

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS832-06-AR

CWS Communities LP dba Palm Valley

Exact Legal Name of Respondent

277-W 223-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

RECEIVED
PUBLIC SERVICE
COMMISSION
07 APR 19 AM 9:46
DIRECTOR OF
ECONOMIC REGULATION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

FINANCIAL SECTION

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REPORT OF

CWS Communities LP dba Palm Valley
(EXACT NAME OF UTILITY)

3700 Palm Valley Circle, Oviedo, Florida 32765 Same as Mailing Address Lake
Mailing Address Street Address County

Telephone Number 407-366-0733

6/27/1986

Fax Number 407-366-3896

None

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: Same as above

Name of subdivisions where services are provided: Palm Valley and Fox Run

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Kathryn Cowdery, Ruden McClosky	Attorney	215 S. Monroe Street Tallahassee, FI 32301	None
Person who prepared this report: Gary Morse, Excel Engineering Cons.	Utility Consultants	122 Wilshire Blvd. Casselberry, Florida 32779	None
Officers and Managers: Sandy Seifert	Community Manager	Same as above	\$ _____
Dora Cline	President SE Division	8805 Crown Blvd. Tampa, FL	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

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	Principle Business Address	Salary Charged Utility
Hometown America, LLC	100%	150 N. Wacker Drive Chicago, IL 60606	\$ N/A
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 168,663	\$ 198,480	\$ _____	\$ 367,143
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 168,663	\$ 198,480	\$ _____	\$ 367,143
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 64,773	\$ 203,189	\$ _____	\$ 267,962
Depreciation Expense _____	F-5	57,464	83,140	_____	140,604
CIAC Amortization Expense _____	F-8	(8,763)	(16,270)	_____	(25,033)
Taxes Other Than Income _____	F-7	27,524	22,612	_____	50,136
Income Taxes _____	F-7	0	0	_____	0
Total Operating Expense		\$ 140,998	292,671	_____	\$ 433,669
Net Operating Income (Loss)		\$ 27,666	\$ (94,191)	\$ _____	\$ (66,526)
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ 0	\$ 0	\$ _____	\$ _____
Interest Expense _____		_____	_____	_____	_____
Acquisition Adjustment _____		1,735	2,121	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ 25,931	\$ (96,312)	\$ _____	\$ (66,526)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ 3,813,643	\$ 3,687,969
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	1,564,218	1,423,614
Net Utility Plant _____		\$ 2,249,425	\$ 2,264,354
Cash _____			
Customer Accounts Receivable (141) _____		1,208	1,208
Other Assets (Specify): _____			-
Acquisition Adjustment _____		43,261	47,117
Total Assets _____		\$ 2,293,894	\$ 2,312,679
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6		
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____			
Retained Earnings (215) _____	F-6	(314,299)	(247,774)
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6	-	
Total Capital _____		\$ (314,299)	\$ (247,774)
Long Term Debt (224) _____	F-6	\$	\$
Accounts Payable (231) _____		-	-
Notes Payable (232) _____			
Customer Deposits (235) _____		-	0
Accrued Taxes (236) _____		316	316
Other Liabilities (Specify) _____			
Due to Parent _____		2,043,372	2,041,244
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	564,505	518,893
Total Liabilities and Capital _____		\$ 2,293,893	\$ 2,312,680

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)_____	\$ <u>1,214,728</u>	\$ <u>2,598,915</u>	\$ _____	\$ <u>3,813,643</u>
Construction Work in Progress (105)_____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant_____	\$ <u>1,214,728</u>	\$ <u>2,598,915</u>	\$ _____	\$ <u>3,813,643</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year_____	\$ <u>493,446</u>	\$ <u>930,168</u>	\$ _____	\$ <u>1,423,614</u>
Add Credits During Year:				
Accruals charged to depreciation account_____	\$ <u>57,464</u>	\$ <u>83,140</u>	\$ _____	\$ <u>140,604</u>
Salvage_____	_____	_____	_____	_____
Other Credits (specify)_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits_____	\$ <u>550,910</u>	\$ <u>1,013,308</u>	\$ _____	\$ <u>1,564,218</u>
Deduct Debits During Year:				
Book cost of plant retired_____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal_____	_____	_____	_____	_____
Other debits (specify)_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits_____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year_____	\$ <u>550,910</u>	\$ <u>1,013,308</u>	\$ _____	\$ <u>1,564,218</u>

