on Equity:	<u>PSC-02-1239-PAA-SU</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate:	<u>None</u> %
Commission order approving AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A	\$ 3,490,740	N/A	\$ 3,490,740
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		<u>N/A</u>	<u>\$ 3,490,740</u>	<u>N/A</u>	<u>\$ 3,490,740</u>

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	N/A	N/A	\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Plant Acquisition Adjustment		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
115	Accumulated Amortization			\$ -	\$ -
					-
					-
					-
					-
					-
Total Accumulated Amortization		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Acquisition Adjustments		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCTS. 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132):	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133):	
Total Other Special Deposits	\$ -

UTILITY NAME: Forest Utilities, Inc.

INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123-127

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): N/A	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
Total Utility Investments		\$ -
OTHER INVESTMENTS (Account 125):		
Salomon Smith Barney	\$ -	\$ 161,236
STI Classic Funds		43,282
Total Other Investments		\$ 204,518
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
Total Special Funds		\$ -

ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ -	
Wastewater	61,108	
Other		
Total Customer Accounts Receivable		\$ 61,108
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
Miscellaneous accounts receivable	\$ 5,563	
Total Other Accounts Receivable		\$ 5,563
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		66,671
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year		
Collections of accounts previously written off		
Utility accounts		
Others		
Total Additions		
Deduct accounts written off during year:		
Utility accounts		
Others		
Total accounts written off		
Balance end of year		
Total Accounts and Notes Receivable - Net		\$ 66,671

UTILITY NAME: Forest Utilities, Inc.

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ -
Total	\$ -

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
None	\$ -

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2005

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
 Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
N/A	\$ -	\$ -
Total Unamortized Debt Discount and Expense		
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
Total Unamortized Premium on Debt	\$ -	\$ -

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$ -
Total Extraordinary Property Losses	\$ -

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2005

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share	\$ 75.00	\$ 75.00
Shares authorized		26.00
Shares issued and outstanding		26.00
Total par value of stock issued	\$ 1,950.00	\$ 1,950.00
Dividends declared per share for year	None	None
PREFERRED STOCK		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

* Account 204 not applicable for Class B utilities

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

* For variable rate obligations, provide the basis for the rate. (I.e.. Prime + 2%, etc)

UTILITY NAME: Forest Utilities, Inc.

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year	\$ 194,501
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	_____

	Total Credits	
	Debits: _____	_____

	Total Debits	
435	Balance transferred from Income	44,651
436	Appropriations of Retained Earnings: _____	_____

	Total appropriations of Retained Earnings	
437	Dividends declared: Preferred stock dividends declared _____	_____
438	Common stock dividends declared _____	_____

	Total Dividends Declared	
	Year end Balance	<u>239,152</u>
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____

214	Total Appropriated Retained Earnings	
	Total Retained Earnings	<u>\$ 239,152</u>
Notes to Statement of Retained Earnings:		

UTILITY NAME: Forest Utilities, Inc.

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			

* For variable rate obligations, provide the basis for the rate. (i.e.. Prime +2%, etc)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Swor, Inc.	\$ 87,765
Total	\$ 87,765

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Bank of America Mortgage Note	\$ -	427.3	\$ 6,587	\$ 6,587	\$ -
_____	-				

Total Account No. 237.1	-		6,587	6,587	-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
None					-

Total Account 237.2	-				
Total Account 237 (1)	\$ -		\$ 6,587	\$ 6,587	\$ -
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 6,587		
Less Capitalized Interest Portion of AFUDC:					
None					

Net Interest Expensed to Account No. 427 (2)			\$ 6,587		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest
(2) Must agree to F-3(c), Current Year Interest Expense

**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1)		
N/A	\$ -	\$ -
Total Regulatory Liabilities	\$ -	\$ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
N/A	\$ -	\$ -
Total Deferred Liabilities	\$ -	\$ -
TOTAL OTHER DEFERRED CREDITS	\$ -	\$ -

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	<u>N/A</u>	\$ <u>3,132,795</u>	<u>N/A</u>	\$ <u>3,132,795</u>
Add credits during year:		<u>130,416</u>		<u>130,416</u>
Less debits charged during				<u>-</u>
Total Contributions In Aid of Construction	\$ <u>-</u>	\$ <u>3,263,211</u>	\$ <u>-</u>	\$ <u>3,263,211</u>

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	<u>N/A</u>	\$ <u>1,569,980</u>	<u>N/A</u>	\$ <u>1,569,980</u>
Debits during year:		<u>102,026</u>		<u>102,026</u>
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction		\$ <u>1,672,006</u>		\$ <u>1,672,006</u>

UTILITY NAME: Forest Utilities, Inc.

