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CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WS844-06-AR
Highlands Ridge Utilities, LLC
% Mr. Joe DoBosh
1275 Lake Heathrow Lane
Heathrow, FL 32746-4398

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

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FINANCIAL SECTION

REPORT OF

Highlands Ridge Utilities, LLC
(EXACT NAME OF UTILITY)

3003 East Fairway Vista Drive Avon Park, FL 33825		3003 East Fairway Vista Drive Avon Park, FL 33825		Highlands
Mailing Address		Street Address		County
Telephone Number	(863) 382-2080	Date Utility First Organized	11-01-92	
Fax Number	(863) 382-0953	E-mail Address	reedl@highlandsridge.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: 435 S. Commerce Avenue
Sebring, FL 33870

Name of subdivisions where services are provided: Highlands Ridge

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Rob Reed</u>	<u>General Manager</u>	<u>3003 East Fairway Vista Drive</u> <u>Avon Park, FL 33825</u>	
Person who prepared this report: <u>William R. Benton</u>	<u>CPA</u>	<u>435 S. Commerce Ave.</u> <u>Sebring, FL 33870</u>	
Officers and Managers: <u>Birdy M. Whitehouse</u>	<u>Controller</u>	<u>Same</u>	\$ -
<u>Wendel L. Faircloth</u>	<u>Licensed Operator</u>	<u>Same</u>	\$ -
<u>Frieda Fitch</u>	<u>Administrative Manager</u>	<u>Same</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	Principle Business Address	Salary Charged Utility
<u>Sebring Land Limited, Ptr.</u>	<u>100%</u>	<u>1275 Lake Heathrow Lane</u> <u>Heathrow, FL 32746</u>	\$ -
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 211,102	\$ 171,646	\$ _____	\$ 382,748
Commercial_____		25,175	5,247	_____	30,422
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues__		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue__		\$ 236,277	\$ 176,893	\$ _____	\$ 413,170
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 125,254	\$ 131,095	\$ _____	\$ 256,349
Depreciation Expense____	F-5	28,189	20,458	_____	48,647
CIAC Amortization Expense__	F-8	(13,658)	(14,528)	_____	(28,186)
Taxes Other Than Income__	F-7	16,122	14,065	_____	30,187
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 155,907	151,090	_____	\$ 306,997
Net Operating Income (Loss)		\$ 80,370	\$ 25,803	\$ _____	\$ 106,173
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Income		571	571	_____	1,142
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		20,156	20,156	_____	40,312
Net Income (Loss)		\$ 60,785	\$ 6,218	\$ _____	\$ 67,003

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>1,683,258</u>	\$ <u>1,436,818</u>
Accumulated Depreciation and Amortization (108)_____	F-5,W-2,S-2	<u>(443,857)</u>	<u>(395,210)</u>
Net Utility Plant_____		\$ <u>1,239,401</u>	\$ <u>1,041,608</u>
Cash_____		<u>100,307</u>	<u>22,312</u>
Customer Accounts Receivable (141)_____		<u>40,081</u>	<u>29,724</u>
Other Assets (Specify):_____			
Due from Affiliates_____			
Acquisition Adjustment_____		<u>92,244</u>	<u>92,244</u>
Organizational Costs, Net_____		<u>0</u>	<u>127</u>
Loan Costs, Net_____		<u>881</u>	<u>2,644</u>
Total Assets_____		\$ <u><u>1,472,914</u></u>	\$ <u><u>1,188,659</u></u>
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		
Proprietary Capital (Proprietary and partnership only) (218)_____	F-6	<u>81,389</u>	<u>14,386</u>
Total Capital_____		\$ <u>81,389</u>	\$ <u>14,386</u>
Long Term Debt (224)_____	F-6	\$ <u>527,050</u>	\$ <u>544,450</u>
Accounts Payable (231)_____		<u>48,752</u>	<u>8,538</u>
Notes Payable (232)_____			
Customer Deposits (235)_____			
Accrued Taxes (236)_____			
Other Liabilities (Specify)_____			
Accrued Expenses_____		<u>32,993</u>	<u>28,821</u>
Due to Affiliates_____		<u>14,702</u>	<u>8,383</u>
Advances for Construction_____			
Contributions in Aid of Construction - Net (271-272)_____	F-8	<u>768,028</u>	<u>584,081</u>
Total Liabilities and Capital_____		\$ <u><u>1,472,914</u></u>	\$ <u><u>1,188,659</u></u>

