

CLASS "A" OR "B"

**OFFICIAL COPY**  
Public Service Commission  
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WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

SU445-07-AR

**ALAFAYA UTILITIES INC**

Exact Legal Name of Respondent

**379-S**

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

RECEIVED  
PUBLIC SERVICE COMMISSION  
TALLAHASSEE, FLORIDA  
JAN 10 2008

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED

**31-Dec-07**

## GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added; provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission  
Division of Water and Wastewater  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility.

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# **EXECUTIVE SUMMARY**

**CERTIFICATION OF ANNUAL REPORT**

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

- |  |                                |  |
|--|--------------------------------|--|
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.   |
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 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<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 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 Chief Executive Officer of the utility) \*

1.	2.	3.	4.

\_\_\_\_\_  
 (Signature of 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  
31-Dec-07

**ALAFAYA UTILITIES INC**

(Exact Name of Utility)

County: **Seminole County**

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

**2335 SANDERS ROAD  
NORTHBROOK IL 60062**

Telephone: **847-498-6440**

E Mail Address: **NONE**

WEB Site: **NONE**

Sunshine State One-Call of Florida, Inc. Member Number **AUI573**

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

**CHRISTINE KIM  
2335 SANDERS ROAD  
NORTHBROOK IL 60062**

Telephone: **847-498-6440**

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

**2335 SANDERS ROAD  
NORTHBROOK IL 60062**

Telephone: **847-498-6440**

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

**PRICEWATERHOUSECOOPERS**

Date of original organization of the utility: **06/12/84**

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% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	<b>UTILITIES INC</b>	<b>100%</b>
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

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
LISA CROSSETT	CHIEF OPERATING OFFICER		OPERATIONS
JOHN HOY	CHIEF REGULATORY OFFICER		RATE CASE
RICK DURHAN	REGIONAL VP		OPERATIONS
PATRICK FLYNN	REGIONAL DIRECTOR		OPERATIONS
CHRISTINE KIM	MANAGER, CORPORATE ACCOUNTING		FINANCIAL

(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.



**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. 100% of the stock to this company was acquired by Utilities, Inc. The Company Provides sewer service.
- B. The Company supplies sewer services only.
- C. Provide adequate sewerage and disposal services and earn a fair return.
- D. Sewer division only.
- E. Anticipated growth of approximately two hundred (200) new taps per year.
- F. The stock of this company was purchased by Utilities, Inc. Improvements have been and are still being made to the system.

PARENT / AFFILIATE ORGANIZATION CHART

Current as of                      12/31/2007

Complete below an organizational chart that show all parents, subsidiaries and affiliates of the utility.  
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-11

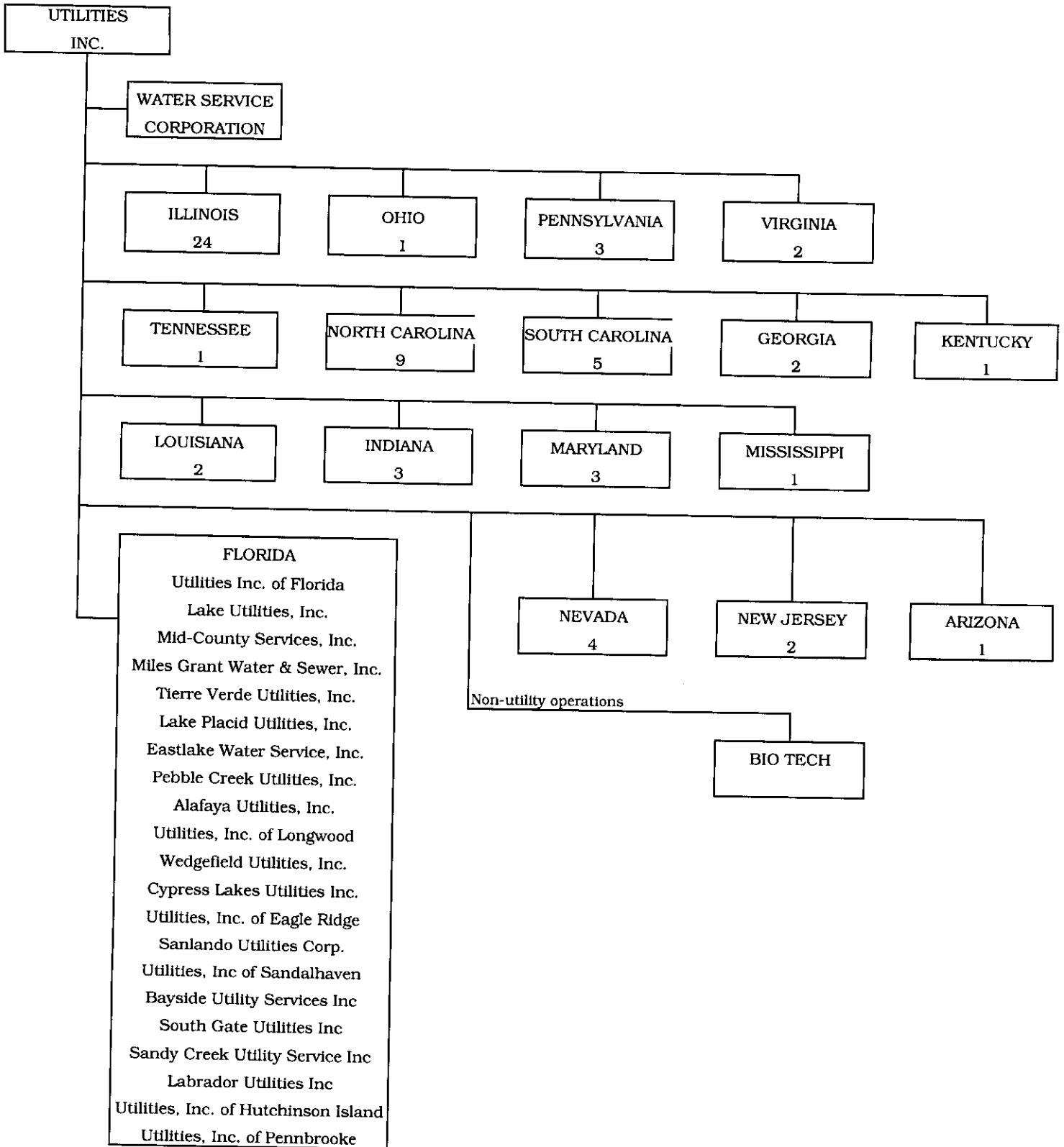
UTILITIES, INC. -- PARENT COMPANY

WATER SERVICE CORP. -- SERVICE COMPANY SUPPLYING MOST SERVICES REQUIRED BY UTILITY.

UTILITIES INC. of FLORIDA -- provides office personnel and administrative staff.

SEE ATTACHED

## Parent And Affiliate Organizational Chart



UTILITIES, INC. - Parent Company

WATER SERVICE CORP. - Service organization providing administrative and other service functions for the utility.