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)**

<p>1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.</p> <p>2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.</p>		
DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 44,651
Reconciling items for the year:		
Taxable income not reported on the books:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deductions recorded on books not deducted for return:		
Deferred Income Taxes	F-3a,c	11,467
_____	F-3c	_____
_____	F-3a	_____
_____	_____	_____
Income recorded on books not included in return:		
Unrealized gain on investment	F-3a	1,740
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
Book-Tax timing difference	_____	54,202
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal tax net income	_____	\$ 176
A taxable loss is estimated; therefore, there is no current tax.		

WATER OPERATION SECTION

Note: Forest Utilities, Inc., provides wastewater only service; therefore, Pages W-1 through W-14 have been omitted from this report.

**WASTEWATER
OPERATION
SECTION**

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 3,490,740
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	(1,992,058)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(3,263,211)
252	Advances for Construction	F-20	
	Subtotal		(1,764,529)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	1,672,006
	Subtotal		(92,523)
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		79,311
	Other (Specify): Prepaid CIAC		490,048
	WASTEWATER RATE BASE		\$ 476,836
	UTILITY OPERATING INCOME	S-3	\$ (34,563)
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		-- %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
 (2) Include only those Acquisition Adjustments that have been approved by the Commission.
 (3) Calculation consistent with last rate proceeding.
 Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	S-9	\$ 705,367
530	Less: Guaranteed Revenue and AFPI	S-9	
	Net Operating Revenues		705,367
401	Operating Expenses	S-10(a)	634,488
403	Depreciation Expense	S-6(a)	112,052
	Less: Amortization of CIAC	S-8(a)	(102,026)
	Net Depreciation Expense		10,026
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		31,742
408.11	Property Taxes		22,558
408.12	Payroll Taxes		23,916
408.13	Other Taxes & Licenses		6,089
408	Total Taxes Other Than Income		84,305
409.1	Income Taxes	F-16	
410.10	Deferred Federal Income Taxes		11,111
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		739,930
	Utility Operating Income (Loss)		(34,563)
530	Add Back: Guaranteed Revenue (and AFPI)		
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income (Loss)		\$ (34,563)

UTILITY NAME: ForUtilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Lee

YEAR OF REPORT
 December 31, 2005

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization		\$ -	\$ -	\$ -
352	Franchises	17,331			17,331
353	Land and LaRights	26,690			26,690
354	Structure improvements	389,858			389,858
355	Power Geneon Equipment				
360	Collection Srs - Force	177,123	12,696		189,819
361	Collection Srs - Gravity	1,482,015			1,482,015
362	Special Colleg Structures	122,728			122,728
363	Services to Comers	12,628			12,628
364	Flow Measur Devices	3,334			3,334
365	Flow Measur Installations				
366	Reuse Servic				
367	Reuse Meterd Meter Installations				
370	Receiving W				
371	Pumping Eqment				
374	Reuse Distrlon Reservoirs				
375	Reuse Transsion and Distribution tem				
380	Treatment &posal Equipment	1,089,123	25,684		1,114,807
381	Plant Sewer:				
382	Outfall Sewenes				
389	Other Plant ,scellaneous Equipment				
390	Office Furnit & Equipment	25,641			25,641
391	TransportatiEquipment	39,189	9,500		48,689
392	Stores Equipnt				
393	Tools, Shopl Garage Equipment				
394	Laboratory Epment	23,700			23,700
395	Power Operd Equipment	33,500			33,500
396	Communcal Equipment				
397	MiscellaneousEquipment				
398	Other TangilPlant				
	Total Wawater Plant	\$ 3,442,860	\$ 47,880	\$ -	\$ 3,490,740

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

Note (1): Riding

S-4(a)
 GROUP 1

UTILITY NAME: ForeUtilities, Inc.