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT	
DECEMBER 3	2006

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>839,047</u>	\$ <u>844,211</u>	\$ _____	\$ <u>1,683,258</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>839,047</u>	\$ <u>844,211</u>	\$ _____	\$ <u>1,683,258</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>230,895</u>	\$ <u>164,315</u>	\$ _____	\$ <u>395,210</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ <u>28,189</u>	\$ <u>20,458</u>	\$ _____	\$ <u>48,647</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>28,189</u>	\$ <u>20,458</u>	\$ _____	\$ <u>48,647</u>
Deduct Debits During Year:				
Book cost of plant retired _____	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Balance End of Year _____	\$ <u>259,084</u>	\$ <u>184,773</u>	\$ _____	\$ <u>443,857</u>

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2006

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 _____	\$ _____	\$ _____
Changes during the year (Specify):		
Net income (loss) for current year _____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ _____

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ 14,386
Changes during the year (Specify):		
Net Income (Loss) for Year _____	_____	67,003
_____	_____	_____
Balance end of year _____	\$ _____	\$ 81,389

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Wachovia Bank _____	_____	24	\$ 527,050
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 527,050

UTILITY NAME: Highlands Ridge Utilities, LLC

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 _____	5,443	6,059	_____	11,502
Regulatory assessment fee _____	10,632	7,960	_____	18,592
Other (Specify) _____	_____	_____	_____	_____
Licenses and taxes _____	46	46	_____	92
Payroll taxes _____	_____	_____	_____	_____
Total Tax Expense _____	\$ <u>16,121</u>	\$ <u>14,065</u>	\$ _____	\$ <u>30,186</u>

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>Sebring Land Limited Ptr.</u>	\$ 52,661	\$ 52,661	<u>Operations and Maintenance</u>
<u>The NCT Group CPA's, L.L.P.</u>	\$ 1,325	\$ 1,325	<u>Accounting and Consulting</u>
<u>Short Utility Service, Inc.</u>	\$ 8,585	\$ 7,397	<u>Operations and Testing</u>
<u>Chastain Skillman, Inc.</u>	\$ 1,461	\$ 1,461	<u>Consulting & Engineering</u>
<u>Pugh Utilities, Inc.</u>	\$ _____	\$ 21,302	<u>Sludge Hauling</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT
DECEMBER 31, 2006

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year	\$ 402,832	\$ 410,737	\$ 813,569
2) Add credits during year Developer Contributions	\$ 82,160	\$ 129,973	\$ 212,133
3) Total	484,992	540,710	1,025,702
4) Deduct charges during the year			
5) Balance end of year	484,992	540,710	1,025,702
6) Less Accumulated Amortization	(134,286)	(123,388)	(257,674)
7) Net CIAC	\$ 350,706	\$ 417,322	\$ 768,028

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
<i>Water, sewer lines, hydrants, man holes</i>	<i>Property</i>	<i>82,160</i>	<i>129,973</i>
Sub-total		\$ <u>82,160</u>	\$ <u>129,973</u>
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.)		\$ <u>82,160</u>	\$ <u>129,973</u>

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year	\$ 120,628	\$ 108,860	\$ 229,488
Add Debits During Year:	13,658	14,528	28,186
Deduct Credits During Year:			
Balance End of Year (Must agree with line #6 above.)	\$ 134,286	\$ 123,388	\$ 257,674

Revised 5/24/07

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

UTILITY NAME Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2006

N/A

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>100.00</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**

UTILITY NAME: Highlands Ridge Utilities, LLC

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_____	\$ 21,211	\$ _____	\$ _____	\$ 21,211
302	Franchises_____	_____	_____	_____	_____
303	Land and Land Rights_____	443	_____	_____	443
304	Structures and Improvements_____	14,066	3,098	_____	17,164
305	Collecting and Impounding Reservoirs_____	_____	_____	_____	_____
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	54,141	_____	_____	54,141
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	_____	_____	_____	_____
310	Power Generation Equipment_____	66,315	_____	_____	66,315
311	Pumping Equipment_____	_____	_____	_____	_____
320	Water Treatment Equipment_____	155,483	15,499	_____	170,982
330	Distribution Reservoirs and Standpipes_____	18,500	_____	_____	18,500
331	Transmission and Distribution Lines_____	340,796	82,160	_____	422,956
333	Services_____	_____	_____	_____	_____
334	Meters and Meter Installations_____	53,185	8,947	_____	62,132
335	Hydrants_____	_____	_____	_____	_____
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	225	3,265	_____	3,490
340	Office Furniture and Equipment_____	1,499	214	_____	1,713
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_____	_____	_____	_____	_____
	Total Water Plant_____	\$ 725,864	\$ 113,183	\$ _____	\$ 839,047