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 THE UTILITY (c)	OFFICERS' COMPENSATION (d)
LAWRENCE N SCHUMACHER	CHIEF EXECUTIVE OFFICER		\$ Allocation
LISA A CROSSETT	CHIEF OPERATIONS OFFICER		Allocation
STEVEN M LUBERTOZZI	CHIER FINANCIAL OFFICER		Allocation
JOHN R STOVER	VP & SECRETARY		Allocation
RICK DURHAM	REGIONAL VP		Allocation
JOHN P HOY	CHIEF REGULATORY OFFICER		Allocation

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)
JOHN M STOKES	DIRECTOR	1	\$ NONE
LAWRENCE N SCHUMACHER	DIRECTOR	1	NONE

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

List all contracts, agreements, or 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)
<b>NO BUSINESS CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS WERE ENTERED INTO DURING THE CURRENT YEAR BY THE OFFICERS LISTED ON PAGE E6, THE DIRECTORS OR AFFILIATES.</b>			
		\$	

\* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the 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.

**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, list the principle occupation or business affiliations or connections v 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)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
JOHN M STOKES	DIRECTOR	DIRECTOR	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
LAWRENCE N SCHUMACHER	PRESIDENT & CEO	DIRECTOR/OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
LISA A CROSSETT	VP OPERATIONS	OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
STEVEN M LUBERTOZZI	VP & TREASURER	OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
JOHN R STOVER	VP & SECRETARY	OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL

**BUSINESSES WHICH ARE A BY-PRODUCT, COPRODUCT OR JOINT-PRODUCT  
RESULT OF PROVIDING WATER OR WASTEWATER 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 wastewater 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 revenue and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCOUNT NUMBER (c)	REVENUES GENERATED (d)	ACCOUNT NUMBER (e)	EXPENSES INCURRED (f)	ACCOUNT NUMBER (g)
NO BUSINESS WHICH ARE	\$ _____	_____	\$ _____	_____	_____	_____
A BYPRODUCT, COPRODUCT	_____	_____	_____	_____	_____	_____
OR JOINT PRODUCT RESULTING FROM PROVIDING WATER AND/OR SEWER SERVICE.	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any on 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, and 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	-material and supplies furnished
-computer services	-leasing of structures, land, and equipment
-engineering & construction services	-rental transactions
-repairing and servicing of equipment	-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 (Purchased (S)old (d)	AMOUNT (e)
<b>WATER SERVICE CORP</b>	Operators Salaries & Benefits	Continous	Purchase	332,229
	Insurance	Continous	Purchase	25,429
	Computer Operations	Continous	Purchase	27,580
	Supplies & Postage	Continous	Purchase	11,968
	Outside Services	Continous	Purchase	37,727
	Management Services	Continous	Purchase	43,604



UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

**BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)**

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

1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.
2. Below are examples of some types of transactions to include:
  - 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
  - write-off of bad debts or loans
3. The columnar instructions follow:
  - (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 reported. (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.

<b>NAME OF COMPANY OR RELATED PARTY (a)</b>	<b>DESCRIPTION OF ITEMS (b)</b>	<b>SALE OR PURCHASE PRICE (c)</b>	<b>NET BOOK VALUE (d)</b>	<b>GAIN OR LOSS (e)</b>	<b>FAIR MARKET VALUE (f)</b>
NO ASSETS WERE SOLD, PURCHASED OR		\$ _____	\$ _____	\$ _____	\$ _____
TRANSFERRED WITH		_____	_____	_____	_____
A RELATED PARTY		_____	_____	_____	_____
DURING THE FISCAL		_____	_____	_____	_____
YEAR ENDED 31-Dec-07		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____

**FINANCIAL  
SECTION**

UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 27,112,279	\$ 31,142,264
108-110	Less: Accumulated Depreciation and Amortization	F-8	7,551,177	7,057,136
Net Plant			\$ 19,561,102	\$ 24,085,128
114-115	Utility Plant Acquisition adjustment (Net)	F-7	-	-
116 *	Other Utility Plant Adjustments		-	-
Total Net Utility Plant			\$ 19,561,102	\$ 24,085,128
<b>OTHER PROPERTY AND INVESTMENTS</b>				
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		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$	\$
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		\$ (145)	\$ (552)
132	Special Deposits	F-9	1,220	1,250
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	419,847	548,855
145	Accounts Receivable from Associated Companies	F-12		130,564
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable		10,607	10,557
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 431,529	\$ 690,674

\* Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$ _____	\$ _____
182	Extraordinary Property Losses	F-13	_____	_____
183	Preliminary Survey & Investigation Charges		_____	_____
184	Clearing Accounts		_____	_____
185 *	Temporary Facilities		_____	_____
186	Misc. Deferred Debits	F-14	226,899	185,225
187 *	Research & Development Expenditures		_____	_____
190	Accumulated Deferred Income Taxes		360,584	665,554
Total Deferred Debits			\$ 587,483	\$ 850,779
TOTAL ASSETS AND OTHER DEBITS			\$ 20,580,114	\$ 25,626,581

\* 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)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 1,000	\$ 1,000
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		9,630,580	11,885,918
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(2,468,756)	(2,076,111)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 7,162,824	\$ 9,810,807
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	-	2,546,879
224	Other Long Term Debt	F-17	-	-
Total Long Term Debt			\$ -	\$ 2,546,879
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		23,725	117,604
232	Notes Payable	F-18		
233	Accounts Payable to Associated Companies	F-18	1,693,552	(473,497)
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		128,345	127,910
236	Accrued Taxes	W/S-3	279,670	190,612
237	Accrued Interest	F-19	276	(17)
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		
Total Current & Accrued Liabilities			\$ 2,125,568	\$ (37,388)

\* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	_____	_____
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		-	-
Total Deferred Credits			\$ _____	\$ _____
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____	\$ _____
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	\$ 15,367,571	\$ 17,916,962
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	4,295,474	4,753,177
Total Net C.I.A.C.			\$ <u>11,072,097</u>	\$ <u>13,163,785</u>
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 81,828	\$ 19,752
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		137,798	122,747
Total Accumulated Deferred Income Tax			\$ <u>219,626</u>	\$ <u>142,499</u>
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			\$ <u>20,580,114</u>	\$ <u>25,626,581</u>

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 3,177,330	\$ 3,790,238
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			\$ 3,177,330	\$ 3,790,238
401	Operating Expenses	F-3(b)	\$ 2,450,767	\$ 2,111,695
403	Depreciation Expense:	F-3(b)	\$ 680,199	\$ 698,828
	Less: Amortization of CIAC	F-22	(372,655)	(398,462)
Net Depreciation Expense			\$ 307,544	\$ 300,366
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	-	-
407	Amortization Expense (Other than CIAC)	F-3(b)	3,327	-
408	Taxes Other Than Income	W/S-3	638,555	621,762
409	Current Income Taxes	W/S-3	(120,360)	482,630
410.10	Deferred Federal Income Taxes	W/S-3	(1,272)	(338,087)
410.11	Deferred State Income Taxes	W/S-3	3,946	(57,873)
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			\$ 3,282,507	\$ 3,120,493
Net Utility Operating Income			\$ (105,177)	\$ 669,745
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		90,211	119,617
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ (14,966)	\$ 789,362