SYSTEM NAME / CITY: Forest Utilities / Lee

YEAR OF REPORT
December 31, 2005

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ADJUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organizatic	\$ -						
352	Franchises	17,331						
353	Land and LI Rights				\$ 26,690			
354	Structure Improvements			389,858				
355	Power Genation Equipment							
360	Collection Yers - Force		189,819					
361	Collection Yers - Gravity		1,482,015					
362	Special Coling Structures		122,728					
363	Services tostomers		12,628					
364	Flow Measig Devices		3,334					
365	Flow Measig Installations							
366	Reuse Servs							
367	Reuse Metrand Meter Installations							
370	Receiving Is							
371	Pumping Eorment							
374	Reuse Distition Reservoirs							
375	Reuse Trarission and Distributionstem				1,114,807			
380	Treatment Disposal Equipment							
381	Plant Sewe							
382	Outfall SewLines							
389	Other PlantMiscellaneous Equipme							25,641
390	Office Furne & Equipment							48,689
391	Transporta Equipment							
392	Stores Equient							
393	Tools, Shojd Garage Equipment							
394	Laboratory Jipment							
395	Power Oped Equipment							23,700
396	Communica Equipment							33,500
397	MiscellaneaEquipment							
398	Other Tang Plant							
	Total Wewater Plant	\$ 17,331	\$ 1,810,524	\$ 389,858	\$ 1,141,497	\$ -	\$ -	\$ 131,530

NOTE: Any adjustment made to reclassify property from one account to another must be footnoted.

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
351	Organization		%	%
352	Franchises	40	%	2.50 %
354	Structure and Improvements	35	%	2.86 %
355	Power Generation Equipment		%	%
360	Collection Sewers - Force	30	%	3.33 %
361	Collection Sewers - Gravity	35	%	2.86 %
362	Special Collecting Structures	25	%	4.00 %
363	Services to Customers	38	%	2.63 %
364	Flow Measuring Devices	5	%	20.00 %
365	Flow Measuring Installations		%	%
366	Reuse Services		%	%
367	Reuse Meters and Meter Installations		%	%
370	Receiving Wells		%	%
371	Pumping Equipment		%	%
374	Reuse Distribution Reservoirs		%	%
375	Reuse Transmission and Distribution System		%	%
380	Treatment & Disposal Equipment	27	%	3.70 %
381	Plant Sewers		%	%
382	Outfall Sewer Lines		%	%
389	Other Plant / Miscellaneous Equipment		%	%
390	Office Furniture & Equipment	6	%	16.67 %
391	Transportation Equipment	6	%	16.67 %
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment		%	%
394	Laboratory Equipment	15	%	6.67 %
395	Power Operated Equipment	15	%	6.67 %
396	Communication Equipment		%	%
397	Miscellaneous Equipment		%	%
398	Other Tangible Plant		%	%
Wastewater Plant Composite Depreciation Rate *			%	%

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME Forest Utilities, Inc.
 SYSTEM NAME: COUNTY: Forest Utilities / Lee

YEAR OF REPORT
 December 31, 2005

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organizin	\$ -	\$ -	-	\$ -
352	Franchi	4,114	433		433
354	Structurd Improvements	135,490	11,150		11,150
355	Power eration Equipment				
360	Collectisewers - Force	40,619	6,109		6,109
361	Collectisewers - Gravity	887,794	42,386		42,386
362	Special lecting Structures	45,095	4,909		4,909
363	Service: Customers	3,682	332		332
364	Flow Muring Devices	3,334	-		
365	Flow Muring Installations				
366	Reuse Sices				
367	Reuse lers and Meter Installations				
370	ReceivirWells				
371	Pumpingquipment				
374	Reuse lribution Reservoirs				
375	Reuse lmission and Distribution System				
380	Treatm& Disposal Equipment	671,079	40,773		40,773
381	Plant Sers				
382	Outfall yer Lines				
389	Other P. / Miscellaneous Equipment				
390	Office Fiture & Equipment	23,264	2,377		2,377
391	Transpction Equipment	39,189	792		792
392	Stores lipment				
393	Tools, S and Garage Equipment				
394	Laborat Equipment	23,700	-		
395	Power rated Equipment	2,646	2,791		2,791
396	Commmuation Equipment				
397	Miscellalous Equipment				
398	Other Tjible Plant				
Total Depreciablakstewater Plant in Service		\$ 1,880,006	\$ 112,052	\$ -	\$ 112,052

* Specify nae of transaction.
 Use () tenote reversal entries.
 Note: Cr Credits (Column (e) is a rounding adjustment

UTILITY NAME: Forest Utilities, Inc.