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)
301	Organization	5	%	20.00	\$ 21,211	\$	\$	\$ 21,211
304	Structures and Improvements	28	%	3.57	\$ 5,817	\$	515	6,332
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	3.70	23,638		2,005	25,643
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment	17	%	5.88	35,998		3,901	39,899
320	Water Treatment Equipment	20	%	5.00	29,915		8,441	38,356
330	Distribution Reservoirs & Standpipes	40	%	2.50	5,868		462	6,330
331	Trans. & Dist. Mains	40	%	2.50	85,356		9,375	94,731
333	Services		%					
334	Meter & Meter Installations	17	%	5.88	22,463		3,393	25,856
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment	15	%	6.67	20		20	40
340	Office Furniture and Equipment	Various	%	Various	609		77	686
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		%					
	Totals				\$ 230,895	\$	\$ 28,189	\$ 259,084 *

* This amount should tie to Sheet F-5.

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2006

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees _____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	_____
604	Employee Pensions and Benefits _____	_____
610	Purchased Water _____	_____
615	Purchased Power _____	15,552
616	Fuel for Power Production _____	119
618	Chemicals _____	8,104
620	Materials and Supplies _____	31,513
630	Contractual Services:	
	Billing _____	
	Professional _____	2,967
	Testing _____	4,829
	Other _____	52,661
640	Rents _____	
650	Transportation Expense _____	3,931
655	Insurance Expense _____	996
665	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	
670	Bad Debt Expense _____	
675	Miscellaneous Expenses _____	4,582
	Total Water Operation And Maintenance Expense _____	\$ 125,254 *

* 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	544	594	594
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
General Service					
5/8"	D	1.0	19	19	19
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	3	3	15
2"	D,C,T	8.0	5	5	40
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Total			<u>571</u>	<u>621</u>	<u>668</u>

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2006

SYSTEM NAME: _____

N/A 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 _____	_____	7,498	0	7,498	7,498
February _____	_____	8,574	0	8,574	8,574
March _____	_____	9,057	0	9,057	9,057
April _____	_____	14,539	55	14,484	14,484
May _____	_____	10,704	594	10,110	10,110
June _____	_____	10,601	0	10,601	10,601
July _____	_____	8,570	967	7,603	7,603
August _____	_____	10,827	689	10,138	10,138
September _____	_____	7,756	1,306	6,450	6,450
October _____	_____	11,744	1,605	10,139	10,139
November _____	_____	12,256	481	11,775	11,775
December _____	_____	9,285	351	8,934	8,934
Total for Year _____	_____	121,411	6,048	115,363	115,363

If water is purchased for resale, indicate the following: N/A

Vendor _____

Point of delivery _____

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

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"	4,782	0	0	4,782
PVC	4"	7,270	640	0	7,910
PVC	6"	16,550	3,160	0	19,710
PVC	8"	4,600	0	0	4,600
PVC	10"	13,700	0	0	13,700
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2006

SYSTEM NAME: N/A

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>1989</u>	<u>1990</u>	_____	_____
Types of Well Construction and Casing _____	<u>147</u>	<u>136</u>	_____	_____
12" to 8" Telescopic _____	<u>370</u>	<u>585</u>	_____	_____
Depth of Wells _____	<u>900</u>	<u>1310</u>	_____	_____
Diameters of Wells _____	<u>8"</u>	<u>8"</u>	_____	_____
Pump - GPM _____	<u>850@35PSI</u>	<u>850@35PSI</u>	_____	_____
Motor - HP _____	<u>40</u>	<u>40</u>	_____	_____
Motor Type * _____	<u>Emerson</u>	<u>Emerson</u>	_____	_____
Yields of Wells in GPD _____	<u>1224@35PSI</u>	<u>1224@35PSI</u>	_____	_____
Auxiliary Power _____	<u>90KW Kohler</u>	<u>90KW Kohler</u>	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	<u>Steel</u>	<u>Steel</u>	_____	_____
Capacity of Tank _____	<u>Pneumatic</u>	<u>Pneumatic</u>	_____	_____
Ground or Elevated _____	<u>15000</u>	<u>15000</u>	_____	_____
	<u>N/A</u>	<u>N/A</u>	_____	_____