\* For each account, Column e should agree with Columns f, g and h on F-3(b)

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ -	\$ 3,790,238	\$ -
\$ -	\$ 3,790,238	\$ -
\$ -	\$ 2,111,695	\$ -
-	698,828	-
-	(398,462)	-
\$ -	\$ 300,366	\$ -
-	-	-
-	-	-
-	621,762	-
-	482,630	-
-	(338,087)	-
-	(57,873)	-
-	-	-
-	-	-
-	-	-
\$ -	\$ 3,120,493	\$ -
\$ -	\$ 669,745	\$ -
-	-	-
-	-	-
-	-	-
-	119,617	-
\$ -	\$ 789,362	\$ -

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



COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ (14,966)	\$ 789,362
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		_____	_____
421	Nonutility Income		(6,903)	-
426	Miscellaneous Nonutility Expenses		-	-
Total Other Income and Deductions			\$ (6,903)	\$ -
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income		\$ _____	\$ _____
409.20	Income Taxes		_____	_____
410.20	Provision for Deferred Income Taxes		_____	_____
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			\$ -	\$ -
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	\$ 382,097	\$ 393,247
428	Amortization of Debt Discount & Expense	F-13	_____	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ 382,097	\$ 393,247
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ -	\$ -
<b>NET INCOME</b>			\$ (403,966)	\$ 396,115

Explain Extraordinary Income:

NONE

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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	\$ -	\$ 28,119,626
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	-	-
110	Accumulated Amortization	F-8	-	7,057,136
271	Contributions In Aid of Construction	F-22	-	-
252	Advances for Construction	F-20	-	17,916,962
Subtotal			\$ -	\$ 3,145,528
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	-	4,753,177
Subtotal			\$ -	\$ 7,898,705
Plus or Minus:				
114	Acquisition Adjustments (2)	F-7	-	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	-	-
	Working Capital Allowance (3)		-	263,962
	Other (Specify):		-	-
			-	-
			-	-
RATE BASE			\$ -	\$ 8,162,667
NET UTILITY OPERATING INCOME			\$ -	\$ 669,745
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-	8.20%

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (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 Expense 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	\$ 3,829,972	46.92%	11.47%	5.38%
Preferred Stock	-	0.00%	0.00%	0.00%
Long Term Debt	4,352,999	53.33%	1.22%	0.65%
Customer Deposits	127,910	1.57%	6.00%	0.09%
Tax Credits - Zero Cost	-	0.00%	0.00%	0.00%
Tax Credits - Weighted Cost	-	0.00%	0.00%	0.00%
Deferred Income Taxes	(523,055)	-6.41%	0.00%	0.00%
Other (Explain) Short Term Debt	-	0.00%	0.00%	0.00%
<b>Total</b>	<b>\$ 8,162,667</b>	<b>100.00%</b>		<b>6.12%</b>

(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>11.47%</u>
Commission order approving Return on Equity:	<u>PSC-04-0363-PAA-SU</u>

**APPROVED AFUDC RATE**

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	<u>9.03%</u>
Commission order approving AFUDC rate:	<u>PSC-04-0262-PAA_WS</u>

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 NAME:

ALAFAYA UTILITIES INC

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SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE (g)
Common Equity	\$ 158,372,419	-	-	\$ -	\$ (154,542,447)	\$ 3,829,972
Preferred Stock	-	-	-	-	-	-
Long Term Debt	180,000,000	-	-	-	(175,647,001)	4,352,999
Short Term Debt	15,500,000	-	-	-	-	374,842
Customer Deposits	127,910	-	-	-	-	127,910
Tax Credits - Zero Cost	-	-	-	-	-	-
Tax Credits - Weighted Cost	-	-	-	-	-	-
Deferred Inc. Taxes	(523,055)	-	-	-	-	(523,055)
Other (Explain) Short Term Debt	-	-	-	-	-	-
Total	\$ 353,477,274	\$ -	\$ -	\$ -	\$ (330,189,448)	\$ 8,162,667

(1) Explain below all adjustments made in Columns (e) and (f):

**NOT APPLICABLE**

UTILITY NAME: ALAFAYA UTILITIES INC

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UTILITY PLANT  
ACCOUNTS 101 - 106

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ -	\$ 28,119,626	\$ -	\$ 28,119,626
102	Utility Plant Leased to Other				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress		4,116,199	(1,093,561)	3,022,638
106	Completed Construction Not Classified				
	Total Utility Plant	\$ -	\$ 32,235,825	\$ (1,093,561)	\$ 31,142,264

UTILITY PLANT ACQUISITION ADJUSTMENTS  
ACCOUNTS 114 AND 115

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment NONE	\$ -	\$ -	\$ -	\$ -
	Total Plant Acquisition Adjustments	\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization Accruals charged during year	\$ -	\$ -	\$ -	\$ -
	Total Accumulated Amortization	\$ -	\$ -	\$ -	\$ -
	Net Acquisition Adjustments	\$ -	\$ -	\$ -	\$ -

**ACCUMULATED DEPRECIATION ( ACCT. 108 ) AND AMORTIZATION (ACCT. 110)**

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b>				
Account 108				
Balance first of year	\$ -	\$ 7,556,252	\$ -	\$ 7,556,252
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ -	\$ 698,828	\$ -	\$ 698,828
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
		394,212		394,212
Salvage				
Other Credits (Specify):				
Total Credits	\$ -	\$ 1,093,040	\$ -	\$ 1,093,040
Debits during year:				
Book cost of plant retired		1,307,828		1,307,828
Cost of Removal				
Other Debits (specify):				
		284,328		284,328
Total Debits	\$ -	\$ 1,592,156	\$ -	\$ 1,592,156
Balance end of year	\$ -	\$ 7,057,136	\$ -	\$ 7,057,136
<b>ACCUMULATED AMORTIZATION</b>				
Account 110				
Balance first of year	\$ -	\$ -	\$ -	\$ -
Credit during year:				
Accruals charged to:				
Account 110.2 (2)	\$ -	\$ -	\$ -	\$ -
Other Accounts (specify):				
Total credits	\$ -	\$ -	\$ -	\$ -
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Total Debits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ -	\$ -	\$ -	\$ -

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: ALAFAYA UTILITIES INC

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
Docket No. 060256-SU	\$ -	766	\$ 36,849
Total	\$ -		\$ 36,849

**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): Electric Deposit	\$ 1,250
Total Special Deposits	\$ 1,250
OTHER SPECIAL DEPOSITS (Account 133): NONE	\$ -
Total Other Special Deposits	\$ -