UTILITY NAME: CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31, 2005

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share_____	_____	_____
Shares authorized_____	_____	_____
Shares issued and outstanding_____	_____	_____
Total par value of stock issued_____	_____	_____
Dividends declared per share for year_____	_____	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year_____	\$ (148,030)	\$ _____
Changes during the year (Specify):		
Retained Earnings_____	(99,744)	_____
Capital Contributions(Distributions)_____	_____	_____
_____	_____	_____
Balance end of year_____	\$ (247,774)	\$ _____

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: CWS Communities LP dba Palm Valley

YEAR OF REPORT
DECEMBER 31, 2006

TAXES 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_____	13,398	13,398	_____	26,795
Regulatory assessment fees Paid	6,957	8,289	_____	15,246
Other (Specify)_____	_____	_____	_____	_____
Payroll Tax_____	926	926	_____	1,851
4% Tax Paid to Seminole County	6,244	_____	_____	6,244
Total Taxes Paid During Year	\$ 27,524	\$ 22,612	\$ _____	\$ 50,136

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar 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
Florida Utility Group	\$ 9,647	\$ 76,286	Contract Plant Operator
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31, 2006

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 254,875	\$ 509,570	\$ 764,445
2) Add credits during year _____	\$ 50,190	\$ 20,454	\$ 70,644
3) Total _____	305,065	530,024	835,089
4) Deduct charges during the year _____	-	-	-
5) Balance end of year _____	305,065	530,024	835,089
6) Less Accumulated Amortization _____	78,956	191,628	270,584
7) Net CIAC _____	\$ 226,109	\$ 338,396	\$ 564,505

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	
Service Availability-Water	21	\$ 2,390	\$ 50,190
Service Availability-Sewer	21	974	\$ 20,454
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____		\$ 50,190	\$ 20,454

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 70,193	\$ 175,359	\$ 245,552
Add Credits During Year: _____	8,763	16,270	25,033
Deduct Debits During Year: _____	-	-	-
Balance End of Year (Must agree with line #6 above.)	\$ 78,956	\$ 191,628	\$ 270,584

UTILITY NAME: CWS Communities LP dba Palm Valle

YEAR OF REPORT DECEMBER 31, 2004

**ACQUISITION ADJUSTMENT AND CORRESPONDING AMORTIZATION
 IN 1986 ALAFAYA PALM VALLEY ASSOC. LTD. PURCHASED THIS FACILITY
 FROM ECO-SUN INC. AS PART OF THIS PURCHASE, AN ACQUISITION ADJUSTMENT
 OF \$123,109 WAS REALIZED. THIS AMOUNT IS DOCUMENTED IN THE PSC STAFF REPORT**

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	<u>\$55,525</u>	<u>\$67,664</u>	<u>\$123,189</u>
2) Add credits during year _____	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
3) Total _____	<u>-</u>	<u>-</u>	<u>-</u>
4) Deduct charges during the year _____			
5) Balance end of year _____	<u>55,525</u>	<u>67,664</u>	<u>123,189</u>
6) Less Accumulated Amortization _____	<u>(36,058)</u>	<u>(43,870)</u>	<u>(79,928)</u>
7) Net ACQUISITION ADJUSTMENT _____	<u>\$19,467</u>	<u>\$23,794</u>	<u>\$43,261</u>

ACCUMULATED AMORTIZATION

	Water	Wastewater	Total
Balance First of Year _____	<u>\$34,323</u>	<u>\$41,749</u>	<u>\$76,072</u>
Add Credits During Year: _____	<u>1,735</u>	<u>2,121</u>	<u>3,856</u>
Deduct Debits During Year _____			
Balance End of Year (Must agree with line #6 above.)	<u>\$36,058</u>	<u>\$43,870</u>	<u>\$79,928</u>

