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CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

SU752-06-AR

Kirby D. Morgan, Inc.
164 S.E. Pearl Terrace
Lake City, FL 32025-1865

Submitted To The

STATE OF FLORIDA

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FLORIDA PUBLIC SERVICE
COMMISSION
DIVISION OF
ECONOMIC REGULATION
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PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

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FINANCIAL SECTION

REPORT OF

KIRBY D. MORGAN, INC.

(EXACT NAME OF UTILITY)

164 SE PEARL TERRACE LAKE CITY, FL 32025-1865	164 SE PEARL TERRACE LAKE CITY, FL 32025-1865	COLUMBIA
Mailing Address	Street Address	County

Telephone Number 386-752-8267 Date Utility First Organized MARCH 2, 1993

Fax Number 386-752-8444 E-mail Address DENISEBOSE@AOL.COM

Sunshine State One-Call of Florida, Inc. Member No. _____

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

- Individual
 Sub Chapter S Corporation
 1120 Corporation
 Partnership

Name, Address and Phone where records are located: EASTSIDE VILLAGE REALTY, 164 SE PEARL TERRACE
LAKE CITY, FL 32025

Name of subdivisions where services are provided: EASTSIDE VILLAGE

CONTACTS

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>DENISE BOSE</u>	<u>OFFICE MANAGER</u>	<u>164 SE PEARL TERRACE</u> <u>LAKE CITY, FL 32025</u>	
Person who prepared this report: <u>PATRICIA B. STUART, CPA</u>	<u>CERTIFIED PUBLIC ACCOUNTANT</u>	<u>4424 NW AMERICAN LN</u> <u>SUITE 101</u> <u>LAKE CITY, FL 32055</u>	
Officers and Managers: <u>KIRBY D. MORGAN</u>	<u>OWNER</u>	<u>276 SE WILLOW DRIVE</u> <u>LAKE CITY, FL 32025</u>	\$ <u>16,728 *</u>
<u>DENISE BOSE</u>	<u>OPERATOR</u>	<u>164 SE PEARL TERRACE</u> <u>LAKE CITY, FL 32025</u>	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>KIRBY D. MORGAN</u>	<u>50%</u>	<u>276 SE WILLOW DRIVE</u> <u>LAKE CITY, FL 32025</u>	\$ <u>16,728 *</u>
<u>DOROTHY J. MORGAN</u>	<u>50%</u>	<u>276 SE WILLOW DRIVE</u> <u>LAKE CITY, FL 32025</u>	\$ <u>0</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

* Management fee paid to Eastside Village Realty, Inc. (an S corporation owned by Kirby D. Morgan)

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT DECEMBER 31, 2006

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ _____	\$ 60,090	\$ _____	\$ 60,090
Commercial -----		_____	_____	_____	_____
Industrial -----		_____	_____	_____	_____
Multiple Family -----		_____	_____	_____	_____
Guaranteed Revenues -----		_____	_____	_____	_____
Other (Specify) -----		_____	_____	_____	_____
Total Gross Revenue -----		\$ _____	\$ 60,090	\$ _____	\$ 60,090
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ 50,978	\$ _____	\$ 50,978
Depreciation Expense -----	F-5	_____	10,642	_____	10,642
CIAC Amortization Expense -----	F-8	_____	(3,707)	_____	(3,707)
Taxes Other Than Income -----	F-7	_____	3,071	_____	3,071
Income Taxes -----	F-7	_____	_____	_____	_____
Total Operating Expense		\$ _____	60,984	_____	\$ 60,984
Net Operating Income (Loss)		\$ _____	(894)	\$ _____	\$ (894)
Other Income:					
Nonutility Income -----		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense -----		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ _____	(894)	\$ _____	\$ (894)

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT DECEMBER 31, 2006

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ <u>302,149</u>	\$ <u>302,149</u>
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>118,995</u>	<u>108,353</u>
Net Utility Plant -----		\$ <u>183,154</u>	\$ <u>193,796</u>
Cash -----		<u>8,112</u>	<u>9,702</u>
Customer Accounts Receivable (141) -----			
Other Assets (Specify): -----			
<u>UTILITY DEPOSITS</u>		<u>1,275</u>	<u>1,275</u>
<u>DUE FROM AFFILIATE</u>		<u>2,400</u>	<u>2,951</u>
Total Assets -----		\$ <u>194,941</u>	\$ <u>207,724</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	<u>100</u>	<u>100</u>
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		<u>81,827</u>	<u>81,827</u>
Retained Earnings (215) -----	F-6	<u>7,717</u>	<u>8,611</u>
Proprietary Capital (Proprietary and Partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>89,644</u>	\$ <u>90,538</u>
Long Term Debt (224) -----	F-6	\$ <u> </u>	\$ <u> </u>
Accounts Payable (231) -----		<u>9,818</u>	<u>18,000</u>
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>95,479</u>	<u>99,186</u>
Total Liabilities and Capital -----		\$ <u>194,941</u>	\$ <u>207,724</u>

UTILITY NAME KIRBY D. MORGAN, INC.