HIGH SERVICE PUMPING

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

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 3, 2006

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day__	<u>223,700 GPD</u>	_____	_____
Type of Source_____	<u>Groundwater</u>	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	<u>Gas Chlorination</u>	_____	_____
Make_____	<u>Regal</u>	_____	_____
Permitted Capacity (GPD)__	<u>675,000 GPD</u>	_____	_____
High service pumping	<u>N/A</u>	_____	_____
Gallons per minute_____	<u>N/A</u>	_____	_____
Reverse Osmosis_____	<u>N/A</u>	_____	_____
Lime Treatment			
Unit Rating_____	<u>N/A</u>	_____	_____
Filtration			
Pressure Sq. Ft._____	<u>N/A</u>	_____	_____
Gravity GPD/Sq.Ft._____	<u>N/A</u>	_____	_____
Disinfection			
Chlorinator_____	<u>Yes</u>	_____	_____
Ozone_____	_____	_____	_____
Other_____	_____	_____	_____
Auxiliary Power_____	<u>90 KW Koler</u>	_____	_____

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT
DECEMBER 3 2006

SYSTEM NAME: N/A

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. 903 [(115,363,000/365) / 350]

2. Maximum number of ERCs * which can be serve 1,929 [675,000 / 350]

3. Present system connection capacity (in ERCs *) using existing lines. 668

4. Future connection capacity (in ERCs *) upon service area buildout. 1,800

5. Estimated annual increase in ERCs *. 40-50

6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500 Gallons per minute

7. Attach a description of the fire fighting facilities. 39 Hydrants, Public Fire Service

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
None

9. When did the company last file a capacity analysis report with the DEP? N/A

10. If the present system does not meet the requirements of DEP rules, submit the following: N/A

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. N/A

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

11. Department of Environmental Protection ID # 528410

12. Water Management District Consumptive Use Permit # 20-009516.004

a. Is the system in compliance with the requirements of the CUP? No

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**

UTILITY NAME: Highlands Ridge Utilities, LLC

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 _____	4,434	_____	_____	4,434
354	Structures and Improvements _____	355,250	_____	_____	355,250
355	Power Generation Equipment _____	_____	_____	_____	_____
360	Collection Sewers - Force _____	_____	_____	_____	_____
361	Collection Sewers - Gravity _____	350,306	133,044	_____	483,350
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	_____	_____	_____	_____
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	_____	_____	_____	_____
380	Treatment and Disposal Equipment _____	_____	_____	_____	_____
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment _____	225	_____	_____	225
390	Office Furniture and Equipment _____	739	213	_____	952
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 _____	\$ 710,954	\$ 133,257	\$ 0	\$ 844,211 *

* 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)
303	Organization		%		\$	\$		\$
354	Structures and Improvements	35	%	2.86	88,873		10,206	99,079
355	Power Generation Equipment		%					
360	Collection Sewers - Force		%					
361	Collection Sewers - Gravity	40	%	2.50	75,393		10,180	85,573
362	Special Collecting Structures		%					
363	Services to Customers		%					
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment		%					
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment	15	%	6.67	29		57	86
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	15	%	6.67	20		15	35
398	Other Tangible Plant		%					
	Totals				\$ 164,315	\$	\$ 20,458	\$ 184,773 *

* This amount should tie to F-5

UTILITY NAME: Highlands Ridge Utilities, LLC

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_____	21,302
715	Purchased Power_____	11,451
716	Fuel for Power Production_____	_____
718	Chemicals_____	4,668
720	Materials and Supplies_____	25,868
730	Contractual Services:	
	Billing_____	_____
	Professional_____	2,967
	Testing_____	3,641
	Other (Operations and Management)_____	52,661
740	Rents_____	_____
750	Transportation Expense_____	3,931
755	Insurance Expense_____	1,092
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
770	Bad Debt Expense_____	_____
775	Miscellaneous Expenses_____	3,514
	Total Wastewater Operation And Maintenance Expense_____	\$ 131,095 *

* 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	544	594	594
General Service					
5/8"	D	1.0	4	4	4
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	3	3	24
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Comm 5/8 x 3/4	_____	_____	_____	_____	_____
Comm 1"	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	551	601
				622	622

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT
DECEMBER 31, 2001

PUMPING EQUIPMENT

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Lift Station Number _____ Make or Type and nameplate data on pump _____	Hydromatic SYN500M3-4	Same	Hydromatic SPG-2200	Same	Same	Same
Year installed _____	1990	1990	1990	1994	2002	2005
Rated capacity _____	195	150	24	200	200	200
Size _____	5 HP	5 HP	2 HP	5 HP	5 HP	5 HP
Power:						
Electric _____	Yes	Yes	Yes	Yes	Yes	Yes
Mechanical _____						
Nameplate data of motor _____	Hydromatic SYN500M3-4	Same	Hydromatic SPG-2200	Same	Same	Same