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

UTILITY NAME: CWS Communities LP dba Palm Valley

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	\$ _____	100.00 %		_____ %

(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:	_____

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

UTILITY NAME: CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31, 2006

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted	_____	_____	_____	_____	_____
Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(1) Explain below all adjustments made in Column (e):

**WATER
OPERATING
SECTION**

UTILITY NAME: CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31, 2006

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises	-	-	-	-
303	Land and Land Rights	2,433	-	-	2,433
304	Structures and Improvements	175,383	-	-	175,383
305	Collecting and Impounding Reservoirs	-	-	-	-
306	Lake, River and Other Intakes	-	-	-	-
307	Wells and Springs	-	-	-	-
308	Infiltration Galleries and Tunnels	-	-	-	-
309	Supply Mains	27,272	-	-	27,272
310	Power Generation Equipment	65,000	-	-	65,000
311	Pumping Equipment	40,342	-	-	40,342
320	Water Treatment Equipment	-	-	-	-
330	Distribution Reservoirs and Standpipes	318,910	-	-	318,910
331	Transmission and Distribution Lines	131,793	-	-	131,793
333	Services	53,860	-	-	53,860
334	Meters and Meter Installations	124,058	10,188	-	134,246
335	Hydrants	34,598	22,470	-	57,068
336	Backflow Prevention Devices	-	-	-	0
339	Other Plant and Miscellaneous Equipment	205,444	-	-	205,444
340	Office Furniture and Equipment	-	-	-	-
341	Transportation Equipment	-	-	-	-
342	Stores Equipment	-	-	-	-
343	Tools, Shop and Garage Equipment	-	-	-	-
344	Laboratory Equipment	-	-	-	-
345	Power Operated Equipment	-	-	-	-
346	Communication Equipment	-	-	-	-
347	Miscellaneous Equipment	-	-	-	-
348	Other Tangible Plant	2,977	-	-	2,977
	Total Water Plant	\$ 1,182,070	\$ 32,658	\$ -	\$ 1,214,728

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

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)
304	Structures and Improvements			2.50%	96,856		4,385	101,240
305	Collecting and Impounding Reservoirs		%		-			
306	Lake, River and Other Intakes		%		-			
307	Wells and Springs				-			
308	Infiltration Galleries & Tunnels		%		-			
309	Supply Mains			2.86%	3,899		780	4,679
310	Power Generating Equipment		%	5.00%	16,250		3,250	19,500
311	Pumping Equipment		%	10.00%	39,972		4,034	44,006
320	Water Treatment Equipment		%	0.00%	-		-	-
330	Distribution Reservoirs & Standpipes		%	5.00%	181,662		15,946	197,607
331	Trans. & Dist. Mains		%	3.13%	33,468		4,125	37,593
333	Services			2.50%	6,734		1,347	8,080
334	Meter & Meter Installations			5.00%	27,264		6,458	33,721
335	Hydrants			3.13%	7,900		1,435	9,335
336	Backflow Prevention Devices				-			
339	Other Plant and Miscellaneous Equipment		%	7.50%	75,275		15,408	90,683
340	Office Furniture and Equipment		%		-			-
341	Transportation Equipment		%		-			-
342	Stores Equipment		%		-			-
343	Tools, Shop and Garage Equipment		%		-			-
344	Laboratory Equipment		%		-			-
345	Power Operated Equipment		%		-			-
346	Communication Equipment		%		-			-
347	Miscellaneous Equipment		%		-			-
348	Other Tangible Plant		%	10.00%	4,168		298	4,466
	Totals				\$ 493,446	\$	\$ 57,464	\$ 550,910 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ \$ 10,857
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	3,442
610	Purchased Water	
615	Purchased Power	10,573
616	Fuel for Power Production	1,488
618	Chemicals	6,222
620	Materials and Supplies	1,085
630	Contractual Services:	
	Billing/Meter Reading	5,840
	Professional (Contract Ops & Annual Report/Legal)	12,446
	Testing	1,225
	Other (Repair and Maintenance)	9,715
640	Rents	
650	Transportation Expense	
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	1,882
	Total Water Operation And Maintenance Expense	\$ 64,773 *

* This amount should tie to Sheet F-3.