YEAR OF REPORT	
DECEMBER 31,	2006

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ _____	\$ <u>302,149</u>	\$ _____	\$ <u>302,149</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>_____</u>	\$ <u>302,149</u>	\$ <u>_____</u>	\$ <u>302,149</u>

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ _____	\$ <u>108,353</u>	\$ _____	\$ <u>108,353</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ _____	\$ <u>10,642</u>	\$ _____	\$ <u>10,642</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ <u>_____</u>	\$ <u>10,642</u>	\$ <u>_____</u>	\$ <u>10,642</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>_____</u>	\$ <u>118,995</u>	\$ <u>_____</u>	\$ <u>118,995</u>

UTILITY NAME: KIRBY D. MORGAN, INC. _____

YEAR OF REPORT	
DECEMBER 31,	2006

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	100	_____
Shares issued and outstanding _____	100	_____
Total par value of stock issued _____	100	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ 8,611
Changes during the year (Specify):		
NET LOSS _____	_____	(894)
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ 7,717

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
Changes during the year (Specify):		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ _____

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT DECEMBER 31, 2006

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	_____	402	_____	402
Regulatory assessment fee _____	_____	2,569	_____	2,569
Other (Specify) _____	_____	_____	_____	_____
State Corporate Filing Fee _____	_____	150	_____	150
Less: State Refund _____	_____	(50)	_____	(50)
Total Tax Expense _____	\$ _____	\$ style="text-align: right;">3,071	\$ _____	\$ style="text-align: right;">3,071

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.			
Name of Recipient	Water Amount	Wastewater Amount	Description of Service
<u>EASTSIDE VILLAGE REALTY</u>	\$ _____	\$ 16,728	<u>MANAGEMENT SERVICES</u>
<u>CHARLES JOHNSON</u>	\$ _____	\$ 6,727	<u>CONTRACT LABOR</u>
<u>EAST STAR INDUSTRIES, INC</u>	\$ _____	\$ 2,246	<u>REPAIRS</u>
<u>ODOM MOSES & CO, LLP</u>	\$ _____	\$ 2,210	<u>ACCOUNTING</u>
<u>WILSON AXLE SERVICE</u>	\$ _____	\$ 1,988	<u>REPAIRS</u>
<u>ADVANCED TECH & TESTING</u>	\$ _____	\$ 1,790	<u>WATER TESTING</u>
<u>AMERICAN PIPE & TANK</u>	\$ _____	\$ 1,775	<u>REPAIRS</u>
<u>STANDARD PLUMBING SUPPLY</u>	\$ _____	\$ 1,258	<u>REPAIRS</u>
<u>T.A.W.</u>	\$ _____	\$ 990	<u>REPAIRS</u>
<u>CUSTOM CONTROLS & PUMPS</u>	\$ _____	\$ 900	<u>SUPPLIES</u>
<u>GRAHAM & SONS ELECTRIC</u>	\$ _____	\$ 763	<u>REPAIRS</u>
<u>PESTMASTER SERVICES</u>	\$ _____	\$ 600	<u>REPAIRS</u>

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT
DECEMBER 31, 2006

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ _____	\$ <u>147,136</u>	\$ <u>147,136</u>
2) Add credits during year_____	\$ _____	\$ _____	\$ _____
3) Total_____	_____	<u>147,136</u>	<u>147,136</u>
4) Deduct charges during the year_____	_____	_____	_____
5) Balance end of year_____	_____	<u>147,136</u>	<u>147,136</u>
6) Less Accumulated Amortization_____	_____	<u>51,657</u>	<u>51,657</u>
7) Net CIAC_____	\$ _____	\$ <u>95,479</u>	\$ <u>95,479</u>

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total_____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year			
Description of Charge	Number of Connections	Charge per Connection	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.)_____		\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year_____	\$ _____	\$ <u>47,950</u>	\$ <u>47,950</u>
Add Debits During Year:_____	_____	<u>3,707</u>	<u>3,707</u>
Deduct Credits During Year:_____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ _____	\$ <u>51,657</u>	\$ <u>51,657</u>

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME KIRBY D. MORGAN, INC.

YEAR OF REPORT DECEMBER 31, 2006

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ <u>_____</u>	<u>100.00</u> %		<u>_____</u> %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order Number approving AFUDC rate:	_____

WATER OPERATING SECTION

Note: This utility is a wastewater only service; therefore, Pages W-1 through W-7 have been omitted from this report.