UTILITY NAME: ALAFAYA UTILITIES INC

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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); NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____ <u>                    </u>
UTILITY INVESTMENTS (Account 124); NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Utility Investment		\$ _____ <u>                    </u>
OTHER INVESTMENTS (Account 125); NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Other Investment		\$ _____ <u>                    </u>
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127); NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Special Funds		\$ _____ <u>                    </u>



UTILITY NAME: ALAFAYA UTILITIES INC

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**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  
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
<b>CUSTOMER ACCOUNTS RECEIVABLE (Account 141):</b>		
Water	\$ -	
Wastewater	548,855	
Other		
Total Customer Accounts Receivable		\$ 548,855
<b>OTHER ACCOUNTS RECEIVABLE ( Account 142):</b>		
	\$ -	
Total Other Accounts Receivable		\$ -
<b>NOTES RECEIVABLE (Account 144 ):</b>		
	\$ -	
Total Notes Receivable		\$ -
Total Accounts and Notes Receivable		\$ 548,855
<b>ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS ( Account 143 )</b>		
Balance first of year	\$ -	
Add: Provision for uncollectibles for current year	\$	
Collection 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		\$ -
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET</b>		<b>\$ 548,855</b>

UTILITY NAME: ALAFAYA UTILITIES INC

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ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
WATER SERVICE CORPORATION	\$ 130,564
Total	\$ 130,564

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)	BALANCE END OF YEAR (b)
NONE	\$
Total Miscellaneous Current and Accrued Liabilities	\$

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT  
ACCOUNTS 181 AND 251**

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): <b>NONE</b>	\$ _____	\$ _____ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Unamortized Debt Discount and Expense</b>	\$ _____	\$ _____ -
UNAMORTIZED PREMIUM ON DEBT (Account 251):	\$ _____	\$ _____ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Unamortized Premium on Debt</b>	\$ _____	\$ _____ -

**EXTRAORDINARY PROPERTY LOSSES  
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
<b>NONE</b>	\$ _____ -
_____	_____
_____	_____
<b>Total Extraordinary Property Losses</b>	\$ _____ -

**MISCELLANEOUS DEFERRED DEBITS  
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)  <b>RATE CASE</b> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/>	\$ 140,532 <hr/> <hr/> <hr/> <hr/>
Total Deferred Rate Case Expense	\$ -	\$ 140,532
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):  <b>OTHER DEFERRED MAINTENANCE</b> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ 44,693 <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Other Deferred Debits	\$ -	\$ 44,693
REGULATORY ASSETS (Class A Utilities: Account. 186.3):  <b>NONE</b> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Regulatory Assets	\$ -	\$ -
<b>TOTAL MISCELLANEOUS DEFERRED DEBITS</b>	\$ -	\$ 185,225

UTILITY NAME: ALAFAYA UTILITIES INC

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**CAPITAL STOCK**  
**ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
<b>COMMON STOCK</b>		
Par or stated value per share	_____ %	\$ _____ 1
Shares authorized		_____ -
Shares issued and outstanding		_____ 1,000
Total par value of stock issued		\$ _____ 1,000
Dividends declared per share for year	_____ %	\$ _____ -
<b>PREFERRED STOCK</b>		
Par or stated value per share	_____ %	\$ _____ -
Shares authorized		_____ -
Shares issued and outstanding		_____ -
Total par value of stock issued		\$ _____ -
Dividends declared per share for year	_____ %	\$ _____ -

\* 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)	
NONE	_____ %	_____	\$ _____
	_____ %	_____	_____
	_____ %	_____	_____
	_____ %	_____	_____
	_____ %	_____	_____
	_____ %	_____	_____
	_____ %	_____	_____
	_____ %	_____	_____
	_____ %	_____	_____
Total			\$ _____

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

**STATEMENT OF RETAINED EARNINGS**

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share
- 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	\$ (2,468,756)
439	Changes to Account: Adjustments to Retained Earnings ( requires Commission approval prior to use):	
	Credits:	\$
	<u>Commission Ordered Adjustments</u>	<u>(3,470)</u>
	Total Credits:	\$ (3,470)
	Debits:	\$
	<u>Tax effect on CAP trans</u>	<u></u>
	Total Debits:	\$ -
435	Balance Transferred from Income	\$ 396,115
436	Appropriations of Retained Earnings:	
	<u></u>	<u></u>
	<u></u>	<u></u>
	Total Appropriations of Retained Earnings	\$
	Dividends Declared:	
437	Preferred Stock Dividends Declared	<u></u>
438	<u>Common Stock Dividends Declared</u>	<u></u>
	<u></u>	<u></u>
	Total Dividends Declared	\$
215	Year end Balance	\$ <u>(2,076,111)</u>
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	<u></u>	<u></u>
	<u></u>	<u></u>
	<u></u>	<u></u>
214	Total Appropriated Retained Earnings	\$ <u></u>
	Total Retained Earnings	\$ <u>(2,076,111)</u>
Notes to Statement of Retained Earnings:		

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**ADVANCES FROM ASSOCIATED COMPANIES**  
**ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
ADVANCES FROM UTILITIES, INC.	\$ 2,546,879
Total	\$ 2,546,879

**OTHER LONG-TERM DEBT**  
**ACCOUNT 224**

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)	
NONE	0.00%	NONE	\$ -
Total			\$ _____

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

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NOTES PAYABLE  
ACCOUNTS 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): NONE			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): NONE			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
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)
WATER SERVICE CORPORATION	\$ (473,497)
Total	\$ (473,497)



ACCRUED INTEREST AND EXPENSE  
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (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	\$			\$	\$
NONE					
Total Account 237.1	\$			\$	\$
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits	\$ 276	427	7,423	\$ 7,682	\$ 17
Total Account 237.2	\$ 276		7,423	\$ 7,682	\$ 17
Total Account 237 (1)	\$ 276		7,423	\$ 7,682	\$ 17
INTEREST EXPENSED:					
Other Short Term Interest Expense			7,423		
Intercompany Interest		427	(1,340)		
		427	387,164		
Net Interest Expensed to Account No. 427 (2)			\$ 393,247		

(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

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES  
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
NONE	\$ _____
Total Miscellaneous Current and Accrued Liabilities	\$ _____

ADVANCES FOR CONSTRUCTION  
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
NONE	\$ _____				
Total	\$ _____				\$ _____

\* Report advances separately by reporting group, designating water or wastewater in column (a).