SYSTEM NAME/COUNTY: Forest Utilities / Lee

YEAR OF REPORT
December 31, 2005

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organiza	\$ -	\$ -	\$ -	\$ -	4,547
352	Franchis					146,640
354	Structured Improvements					
355	Power Gration Equipment					
360	Collectowers - Force					46,728
361	Collectowers - Gravity					930,180
362	Special Ccting Structures					50,004
363	Services Customers					4,014
364	Flow Mering Devices					3,334
365	Flow Mering Installations					
366	Reuse Sces					
367	Reuse Mrs and Meter Installations					
370	Receivinfells					
371	Pumpingupment					
374	Reuse Dbution Reservoirs					
375	Reuse Tmmission and Distribution System					
380	Treatmex Disposal Equipment					711,852
381	Plant Ses					
382	Outfall Sr Lines					
389	Other Plg/ Miscellaneous Equipment					
390	Office Fture & Equipment					25,641
391	Transporton Equipment					39,981
392	Stores Eoment					
393	Tools, Sland Garage Equipment					
394	Laboratoc:equipment					23,700
395	Power Oated Equipment					5,437
396	Commurion Equipment					
397	Miscellaris Equipment					
398	Other Table Plant					
Total Depreciablastewater Plant in Service		\$ -	\$ -	\$ -	\$ -	\$ 1,992,058

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Lee

YEAR OF REPORT
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WASTEWATER CIAC SCHEDULE "A"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY, MAIN
EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Capacity charges	66	\$ 1,976	\$ 130,416
			-
			-
		-	
Total Credits			\$ 130,416

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 1,569,980
Debits during year:	
Accruals charged to Account	102,026
Other Debits (specify):	
Total debits	102,026
Credits during year (specify):	
Total credits	

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
WASTEWATER SALES				
	Flat Rate Revenues:			
521.1	Residential Revenues	670	672	\$ 198,426
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues	1,015	1,069	313,935
521.6	Other Revenues			
521	Total Flat Rate Revenues	1,685	1,741	512,361
	Measured Revenues:			
522.1	Residential Revenues			
522.2	Commercial Revenues	33	34	108,787
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	400	432	75,819
522	Total Measured Revenues	433	466	184,606
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	2,118	2,207	\$ 696,967
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ -
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues			8,400
	Total Other Wastewater Revenues			\$ 8,400

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
Flat Rate Reuse Revenues:				
540.1	Residential Reuse Revenues			\$ -
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
Measured Reuse Revenues:				
541.1	Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 705,367

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME/COUNTY: Forest Utilities / Lee

YEAR OF REPORT
 December 31, 2005

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salariend Wages - Employees	\$ 161,129	\$ -	\$ -	\$ -	\$ -	\$ 161,129	\$ -
703	Salariend Wages - Officers,							
	Directand Majority Stockholders	168,000						
704	Emplo' Pensions and Benefits	38,949						
710	Purchal Sewage Treatment							
711	Sludgemoval Expense	7,168					7,168	
715	Purchal Power	53,777						
716	Fuel fower Production							
718	Chemiis	7,954						
720	Materiand Supplies	32,291						
731	Contraal Services - Engineering	48,266				13,409		18,882
732	Contraal Services - Accounting	14,069						
733	Contraal Services - Legal	16,719						
734	Contraal Services - Mgt. Fees	5,362						
735	Contraal Services - Testing	17,661					17,661	
736	Contraal Services - Other							
741	RentalBuilding/Real Property							
742	RentalEquipment							
750	Transpation Expense	9,298		9,298				
756	Insurai - Vehicle	10,008		10,008				
757	Insurai - General Liability	9,604					9,604	
758	Insurai - Workmens Comp.	7,478						
759	Insurai - Other							
760	Advertig Expense							
766	Regulay Commission Expenses - Amortion of Rate Case Expense							
767	Regulay Commission Exp.-Other	6,124						
770	Bad DExpense	494						
775	Miscelious Expenses	20,137						
	Total Wewwater Utility Expenses	\$ 634,488	\$ -	\$ 19,306	\$ -	\$ 13,409	\$ 203,516	\$ 18,882