WASTEWATER

OPERATING

SECTION

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT DECEMBER 31, 2006

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises_____	_____	_____	_____	_____
353	Land and Land Rights_____	10,000	_____	_____	10,000
354	Structures and Improvements_____	92,579	_____	_____	92,579
355	Power Generation Equipment_____	17,809	_____	_____	17,809
360	Collection Sewers - Force_____	3,008	_____	_____	3,008
361	Collection Sewers - Gravity_____	145,254	_____	_____	145,254
362	Special Collecting Structures_____	64	_____	_____	64
363	Services to Customers_____	_____	_____	_____	_____
364	Flow Measuring Devices_____	4,016	_____	_____	4,016
365	Flow Measuring Installations_____	_____	_____	_____	_____
370	Receiving Wells_____	_____	_____	_____	_____
371	Pumping Equipment_____	_____	_____	_____	_____
380	Treatment and Disposal Equipment_____	27,820	_____	_____	27,820
381	Plant Sewers_____	_____	_____	_____	_____
382	Outfall Sewer Lines_____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
390	Office Furniture and Equipment_____	1,599	_____	_____	1,599
391	Transportation Equipment_____	_____	_____	_____	_____
392	Stores Equipment_____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
394	Laboratory Equipment_____	_____	_____	_____	_____
395	Power Operated Equipment_____	_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____	_____
397	Miscellaneous Equipment_____	_____	_____	_____	_____
398	Other Tangible Plant_____	_____	_____	_____	_____
	Total Wastewater Plant_____	\$ 302,149	\$ 0	\$ 0	\$ 302,149 *

* This amount should tie to sheet F-5.

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT
DECEMBER 31, 2006

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements_	27	%	%	\$ 44,858	\$	\$ 3,428	\$ 48,286
355	Power Generation Equipment_	17	%	%	1,125		1,048	2,173
360	Collection Sewers - Force_	27	%	%	1,838		112	1,950
361	Collection Sewers - Gravity_	40	%	%	45,909		3,632	49,541
362	Special Collecting Structures_	37	%	%	29		1	30
363	Services to Customers_		%	%				
364	Flow Measuring Devices_	7.5	%	%	2,294		369	2,663
365	Flow Measuring Installations_		%	%				
370	Receiving Wells_		%	%				
371	Pumping Equipment_		%	%				
380	Treatment and Disposal Equipment_	13.86	%	%	11,420		1,732	13,152
381	Plant Sewers_		%	%				
382	Outfall Sewer Lines_		%	%				
389	Other Plant and Miscellaneous Equipment_		%	%				
390	Office Furniture and Equipment_	5	%	%	880		320	1,200
391	Transportation Equipment_		%	%				
392	Stores Equipment_		%	%				
393	Tools, Shop and Garage Equipment_		%	%				
394	Laboratory Equipment_		%	%				
395	Power Operated Equipment_		%	%				
396	Communication Equipment_		%	%				
397	Miscellaneous Equipment_		%	%				
398	Other Tangible Plant_		%	%				
	Totals_				\$ 108,353	\$ 0	\$ 10,642	\$ 118,995 *

* This amount should tie to Sheet F-5.

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT DECEMBER 31, 2006

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees_____	\$ _____
703	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	_____
704	Employee Pensions and Benefits_____	_____
710	Purchased Wastewater Treatment_____	_____
711	Sludge Removal Expense_____	_____
715	Purchased Power_____	5,439
716	Fuel for Power Production_____	_____
718	Chemicals_____	_____
720	Materials and Supplies_____	2,627
730	Contractual Services:	
	Billing_____	_____
	Professional_____	19,239
	Testing_____	1,790
	Other_____	20,835
740	Rents_____	_____
750	Transportation Expense_____	_____
755	Insurance Expense_____	_____
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
770	Bad Debt Expense_____	_____
775	Miscellaneous Expenses_____	1,048
	Total Wastewater Operation And Maintenance Expense_____	\$ 50,978 *

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	223	223	223
General Service					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	223	223