WATER 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					
5/8"	D	1.0	751	772	772
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
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)					
			Total	751	772

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: _____ CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31, 2006

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January	_____	2,526	_____	2,526	3,070
February	_____	2,314	_____	2,314	1,647
March	_____	3,196	_____	3,196	2,665
April	_____	3,460	_____	3,460	2,250
May	_____	3,430	_____	3,430	3,199
June	_____	2,731	_____	2,731	3,376
July	_____	2,351	_____	2,351	3,269
August	_____	2,600	_____	2,600	3,183
September	_____	2,214	_____	2,214	2,351
October	_____	2,541	_____	2,541	2,761
November	_____	2,517	_____	2,517	2,331
December	_____	2,218	_____	2,218	2,718
Total for Year	_____	32,098	-	32,098	32,820

If water is purchased for resale, indicate the following:

Vendor _____
 Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2	3,832	_____	_____	3,832
PVC	4	1,911	_____	_____	1,911
PVC	6	28,331	_____	_____	28,331
PVC	8	5,880	_____	_____	5,880
PVC	12	720	_____	_____	720
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31, 2006

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1972	1979	_____	_____
Types of Well Construction and Casing _____	Steel	Steel	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	400	450	_____	_____
Diameters of Wells _____	8	10	_____	_____
Pump - GPM _____	750	600	_____	_____
Motor - HP _____	25	25	_____	_____
Motor Type * _____	_____	_____	_____	_____
Yields of Wells in GPD _____	_____	_____	_____	_____
Auxiliary Power _____	Generator	Generator	_____	_____
_____	_____	_____	_____	_____
* Submersible, centrifugal, etc.	_____	_____	_____	_____

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Steel (2)	Steel	_____	_____
Capacity of Tank _____	75,000	5,000	_____	_____
Ground or Elevated _____	Ground	Hydro	_____	_____
_____	_____	_____	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<u>Pumps</u>				
Manufacturer _____	_____	_____	_____	_____
Type _____	Centrifugal	Centrifugal	Centrifugal	_____
Capacity in GPM _____	1250	1250	1250	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	Generator	Generator	Generator	_____
_____	_____	_____	_____	_____

UTILITY NAME: _____ CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31 2006

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	900,000	_____	_____
Type of Source_____	Ground	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	_____	_____	_____
Make_____	_____	_____	_____
Permitted Capacity (GPD)_____	_____	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_____	_____	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	_____	_____	_____
Ozone_____	_____	_____	_____
Other_____	Hypochlorite	_____	_____
Auxiliary Power_____	_____	_____	_____

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 2574
2. Maximum number of ERC's * which can be served. 2574
3. Present system connection capacity (in ERCs *) using existing lines. 772
4. Future connection capacity (in ERCs *) upon service area buildout. -
5. Estimated annual increase in ERCs *. 10 to 20
6. Is the utility required to have fire flow capacity? Yes
 If so, how much capacity is required? 500 GPM
7. Attach a description of the fire fighting facilities. Fifty Six Hydrants
8. Describe any plans and estimated completion dates for any enlargements or improvements of th N/A

9. When did the company last file a capacity analysis report with the DEP?
10. 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.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # PWS No. 3590988
12. Water Management District Consumptive Use Permit # 8266
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

* 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 single family residents (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 = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