**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):  NONE <hr/> <hr/> <hr/>	\$ _____ <hr/> <hr/> <hr/>	\$ _____ <hr/> <hr/> <hr/>
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):  <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Other Deferred Liabilities	\$ _____	\$ _____
<b>TOTAL OTHER DEFERRED CREDITS</b>	\$ _____	\$ _____

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ _____ -	\$ <u>15,367,571</u>	\$ _____ -	\$ <u>15,367,571</u>
Add credits during year:	\$ _____ -	\$ <u>2,549,391</u>	\$ _____ -	\$ <u>2,549,391</u>
Less debit charged during the year	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total Contribution In Aid of Construction	\$ _____ -	\$ <u>17,916,962</u>	\$ _____ -	\$ <u>17,916,962</u>

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

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ _____ -	\$ <u>4,295,474</u>	\$ _____ -	\$ <u>4,295,474</u>
Debits during the year:	\$ _____ -	\$ <u>457,703</u>	\$ _____ -	\$ <u>457,703</u>
Credits during the year	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total Accumulated Amortization of Contributions In Aid of Construction	\$ _____ -	\$ <u>4,753,177</u>	\$ _____ -	\$ <u>4,753,177</u>

UTILITY NAME: ALAFAYA UTILITIES INC

**YEAR OF REPORT**  
31-Dec-07

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

- The reconciliation should include the same detail as furnished on Schedule M-1 of the federal 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 computations of all tax accrued.
- 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, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 396,115
Reconciling items for the year:		
Taxable income not reported on books:		
Tap Fees		777,041
Deductions recorded on books not deducted for return:		
Net Change - Deferred Maintenance		41,964
Net Change - Rate Case		5,060
Excess Tax Depreciation over Book Depreciation		234,327
Current FIT		482,630
Deferred FIT		(338,087)
Deferred SIT		(57,873)
Income recorded on books not included in return:		
Turnaround of Prior Year's - Deferred Maintenance		
Interest During Construction		(119,620)
Other PAA		-
Turnaround of Prior Year's - Rate Case		
Deduction on return not charged against book income:		
Organization Exp		(180)
Timing difference of recorded depreciation		(1,186)
Irreconcilable difference		(690)
Federal tax net income		\$ 1,419,501

Computation of tax :

1,419,501  
34%  
482,630

# **WATER OPERATING SECTION**

**Note:** This utility is a wastewater only service; therefore, Pages W-1 through W-14 have been omitted from this report.

**WASTEWATER  
OPERATION  
SECTION**

**UTILITY NAME:** ALAFAYA UTILITIES INC

**YEAR OF REPORT**  
31-Dec-07

**WASTEWATER LISTING OF SYSTEM GROUPS**

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The wastewater financial schedules (S-2 through S-10) should be filed for the group in total.

The wastewater engineering schedules (S-11 and S-12) must be filed for each system in the group.

All of the following wastewater pages (S-2 through S-12) should be completed for each group and arranged by group number.

SYSTEM NAME / COUNTY	CERTIFICATE NUMBER	GROUP NUMBER
ALAFAYA / SEMINOLE	379S	



UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

SYSTEM NAME / COUNTY : Seminole County

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service		
	Less:	S-4A	\$ 28,119,626
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6B	-
110	Accumulated Amortization	F-8	7,057,136
271	Contributions In Aid of Construction	S-7	-
252	Advances for Construction	F-20	17,916,962
			-
Subtotal			\$ 3,145,528
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8A	\$ 4,753,177
Subtotal			\$ 7,898,705
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	-
	Working Capital Allowance (3)		263,962
	Other (Specify):		
WASTEWATER RATE BASE			\$ 8,162,667
WASTEWATER OPERATING INCOME		S-3	\$ 669,745
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			8.20%

NOTES : (1) Estimate based on the methodology used in the last rate proceeding.

(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 Expense Method.

UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

SYSTEM NAME / COUNTY Seminole County

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues		
530	Less: Guaranteed Revenue (and AFPI)	S-9A S-9A	\$ 3,790,238
Net Operating Revenues			\$ 3,790,238
401	Operating Expenses	S-10A	\$ 2,111,695
403	Depreciation Expense	S-6A	698,828
	Less: Amortization of CIAC	S-8A	(398,462)
Net Depreciation Expense			\$ 300,366
406	Amortization of Utility Plant Acquisition Adjustment	F-7	-
407	Amortization Expense (Other than CIAC)	F-8	-
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		161,745
408.11	Property Taxes		415,679
408.12	Payroll Taxes		44,338
408.13	Other Taxes and Licenses		-
408	Total Taxes Other Than Income		\$ 621,762
409.1	Income Taxes		482,630
410.10	Deferred Federal Income Taxes		(338,087)
410.11	Deferred State Income Taxes		(57,873)
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			\$ 3,120,493
Utility Operating Income			\$ 669,745
530	Add Back: Guaranteed Revenue (and AFPI)	S-9A	\$
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		119,617
Total Utility Operating Income			\$ 789,362

UTILITY NAME:

ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

SYSTEM NAME / COUNTY Seminole County

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 842,279	\$ 3,823	\$ -	\$ 846,102
352	Franchises	3,522	3,469	-	6,991
353	Land and Land Rights	60,843	3,074	-	63,917
354	Structures and Improvements	6,499,685	873,013	6,598	7,366,100
355	Power Generation Equipment	51,569	-	-	51,569
360	Collection Sewers - Force	691,117	54,346	-	745,463
361	Collection Sewers - Gravity	6,875,184	488,100	-	7,363,284
361	Manholes	1,437,813	390,360	-	1,828,173
362	Special Collecting Structures	-	-	-	-
363	Services to Customers	1,220,472	119,615	625	1,339,462
364	Flow Measuring Devices	-	-	-	-
365	Flow Measuring Installations	-	-	-	-
366	Reuse Services	1,345,610	198,300	-	1,543,910
367	Reuse Meters and Meter Installations	36,216	6,868	-	43,084
370	Receiving Wells	-	-	-	-
371	Pumping Equipment	981,659	-	-	981,659
374	Reuse Distribution Reservoirs	11,261	352	-	11,613
375	Reuse Transmission and Distribution System	3,130,768	270,634	-	3,401,402
380	Treatment and Disposal Equipment	924,467	2,188,918	1,299,962	1,813,423
381	Plant Sewers	452,175	(452,175)	-	-
382	Outfall Sewer Lines	(1,789)	1,789	-	-
389	Other Plant Miscellaneous Equipment	-	-	-	-
390	Office Furniture and Equipment	43,784	162,706	-	206,490
391	Transportation Equipment	372,909	(84,756)	-	288,153
392	Stores Equipment	-	-	-	-
393	Tools, Shop and Garage Equipment	107,490	2,935	-	109,782
394	Laboratory Equipment	16,078	2,454	643	18,532
395	Power Operated Equipment	-	-	-	-
396	Communication Equipment	4,466	14,835	-	19,301
397	Miscellaneous Equipment	-	-	-	-
398	Other Tangible Plant	71,216	-	-	71,216
Total Wastewater Plant		\$ 25,178,794	\$ 4,248,659	\$ 1,307,828	\$ 28,119,626

Any adjustments made to reclassify property from one account to another must be footnoted.  
Column (d) includes allocations from UIF.

Computers have been reclassified from 398 in 2006 to 390 in 2007.

Computer system cost was left off the S-4 in 2006. It has been properly accounted for in the 2006 and 2007 columns in 390 for Office structures & improvements have been reclassified from 390 in 2006 to 354 in 2007.