S-10(a)
 GROUP 1

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES - OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salariend Wages - Employees	\$ -	\$ -				
703	Salariend Wages - Officers, Direct and Majority Stockholders		168,000				
704	Employ Pensions and Benefits		38,949				
710	Purchal Sewage Treatment						
711	Sludgemoval Expense		53,777				
715	Purchal Power						
716	Fuel fowwer Production						
718	Chemik						
720	Materialand Supplies						
731	Contraal Services - Engineering		48,266				
732	Contraal Services - Accounting		14,069				
733	Contraal Services - Legal		16,719				
734	Contraal Services - Mgt. Fees		5,362				
735	Contraal Services - Testing						
736	Contraal Services - Other						
741	Rental Building/Real Property						
742	Rental Equipment						
750	Transpition Expense						
756	Insurar- Vehicle						
757	Insurar- General Liability						
758	Insurar- Workmens Comp.		7,478				
759	Insurar- Other						
760	Advertij Expense						
766	Regular Commission Expenses - Amortion of Rate Case Expense						
767	Regular Commission Exp.-Other		6,124				
770	Bad DeExpense	494					
775	Miscellaneous Expenses		20,137				
	Total Wewater Utility Expenses	\$ 494	\$ 378,881	\$ -	\$ -	\$ -	\$ -

S-10(b)
 GROUP 1

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Lee

YEAR OF REPORT
December 31, 2005

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	656	656
5/8"	Displacement	1.0		
3/4"	Displacement	1.5	1,060	1,590
1"	Displacement	2.5	75	188
1 1/2"	Displacement or Turbine	5.0	18	90
2"	Displacement, Compound or Turbine	8.0	8	64
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				2,588

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

(a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non-residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment

ERC Calculation:	$\frac{\text{Total SFR gallons sold (Omit 000)}}{365 \text{ days} \times 280 \text{ gallons per day}}$ (total gallons treated)
Note: Forest Utilities ERC is 170gpd	

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Lee

YEAR OF REPORT December 31, 2005

WASTEWATER TREATMENT PLANT INFORMATION
 Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	500,000		
Basis of Permit Capacity (1)	AADF		
Manufacturer	Custom		
Type (2)	Complete Mix		
Hydraulic Capacity	500,000		
Average Daily Flow	244,000		
Total Gallons of Wastewater Treated	89,060,000		
Method of Effluent Disposal	Golf Course Irrigation		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
 (i.e. average annual daily flow, etc)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Forest Utilities, Inc.
SYSTEM NAME / COUNTY: Forest Utilities / Lee

YEAR OF REPORT
December 31, 2005

OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * that system can efficiently serve. 2,588

2. Maximum number of ERC's * which can be served. 2,941

3. Present system connection capacity (in ERC's *) using existing lines. 2,588

4. Future system connection capacity (in ERC's *) upon service area buildout. 2,941

5. Estimated annual increase in ERC's Approximately 20

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. Replacement of effluent divider wall to be completed in 2006

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known. Forest Country Club - 84,832 mg

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No
If so, when? N/A

9. Has the utility been required by the DEP or water management district to implement reuse? No
If so, what are the utility's plans to comply with the DE N/A

10. When did the company last file a capacity analysis report with the DEP? 3/31/05

11. If the present system does not meet the requirements of DEP rules:
a. Attach a description of the plant upgrade necessary to meet the DEP rules.
b. Have these plans been approved by DEP? Yes-Replacement of Effluent Storage Tank partition wall
c. When will construction begin? 2005
d. Attach plans for funding the required upgrading. N/A
e. Is this system under any Consent Order of the DEP? Yes - 04-2012-36-DW

11. Department of Environmental Protection ID # FLA 014478

* An ERC is determined based on the calculation on the bottom of Page S-11