**WASTEWATER
OPERATING
SECTION**

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 _____	96,409			96,409
354	Structures and Improvements _____	524,362	58,119		582,481
355	Power Generation Equipment _____	-			-
360	Collection Sewers - Force _____	26,065			26,065
361	Collection Sewers - Gravity _____	432,757			432,757
362	Special Collecting Structures-Manholes _____	58,973	-		58,973
363	Services to Customers _____	79,550			79,550
364	Flow Measuring Devices _____	6,575			6,575
365	Flow Measuring Installations _____	75			75
370	Receiving Wells _____	4,000			4,000
371	Pumping Equipment _____	32,000	23830		55,830
380	Treatment and Disposal Equipment _____	674,842	9,635		684,477
381	Plant Sewers _____	-			-
382	Outfall Sewer Lines _____	299,673			299,673
389	Other Plant and Miscellaneous Equipment _____	244,908	1,432		246,340
390	Office Furniture and Equipment _____	-			-
391	Transportation Equipment _____	-			-
392	Stores Equipment _____	-			-
393	Tools, Shop and Garage Equipment _____	-			-
394	Laboratory Equipment _____	-			-
395	Power Operated Equipment _____	22,733			22,733
396	Communication Equipment _____	-			-
397	Miscellaneous Equipment _____	-			-
398	Other Tangible Plant _____	2,977			2,977
	Total Wastewater Plant _____	\$ 2,505,899	\$ 93,016	\$ 0	\$ 2,598,915 *

* This amount should tie to sheet F-5.

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		%	2.50%	\$ 169,397	\$	\$ 13,836	\$ 183,233
355	Power Generation Equipment		%		-			
360	Collection Sewers - Force		%	7.50%	15,021		1,955	16,976
361	Collection Sewers - Gravity		%	2.50%	180,808		10,819	191,627
362	Special Collecting Structures		%	2.50%	6,142		1,474	7,617
363	Services to Customers		%	2.63%	10,461		2,092	12,554
364	Flow Measuring Devices		%	10.00%	3,541		658	4,198
365	Flow Measuring Installations		%	10.00%	110		8	117
370	Receiving Wells		%	2.50%	1,870		100	1,970
371	Pumping Equipment		%	5.56%	8,895		2,442	11,336
380	Treatment and Disposal Equipment		%	3.13%	279,969		21,273	301,242
381	Plant Sewers		%		-			
382	Outfall Sewer Lines		%	2.50%	128,507		7,492	135,999
389	Other Plant and Miscellaneous Equipment		%	7.50%	86,888		18,422	105,310
390	Office Furniture and Equipment		%		-			
391	Transportation Equipment		%		-			
392	Stores Equipment		%		-			
393	Tools, Shop and Garage Equipment		%		-			
394	Laboratory Equipment		%		-			
395	Power Operated Equipment		%	10.00%	34,392		2,273	36,665
396	Communication Equipment		%		-			
397	Miscellaneous Equipment		%		-			
398	Other Tangible Plant		%	10.00%	4,168		298	4,466
	Totals				\$ 930,168	\$ -	\$ 83,140	\$ 1,013,309 *

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ \$ 10,857
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	
704	Employee Pensions and Benefits	3,442
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	37,618
715	Purchased Power	24,670
716	Fuel for Power Production	1,488
718	Chemicals	16,625
720	Materials and Supplies	349
730	Contractual Services:	
	Billing/Meter Reading	5,840
	Professional (Contract Ops & Annual Report/Legal)	76,850
	Testing	300
	Other (Repair, Maintenance, Mowing)	22,398
740	Rents	
750	Transportation Expense	
755	Insurance Expense	
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	
775	Miscellaneous Expenses	2,753
	Total Wastewater Operation And Maintenance Expense	\$ 203,189 *

* 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	751	772	772
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)					
Total			751	772	772

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31, 2006

PUMPING EQUIPMENT

Lift Station Number _____ Make or Type and nameplate data on pump _____	<u>Fox Run</u>	<u>PV</u>	<u>EPV</u>	<u>8/A8</u>	_____	_____
_____	<u>Unk</u>	<u>Unk</u>	<u>Unk</u>	<u>Barnes</u>	_____	_____
_____	_____	_____	_____	_____	_____	_____
Year installed _____	<u>1973</u>	<u>1993</u>	<u>1994</u>	<u>2001</u>	_____	_____
Rated capacity _____	<u>140</u>	<u>140</u>	<u>140</u>	<u>90</u>	_____	_____
Size _____	<u>3 HP</u>	<u>3HP</u>	<u>3HP</u>	<u>3HP</u>	_____	_____
Power:	_____	_____	_____	_____	_____	_____
Electric _____	_____	_____	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	<u>4-inch</u>	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	<u>PVC</u>	_____	_____	_____	_____	_____
Average length _____	<u>30</u>	_____	_____	_____	_____	_____
Number of active service connections _____	_____	_____	_____	_____	_____	_____
Beginning of year _____	_____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	_____	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches) _____	<u>6</u>	<u>8</u>	<u>8</u>	_____	<u>4</u>	_____	_____	_____
Type of main _____	<u>PVC</u>	<u>PVC</u>	<u>DIP</u>	_____	<u>PVC</u>	_____	_____	_____
Length of main (nearest foot) _____	_____	_____	_____	_____	_____	_____	_____	_____
Beginning of year _____	<u>24850</u>	<u>27780</u>	<u>20</u>	_____	<u>5680</u>	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____	_____
End of year _____	_____	_____	_____	_____	_____	_____	_____	_____