UTILITY NAME: ALAFAYA UTILITIES INC  
SYSTEM NAME / COUNTY Seminole County

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ 846,102						
352	Franchises	6,991						
353	Land and Land Rights		60,843					
354	Structures and Improvements		5,036,228					3,074
355	Power Generation Equipment		51,569	2,112,261				150,524
360	Collection Sewers - Force		745,463					
361	Collection Sewers - Gravity		7,363,284					
361	Manholes		1,828,173					
362	Special Collecting Structures		1,339,462					
363	Services to Customers							
364	Flow Measuring Devices							
365	Flow Measuring Installations					1,543,910		
366	Reuse Services					43,084		
367	Reuse Meters and Meter Installations					981,659		
370	Receiving Wells					11,613		
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment and Disposal Equipment				1,813,423			
381	Plant Sewers						3,401,402	
382	Outfall Sewer Lines							
389	Other Plant Miscellaneous Equipment							
390	Office Furniture and Equipment							
391	Transportation Equipment							206,490
392	Stores Equipment							288,153
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							109,782
395	Power Operated Equipment							18,532
396	Communication Equipment							
397	Miscellaneous Equipment							19,301
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 853,093	\$ 16,425,022	\$ 2,112,261	\$ 1,880,510	\$ 2,580,266	\$ 3,401,402	\$ 867,072

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

UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

SYSTEM NAME / COUNTY : Seminole County

**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			2.50%
354	Structures and Improvements - Collection			2.50%
354	Structures and Improvements - Pumping			3.13%
354	Structures and Improvements - General			3.33%
354	Structures and Improvements - Treatment			2.50%
355	Power Generation Equipment			2.22%
360	Collection Sewers - Force			2.00%
361	Collection Sewers - Gravity			3.33%
361	Manholes			2.22%
362	Special Collecting Structures			3.33%
363	Services to Customers			
364	Flow Measuring Devices			3.33%
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			2.50%
370	Receiving Wells			5.00%
371	Pumping Equipment			
374	Reuse Distribution Reservoirs			
375	Reuse Transmission and Distribution System			2.70%
380	Treatment and Disposal Equipment			2.33%
380	Lagoons			5.56%
381	Plant Sewers			2.86%
382	Outfall Sewer Lines			2.98%
389	Other Plant Miscellaneous Equipment			3.33%
390	Office Furniture and Equipment			
390	Computers			6.67%
391	Transportation Equipment			20.00%
392	Stores Equipment			5 YR DDB
393	Tools, Shop and Garage Equipment			
394	Laboratory Equipment			6.25%
395	Power Operated Equipment			6.25%
396	Communication Equipment			
397	Miscellaneous Equipment			10.00%
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:

ALAEAYA UTILITIES, INC.

YEAR OF REPORT  
31-Dec-07

SYSTEM NAME / COUNTY : Seminole County

ANALYSIS OF ENTRIES IN WASTEWATER 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	Organization	\$ 8,974			
352	Franchises				
354	Structures and Improvements - Collection	5,925	3,454		3,454
354	Structures and Improvements - Pumping		156,468	167,291	323,759
354	Structures and Improvements - General	6,793	65,276	10,493	75,769
354	Structures and Improvements - Treatment		3,241	36,526	39,767
355	Power Generation Equipment		1,488	622	2,110
360	Collection Sewers - Force		22,952		23,172
361	Collection Sewers - Gravity		192,302	1	192,303
362	Manholes		32,561	10,144	42,705
362	Special Collecting Structures				
364	Services to Customers		25,032	9,885	34,917
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations		35,535		37,075
370	Receiving Wells		1,972	1,540	3,512
371	Pumping Equipment			2	1,974
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System		306		306
380	Treatment and Disposal Equipment		76,126		76,126
381	Lagoons		47,840		47,840
382	Plant Sewers		2,655	2,509	5,164
382	Outfall Sewer Lines		14,168		14,168
389	Other Plant Miscellaneous Equipment		1,829		1,829
390	Office Furniture and Equipment	(13,084)	1,695		1,695
390	Computers	13,416	2,447	34,224	35,919
391	Transportation Equipment		2,490	97,574	100,021
392	Stores Equipment				2,490
393	Tools, Shop and Garage Equipment	3,839	7,420		7,420
394	Laboratory Equipment		1,112		1,112
395	Power Operated Equipment			24	1,136
396	Communication Equipment	7,088	459		7,547
397	Miscellaneous Equipment			23,157	23,157
398	Other Tangible Plant				
	Total Depreciable Wastewater Plant in Service	\$ 7,556,252	\$ 698,828	\$ 394,212	\$ 1,093,040

NOTE:

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

Column (d) includes allocations from UIF.

Computers have been reclassified from 398 in 2006 to 390 in 2007.

Computer system cost was left off the S-6 in 2006. It has been properly accounted for in the 2006 and 2007 columns in 390 for \$5,075.

Office structures & improvements have been reclassified from 390 in 2006 to 354 in 2007.

Sewage service lines have been reclassified from 360 in 2006 to 363 in 2007.

Plant allocated from UIF in 2006 (\$21,083) has been properly reclassified from 354 to the following accounts:  
 \$10,945 to 354  
 \$5,109 to 390  
 \$1,258 to 393  
 \$3,771 to 396

There is a balance of \$666,644 in the generic sewer A/D account for 2006 and organization account for 2007 which has been accounted for in 398.

The A/D for both organization and franchisees was not included in the 2006 annual report, but should have been so it is included here.

UTILITY NAME:

ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

SYSTEM NAME / COUNTY : Seminole County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i)	BALANCE AT END OF YEAR (c+f-j)
(a)	(b)	(g)	(h)	(i)	(j)	(k)
351	Organization	\$ -	\$ -	\$ 3,822	\$ 3,822	\$ 5,152
352	Franchises	-	-	3,778	3,778	5,601
354	Structures and Improvements - Collection	-	-	-	-	2,161,916
354	Structures and Improvements - Pumping	6,598	-	-	6,598	606,268
354	Structures and Improvements - General	-	-	-	-	46,560
354	Structures and Improvements - Treatment	-	-	-	-	13,700
355	Power Generation Equipment	-	-	-	-	-
360	Collection Sewers - Force	-	-	-	-	181,192
361	Collection Sewers - Gravity	-	-	-	-	1,730,473
361	Manholes	-	-	-	-	156,460
362	Special Collecting Structures	-	-	24,934	24,934	-
363	Services to Customers	625	-	-	625	400,255
364	Flow Measuring Devices	-	-	-	-	-
365	Flow Measuring Installations	-	-	-	-	-
366	Reuse Services	-	-	-	-	-
367	Reuse Meters and Meter Installations	-	-	-	-	-
370	Receiving Wells	-	-	-	-	131,139
371	Pumping Equipment	-	-	-	-	3,902
374	Reuse Distribution Reservoirs	-	-	-	-	-
375	Reuse Transmission and Distribution System	-	-	49	49	-
380	Treatment and Disposal Equipment	1,299,962	-	107	107	321,526
380	Lagoons	-	-	193,427	1,493,389	274,356
381	Plant Sewers	-	-	-	-	11,884
382	Outfall Sewer Lines	-	-	-	-	128,761
389	Other Plant Miscellaneous Equipment	-	-	1,698	1,698	1,912
390	Office Furniture and Equipment	-	-	-	-	-
390	Computers	-	-	-	-	-
391	Transportation Equipment	-	-	-	-	22,835
392	Stores Equipment	-	-	-	-	113,437
393	Tools, Shop and Garage Equipment	-	-	33,285	33,285	64,391
394	Laboratory Equipment	643	-	-	1,449	9,810
395	Power Operated Equipment	-	-	-	-	(8,366)
396	Communication Equipment	-	-	-	-	-
397	Miscellaneous Equipment	-	-	11,694	11,694	19,010
398	Other Tangible Plant	-	-	10,728	10,728	-
Total Depreciable Wastewater Plant in Service		\$ 1,307,828	\$ -	\$ 284,328	\$ 1,592,156	\$ 7,057,136

\* Specify nature of transaction.  
Use ( ) to denote reversal entries.

UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

SYSTEM NAME / COUNTY Seminole County

CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (c)
Balance first of year		\$ <u>15,367,571</u>
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	S-8A	\$ <u>497,041</u>
Contributions received from Developer or Contractor Agreements in cash or property	S-8B	<u>2,052,350</u>
Total Credits		\$ <u>2,549,391</u>
Less debits charged during the year (All debits charged during the year must be explained below)		\$ _____
Total Contributions In Aid of Construction		\$ <u>17,916,962</u>

Explain all debits charged to Account 271 during the year below:

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UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
31-Dec-07

SYSTEM NAME / COUNTY Seminole County

**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)
SEWER CONNECTIONS FEES	2	\$ 150	300
SEWER CONNECTIONS FEES	2	\$ 270	\$ 540
SEWER CONNECTIONS FEES	2	\$ 295	590
SEWER CONNECTIONS FEES	1	\$ 450	450
SEWER CONNECTIONS FEES	1	\$ 600	600
SEWER CONNECTIONS FEES	1	\$ 1,350	1,350
SEWER CONNECTIONS FEES	1	\$ 1,479	1,479
SEWER CONNECTIONS FEES	1	\$ 2,250	2,250
SEWER CONNECTIONS FEES	1	\$ 2,840	\$ 2,840
SEWER CONNECTIONS FEES	1	\$ 3,419	3,419
SEWER CONNECTIONS FEES	1	\$ 4,013	4,013
SEWER CONNECTIONS FEES	1	\$ 8,039	\$ 8,039
SEWER CONNECTIONS FEES	1	\$ 19,200	19,200
SEWER CONNECTIONS FEES	1	\$ 22,751	22,751
SEWER CONNECTIONS FEES	1	\$ 429,220	429,220
Total Credits			\$ <u>497,041</u>

**ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 4,295,474
Debits during the year:	
Accruals charged to Account 272	\$ 398,462
Other debits (specify):	
Rounding: SUD entries and Commission Ordered	59,241
Adjustments	
Total debits	\$ 457,703
Credits during the year (specify):	
	\$ -
Total credits	\$ -
Balance end of year	\$ <u>4,753,177</u>

UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
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SYSTEM NAME / COUNTY Seminole County

**WASTEWATER CIAC SCHEDULE "B"**  
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION  
RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS  
WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
Hope Community Church	Property	4,000
River Pine Estates	Property	56,072
Live Oak Reserve PH4	Property	1,007,415
Oviedo Forest PH2	Property	339,608
Oviedo Forest PH3	Property	365,255
Lake Groves WWTP Expansion	Property	280,000
Total Credits		\$ 2,052,350

Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations

UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT 31-Dec-07
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(A)	(B)	(C)	(D)
Accounts	Gross Wastewater Revenues per Sch S-9	Gross Wastewater Revenues per RAF Return	Difference (B)-(C)
Gross Revenues:			-
Total Flat-Rate Revenues			-
Total Measured Revenues	3,790,238	3,776,962	13,276
Revenues from Public Authorities			-
Revenues from Other Systems			-
Interdepartmental Revenues			-
Total Other Wastewater Revenues			-
Reclaimed Water Sales			-
Total Wastewater Operating Revenue	3,790,238	3,776,962	13,276
Less: Expense for Purchased Wastewater from FPSC Regulated Utility			-
Net Wastewater Operating Revenues	3,790,238	3,776,962	13,276

UTILITY NAME: ALAFAYA UTILITIES INC

YEAR OF REPORT  
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SYSTEM NAME / COUNTY Seminole County

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
<b>WASTEWATER SALES</b>				
521.1	Flat Rate Revenues: Residential Revenues			\$ -
521.2	Commercial Revenues			-
521.3	Industrial Revenues			-
521.4	Revenues From Public Authorities			-
521.5	Multiple Family Dwelling Revenues			-
521.6	Other Revenues			-
521	Total Flat Rate Revenues	-	-	\$ -
522.1	Measured Revenues: Residential Revenues	7,259	7,037	3,343,711
522.2	Commercial Revenues	148	148	232,416
522.3	Industrial Revenues			-
522.4	Revenues From Public Authorities			-
522.5	Multiple Family Dwelling Revenues			-
522	Total Measured Revenues			\$ 3,576,127
523	Revenues From Public Authorities			-
524	Revenues From Other Systems			-
525	Interdepartmental Revenues			-
Total Wastewater Sales		-	-	\$ 3,576,127
<b>OTHER WASTEWATER REVENUES</b>				
530	Guaranteed Revenues			\$ -
531	Sale of Sludge			-
532	Forfeited Discounts			-
534	Rents From Wastewater Property			-
535	Interdepartmental Rents			-
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			45,623
Total Other Wastewater Revenues				\$ 45,623

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

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YEAR OF REPORT  
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SYSTEM NAME / COUNTY Seminole County

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues			\$ 7,120
540.2	Commercial Reuse Revenues			-
540.3	Industrial Reuse Revenues			-
540.4	Reuse Revenues From Public Authorities			-
540.5	Other Revenues			-
540	Total Flat Rate Reuse Revenues			\$ 7,120
541.1	Measured Reuse Revenues: Residential Reuse Revenues			161,368
541.2	Commercial Reuse Revenues			-
541.3	Industrial Reuse Revenues			-
541.4	Reuse Revenues From Public Authorities			-
541	Total Measured Reuse Revenues			\$ 161,368
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				\$
Total Wastewater Operating Revenues				\$ 3,790,238