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT
DECEMBER 31, 2006

PUMPING EQUIPMENT

Lift Station Number_____	<u>1</u>	<u>2</u>	<u>3</u>	_____	_____	_____
Make or Type and nameplate data on pump_____	_____	_____	_____	_____	_____	_____
Year installed_____	<u>2002</u>	<u>1990</u>	<u>2001</u>	_____	_____	_____
Rated capacity_____	_____	_____	_____	_____	_____	_____
Size_____	<u>2 hp</u>	<u>2 hp</u>	<u>3 hp</u>	_____	_____	_____
Power:						
Electric_____	<u>Electric</u>	<u>Electric</u>	<u>Electric</u>	_____	_____	_____
Mechanical_____	_____	_____	_____	_____	_____	_____
Nameplate data of motor_____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches)_____	<u>3"</u>	<u>3"</u>	<u>3"</u>	_____	_____	_____
Type (PVC, VCP, etc.)_____	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	_____	_____	_____
Average length_____	<u>40 ft</u>	<u>40 ft</u>	<u>40 ft</u>	_____	_____	_____
Number of active service connections_____	_____	_____	_____	_____	_____	_____
Beginning of year_____	<u>123</u>	<u>48</u>	<u>52</u>	_____	_____	_____
Added during year_____	_____	_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____	_____	_____
End of year_____	<u>123</u>	<u>48</u>	<u>52</u>	_____	_____	_____
Give full particulars concerning inactive connections_____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains		
Size (inches)_____	<u>8"</u>	_____	_____	<u>3"</u>	_____	_____
Type of main_____	<u>PVC</u>	_____	_____	<u>PVC</u>	_____	_____
Length of main (nearest foot)_____	<u>4500</u>	_____	_____	<u>3800</u>	_____	_____
Beginning of year_____	_____	_____	_____	_____	_____	_____
Added during year_____	_____	_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____	_____	_____
End of year_____	<u>4500</u>	_____	_____	<u>3800</u>	_____	_____

MANHOLES

Size (inches)_____	<u>26"</u>	_____	_____	_____
Type of Manhole_____	_____	_____	_____	_____
Number of Manholes:				
Beginning of year_____	<u>34</u>	_____	_____	_____
Added during year_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____
End of Year_____	<u>34</u>	_____	_____	_____

UTILITY NAME: KIRBY D. MORGAN, INC.

SYSTEM NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT DECEMBER 31, 2006

TREATMENT PLANT

Manufacturer_____	<u>Di Fiance</u>	_____	_____
Type_____	_____	_____	_____
"Steel" or "Concrete"_____	<u>Concrete</u>	_____	_____
Total Permitted Capacity_____	<u>25000</u>	_____	_____
Average Daily Flow_____	<u>27397</u>	_____	_____
Method of Effluent Disposal_____	<u>Perc Ponds</u>	_____	_____
Permitted Capacity of Disposal_____	_____	_____	_____
Total Gallons of Wastewater treated_____	<u>6,949,254</u>	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer_____	<u>#1</u>	<u>#2</u>	<u>#3</u>	_____	_____	_____
Capacity (GPM's)_____	<u>100</u>	<u>100</u>	<u>100</u>	_____	_____	_____
Motor:						
Manufacturer_____	<u>Gorman</u>	<u>Rupp</u>	<u>Marthon</u>	_____	_____	_____
Horsepower_____	<u>2 hp</u>	<u>2 hp</u>	<u>2 hp</u>	_____	_____	_____
Power (Electric or Mechanical)_____	<u>Electric</u>	<u>Electric</u>	<u>Electric</u>	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	<u>563,346</u>	_____	_____
February_____	<u>529,822</u>	_____	_____
March_____	<u>638,460</u>	_____	_____
April_____	<u>642,539</u>	_____	_____
May_____	<u>537,000</u>	_____	_____
June_____	<u>563,000</u>	_____	_____
July_____	<u>621,878</u>	_____	_____
August_____	<u>596,318</u>	_____	_____
September_____	<u>550,611</u>	_____	_____
October_____	<u>577,188</u>	_____	_____
November_____	<u>568,807</u>	_____	_____
December_____	<u>560,285</u>	_____	_____
Total for year_____	<u>6,949,254</u>	_____	_____

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: KIRBY D. MORGAN, INC.

SYSTEM NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT
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GENERAL 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. 6,949,254 / 223 / 365 = 85.38
2. Maximum number of ERCs* which can be served. _____
3. Present system connection capacity (in ERCs*) using existing lines. N/A
4. Future connection capacity (in ERCs*) upon service area buildout. N/A
5. Estimated annual increase in ERCs*. N/A
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system

None

7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known. N/A
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No
If so, when? _____
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 this requirement? _____

10. When did the company last file a capacity analysis report with the DEP? _____ at last permit renewal done by engineer Curtis Keen
11. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules. N/A
 - 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. N/A
 - e. Is this system under any Consent Order with DEP? N/A
12. Department of Environmental Protection ID # 311 - P00467

* An ERC is determined based on 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 SFR customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000)/365 days/280 gallons per day).

UTILITY NAME: KIRBY D. MORGAN, INC.

YEAR OF REPORT
DECEMBER 31, 2006

CERTIFICATION OF ANNUAL REPORT

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

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<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
<input checked="" type="checkbox"/> | NO
<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. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>	<u>Kirby D. Morgan</u> *
				(signature of Chief Executive Officer of the utility)

Date: 3/02/07

1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>	4. <input type="checkbox"/>	<u>Kirby D. Morgan</u> *
				(signature of Chief Financial Officer of the utility)

Date: 3/02/07

* 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.