MANHOLES

Size (inches) _____	<u>48</u>	_____	_____	_____
Type of Manhole _____	<u>Conc</u>	_____	_____	_____
Number of Manholes:	_____	_____	_____	_____
Beginning of year _____	<u>101</u>	_____	_____	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of Year _____	_____	_____	_____	_____

UTILITY NAME: CWS Communities LP dba Palm Valley

YEAR OF REPORT DECEMBER 31, 2006

TREATMENT PLANT

Manufacturer _____	<u>Defiance</u>	_____	_____
Type _____	<u>Concrete & Steel</u>	_____	_____
"Steel" or "Concrete" _____	<u>150,000</u>	_____	_____
Total Permitted Capacity _____	<u>76,912</u>	_____	_____
Average Daily Flow _____	<u>Pond/Irrigation</u>	_____	_____
Method of Effluent Disposal _____	_____	_____	_____
Permitted Capacity of Disposal _____	_____	_____	_____
Total Gallons of _____	<u>28,073,000</u>	_____	_____
Wastewater treated _____	_____	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>Hydramatic</u>	_____	_____	_____	_____	_____
Capacity (GPM's) _____	<u>200</u>	_____	_____	_____	_____	_____
Motor: _____	_____	_____	_____	_____	_____	_____
Manufacturer _____	<u>5</u>	_____	_____	_____	_____	_____
Horsepower _____	_____	_____	_____	_____	_____	_____
Power (Electric or _____	<u>Electric</u>	_____	_____	_____	_____	_____
Mechanical) _____	_____	_____	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	<u>2,852,000</u>	_____	<u>All</u>
February _____	<u>2,576,000</u>	_____	<u>All</u>
March _____	<u>2,759,000</u>	_____	<u>All</u>
April _____	<u>2,580,000</u>	_____	<u>All</u>
May _____	<u>2,573,000</u>	_____	<u>All</u>
June _____	<u>2,310,000</u>	_____	<u>All</u>
July _____	<u>2,294,000</u>	_____	<u>All</u>
August _____	<u>2,201,000</u>	_____	<u>All</u>
September _____	<u>2,070,000</u>	_____	<u>All</u>
October _____	<u>1,984,000</u>	_____	<u>All</u>
November _____	<u>1,890,000</u>	_____	<u>All</u>
December _____	<u>1,984,000</u>	_____	<u>All</u>
Total for year _____	<u>28,073,000</u>	_____	_____

If Wastewater Treatment is purchased, indicate the vendor: _____

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. 772
- 2. Maximum number of ERCs* which can be served. 1000 Based on current flow and plant capacity
- 3. Present system connection capacity (in ERCs*) using existing lines 772
- 4. Future connection capacity (in ERCs*) upon service area buildout. 1000
- 5. Estimated annual increase in ERCs*. 10 to 20

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system

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 know Approx 200 residential customers and customers in Phase VIII

8. If the utility does not engage in reuse, has a reuse feasibility study

If so, when? _____

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

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?

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.
- b. Have these plans been approved by DEP? _____
- c. When will construction begin? _____
- d. Attach plans for funding the required upgrading.
- e. Is this system under any Consent Order with DEP? _____

12. Department of Environmental Protection ID FLA011085

* 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 single family residents (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 = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

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.	2.	3.	4.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ *
				(signature of chief executive officer of the utility)
1.	2.	3.	4.	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	_____ *
				(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.