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

UTILITY NAME: ALAFAYA UTILITIES INC

SYSTEM NAME / COUNTY Seminole County

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WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 COLLECTION 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	Salaries and Wages - Employees	\$ 414,372	\$ 7,551	\$ 30,205	\$ 50,342	\$ 12,585	\$ 120,820	\$ 30,206
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits	33,096						
710	Purchased Sewage Treatment	101,089	1,706	6,824	11,373	2,843	27,295	6,824
711	Sludge Removal Expense	3,530					3,530	
715	Purchased Power	428,593					428,593	
716	Fuel for Power Purchased	359,424			89,856		269,568	
718	Chemicals							
720	Materials and Supplies	91,280					91,280	
731	Contractual Services-Engineering	51,831						
732	Contractual Services - Accounting	13,560						
733	Contractual Services - Legal	56,430						
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing							
736	Contractual Services - Other							
741	Rental of Building/Real Property	77,606						
742	Rental of Equipment	127,283						
750	Transportation Expenses							
756	Insurance - Vehicle	28,055	842	3,367	5,611	1,403	13,466	3,366
757	Insurance - General Liability							
758	Insurance - Workman's Comp.							
759	Insurance - Other	25,429						
760	Advertising Expense							
766	Regulatory Commission Expenses							
767	- Amortization of Rate Case Expense	36,849						
770	Bad Debt Expense							
775	Miscellaneous Expenses	21,583	4,911	19,645	32,742	8,186	78,582	19,645
		241,685						
Total Wastewater Utility Expenses		\$ 2,111,695	\$ 15,010	\$ 60,041	\$ 189,924	\$ 25,017	\$ 1,033,134	\$ 60,041

UTILITY NAME:

ALAFAYA UTILITIES INC

YEAR OF REPORT  
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SYSTEM NAME / COUNTY : Seminole County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	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	Salaries and Wages - Employees	\$ 58,667	\$ 103,996	\$ -	\$ -	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	-	33,096	-	-	-	-
704	Employee Pensions and Benefits	13,254	30,971	-	-	-	-
710	Purchased Sewage Treatment	-	-	-	-	-	-
711	Sludge Removal Expense	-	-	-	-	-	-
715	Purchased Power	-	-	-	-	-	-
716	Fuel for Power Purchased	-	-	-	-	-	-
718	Chemicals	-	-	-	-	-	-
720	Materials and Supplies	25,916	25,916	-	-	-	-
731	Contractual Services-Engineering	-	-	-	-	-	-
732	Contractual Services - Accounting	-	13,560	-	-	-	-
733	Contractual Services - Legal	-	56,430	-	-	-	-
734	Contractual Services - Mgt. Fees	-	-	-	-	-	-
735	Contractual Services - Testing	-	-	-	-	-	-
736	Contractual Services - Other	38,803	-	-	-	-	-
741	Rental of Building/Real Property	-	127,283	-	-	-	-
742	Rental of Equipment	-	-	-	-	-	-
750	Transportation Expenses	-	-	-	-	-	-
756	Insurance - Vehicle	-	-	-	-	-	-
757	Insurance - General Liability	-	-	-	-	-	-
758	Insurance - Workman's Comp.	-	-	-	-	-	-
759	Insurance - Other	-	25,429	-	-	-	-
760	Advertising Expense	-	-	-	-	-	-
766	Regulatory Commission Expenses	-	-	-	-	-	-
	- Amortization of Rate Case Expense	-	36,849	-	-	-	-
767	Regulatory Commission Exp.-Other	-	-	-	-	-	-
770	Bad Debt Expense	21,583	-	-	-	-	-
775	Miscellaneous Expenses	38,987	38,987	-	-	-	-
Total Wastewater Utility Expenses		\$ 197,209	\$ 531,319	\$ -	\$ -	\$ -	\$ -

UTILITY NAME:

ALAFAYA UTILITIES INC

<b>YEAR OF REPORT</b> 31-Dec-07
------------------------------------

SYSTEM NAME / COUNTY :

ALAFAYA / SEMINOLE

**CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS**

<b>WATER METER SIZE</b> (a)	<b>TYPE OF WATER METER</b> (b)	<b>EQUIVALENT FACTOR</b> (c)	<b>NUMBER OF WATER METERS</b> (d)	<b>TOTAL NUMBER OF METER EQUIVALENTS</b> (c x d) (e)
All Residential		1.0	7,037	7,037
5/8"	Displacement	1.0	75	75
3/4"	Displacement	1.5	-	-
1"	Displacement	2.5	39	98
1 1/2"	Displacement or Turbine	5.0	5	25
2"	Displacement, Compound or Turbine	8.0	26	208
3"	Displacement	15.0	1	15
3"	Compound	16.0	-	-
3"	Turbine	17.5	-	-
4"	Displacement or Compound	25.0	2	50
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				<u>7,508</u>

**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:

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

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 pe

**NOTE:** Total gallons treated includes both treated and purchased treatment.

ERC Calculation:
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UTILITY NAME: ALAFAYA UTILITIES INC

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SYSTEM NAME / COUNTY ALAFAYA / SEMINOLE

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

Permitted Capacity	1.535 mgd		
Basis of Permit Capacity (1)	AADF		
Manufacturer	Sanitaire		
Type (2)	Extended Air		
Hydraulic Capacity	2.4 mgd		
Average Daily Flow	1.046 mgd		
Total Gallons of Wastewater Treated	381.865 mg		
Method of Effluent Disposal	Ponds/Irrigation/ Reuse		

- (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: ALAFAYA UTILITIES INC

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SYSTEM NAME / COUNTY ALAFAYA / SEMINOLE

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs\* now being served 6319

2. Maximum number of ERCs\* which can be served 9593

3. Present system connection capacity (in ERCs\*) using existing lines 7615

4. Future connection capacity (in ERCs\*) upon service area buildout 8571

5. Estimated annual increase in ERCs\* Approximately 211

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
2007--Constructed 1.5 MG reuse storage tank and HSP's. Construct reuse transmission main in Live Oak subdivision.

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of re provided to each, if known. Twin Rivers GC; approximately 1,300 residential reuse customers, 23 GS customer

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? N/A

If so, when? \_\_\_\_\_

9. Has the utility been required by the DEP or water management district to implement reuse? Yes

If so, what are the utility's plans to comply with this requirement? Ongoing growth in residential reuse customer base

10. When did the company last file a capacity analysis report with the DEP? 2003

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? N/A

c. When will construction begin? N/A

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? No

12. Department of Environmental Protection ID # FLA011074

\* An ERC is determined based on the calculation on S-11.

S-13

GROUP \_\_\_\_\_

SYSTEM \_\_\_\_\_

Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations

UTILITY NAME:

ALAFAYA UTILITIES INC

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(A)	(B)	(C)	(D)
Accounts	Gross Wastewater Revenues per Sch S-9	Gross Wastewater Revenues per RAF Return	Difference (B)-(C)
Gross Revenues:			-
Total Flat-Rate Revenues			-
Total Measured Revenues	3,790,238	3,776,962	13,276
Revenues from Public Authorities			-
Revenues from Other Systems			-
Interdepartmental Revenues			-
Total Other Wastewater Revenues			-
Reclaimed Water Sales			-
Total Wastewater Operating Revenue	3,790,238	3,776,962	13,276
Less: Expense for Purchased Wastewater from FPSC Regulated Utility			-
Net Wastewater Operating Revenues	3,790,238	3,776,962	13,276