SERVICE CONNECTIONS

Size (inches) _____	4"					
Type (PVC, VCP, etc.) _____	PVC					
Average length _____	30'					
Number of active service connections _____	551					
Beginning of year _____	472					
Added during year _____	79					
Retired during year _____	0					
End of year _____	551					
Give full particulars concerning inactive connections _____	N/A					

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
	<u>4"</u>	<u>8"</u>	<u>12"</u>		<u>6"</u>	<u>8"</u>		
Size (inches) _____ Type of main _____	PVC	PVC	PVC		PVC	PVC		
Length of main (nearest foot) _____								
Beginning of year _____	4,994	21,751	500		1,600	6,000		
Added during year _____	1911	3471	0		0	0		
Retired during year _____	0	0	0		0	0		
End of year _____	6,905	25,222	500		1,600	6,000		

MANHOLES

Size (inches) _____	48"			
Type of Manhole _____	Concrete			
Number of Manholes:				
Beginning of year _____	96			
Added during year _____	11			
Retired during year _____	0			
End of Year _____	107			

UTILITY NAME: Highlands Ridge Utilities, LLC

SYSTEM NAME: N/A

YEAR OF REPORT DECEMBER 31, 2006

TREATMENT PLANT

Manufacturer_____	<u>Marloft</u>	_____	_____
Type_____	<u>Extended Aeration</u>	_____	_____
"Steel" or "Concrete"_____	<u>Concrete</u>	_____	_____
Total Permitted Capacity_____	<u>95,500</u>	_____	_____
Average Daily Flow_____	<u>34,000</u>	_____	_____
Method of Effluent Disposal_____	<u>Ponds</u>	_____	_____
Permitted Capacity of Disposal_____	<u>95,500</u>	_____	_____
Total Gallons of Wastewater treated_____	<u>12,276,000</u>	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer_____	<u>1</u> <u>Unitronic</u>	<u>2</u> <u>Unitronic</u>	<u>3</u> <u>Unitronic</u>	<u>4</u> <u>Unitronic</u>	<u>5</u> <u>Unitronic</u>	<u>6</u> <u>Unitronic</u>
Capacity (GPM's)_____	<u>195</u>	<u>150</u>	<u>24</u>	<u>200</u>	<u>200</u>	<u>200</u>
Motor:						
Manufacturer_____	<u>Hydromatic</u>	<u>Hydromatic</u>	<u>Hydromatic</u>	<u>Hydromatic</u>	<u>Hydromatic</u>	<u>Hydromatic</u>
Horsepower_____	<u>5</u>	<u>5</u>	<u>2</u>	<u>5</u>	<u>5</u>	<u>5</u>
Power (Electric or Mechanical)_____	<u>Electric</u>	<u>Electric</u>	<u>Electric</u>	<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>1,290,000</u>	_____	<u>1,290,000</u>
February_____	<u>1,310,000</u>	_____	<u>1,310,000</u>
March_____	<u>1,390,000</u>	_____	<u>1,390,000</u>
April_____	<u>1,450,000</u>	_____	<u>1,450,000</u>
May_____	<u>1,160,000</u>	_____	<u>1,160,000</u>
June_____	<u>1,080,000</u>	_____	<u>1,080,000</u>
July_____	<u>1,080,000</u>	_____	<u>1,080,000</u>
August_____	<u>940,000</u>	_____	<u>940,000</u>
September_____	<u>980,000</u>	_____	<u>980,000</u>
October_____	<u>1,010,000</u>	_____	<u>1,010,000</u>
November_____	<u>1,080,000</u>	_____	<u>1,080,000</u>
December_____	<u>1,270,000</u>	_____	<u>1,270,000</u>
Total for year_____	<u>14,040,000</u>	_____	<u>14,040,000</u>

If Wastewater Treatment is purchased, indicate the vendor: N/A

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT
DECEMBER 31, 2006

SYSTEM NAME: N/A

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. 137 $[(14,040,000 / 365) / 280] = 137$

2. Maximum number of ERCs* which can be served. 341 $(95,500 / 280)$

3. Present system connection capacity (in ERCs*) using existing lines. 622

4. Future connection capacity (in ERCs*) upon service area buildout. 901

5. Estimated annual increase in ERCs*. 25 - 30

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? Considering implementation with next expansion phase

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? N/A

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 follow N/A

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 # FL 014339

* 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.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|

 *GM* *

(signature of chief executive officer of the utility)

Date: 3-30-07

- | | | | |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 1.
<input type="checkbox"/> | 2.
<input type="checkbox"/> | 3.
<input type="checkbox"/> | 4.
<input type="checkbox"/> |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|

(signature of chief financial officer of the utility) *

Date: _____

* 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.