CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

Heartland Utilities, Inc.
Exact Legal Name of Respondent

420-W
Certificate Number(s)

Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1999

Form PSC/WAW 6 (Rev. _ _/_ _)

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.

2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.

3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.

4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.

5. Where dates are called for, the month and day should be stated as well as the year.

6. All schedules requiring dollar entries should be rounded to the nearest dollar.

7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.

8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.

9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.

10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

    Florida Public Service Commission
    Division of Water and Wastewater
    2540 Shumard Oak Boulevard
    Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Water and Wastewater, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

(a) 350 gallons per day;
(b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
(c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

TABLE OF CONTENTS

FINANCIAL SECTION

REPORT OF

Heartland Utilities, Inc.
(EXACT NAME OF UTILITY)

P.O. Box 1991	4923 Regency Drive	
Sebring, FL 33871	Sebring, FL 33870	Highlands
Mailing Address	Street Address	County

Telephone Number (863) 655-4300
Fax Number (863) 655-4313

Date Utility First Organized 1989

Sunshine State One-Call of Florida, Inc. Member No. HUI475

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: Howard Short, 4923 Regency Drive, Sebring, FL 33870 (863) 655-4300

Name of subdivisions where services are provided: DeSoto City, Sebring Country Estates, Sebring Lakes

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence:			
Howard Short	President	4923 Regency Drive Sebring, FL 33870	
Person who prepared this report:			
The NCT Group CPA's, L.L.P.	CPA	435 South Commerce Ave. Sebring, FL 33870	
Officers and Managers:			
Howard Short	President	Same	$ 25,200
Coleen Short	Vice President	Same	$ 16,500
			$
			$
			$

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
Howard Short	50%	Same	$ 25,200
Coleen Short	50%	Same	$ 16,500
			$
			$
			$
			$
			$

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31 1999

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential		$ 166,066		$	$ 166,066
Commercial					
Industrial					
Multiple Family					
Guaranteed Revenues					
Other (Specify)					
Reconnect & late fees		7,951			7,951
Total Gross Revenue		$ 174,017	$	$	$ 174,017
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	$ 109,578	$	$	$ 109,578
Depreciation Expense(Net)	F-5	50,568			50,568
Amortization Expense	F-8	(41,330)			(41,330)
Taxes Other Than Income	F-7	21,166			21,166
Income Taxes	F-7	0			0
Total Operating Expense		$ 139,982			$ 139,982
Net Operating Income (Loss)		$ 34,036	$	$	$ 34,036
Other Income:					
Nonutility Income - Rental		$	$	$	$
Misc. Income					
Gain on Sale of Asset					
Other Deductions:					
Miscellaneous Nonutility Expenses		$	$	$	$
Interest Expense		23,980			23,980
Loss on disposal of assets		8,907			8,907
Net Income (Loss)		$ 1,148	$	$	$ 1,148

UTILITY NAME: Heartland Utilites, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105)	F-5,W-1,S-1	$ 1,481,839	$ 1,439,491
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-3	492,740	450,691
Net Utility Plant		$ 989,099	$ 988,800
Cash		3,646	500
Customer Accounts Receivable (141)		7,502	5,132
Other Assets (Specify): Loan Costs		3,301	4,236
Due from Stockholder		5,539	5,539
Note Receivable		0	4,000
Deposits		250	250
Total Assets		$ 1,009,337	$ 1,008,457
Liabilities and Capital:			
Common Stock Issued (201)	F-6	100	100
Preferred Stock Issued (204)	F-6		
Other Paid in Capital (211)		2,000	2,000
Retained Earnings (215)	F-6	(31,312)	(32,460)
Treasury Stock	F-6	(40,000)	(40,000)
Total Capital		$ (69,212)	$ (70,360)
Long Term Debt (224)	F-6	$ 251,356	$ 309,182
Accounts Payable (231)		100	100
Notes Payable (232)		26,000	
Customer Deposits (235)		3,513	4,083
Accrued Taxes (236)		2,030	2,100
Other Liabilities (Specify)			
Accured Salaries		15,000	15,000
Advances for Construction			
Contributions in Aid of Construction - Net (271-272)	F-8	780,550	748,352
Total Liabilities and Capital		$ 1,009,337	$ 1,008,457

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

GROSS UTILITY PLANT

Plant Accounts (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	$ 1,481,839	$	$	$ 1,481,839
Construction Work in Progress (105)				
Other (Specify)				
Total Utility Plant	$ 1,481,839	$	$	$ 1,481,839

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

Account 108	Water	Wastewater	A/D & CIAC AM Other Than Reporting Systems	Total
Balance First of Year	$ 450,691	$	$	$ 450,691
Add Credits During Year:				
Accruals charged to depreciation account	$ 50,568	$	$	$ 50,568
Salvage				
Other Credits (specify)				
Total Credits	$	$	$	$
Deduct Debits During Year:				
Book cost of plant retired	$ 8,519	$	$	$ 8,519
Cost of removal				
Other debits (specify)				
Total Debits	$	$	$	$
Balance End of Year	$ 492,740	$	$	$ 492,740

UTILITY NAME: Heartland Utlities, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share	1.00	
Shares authorized	100	
Shares issued and outstanding	100	
Total par value of stock issued	100	
Dividends declared per share for year	0.00	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year	$	$ (32,460)
Changes during the year (Specify):		
1999 Net Income		1,148
Balance end of year	$	$ (31,312)

TREASURY STOCK

	Common Stock	Partner
Balance first of year	$ 40,000	$
Changes during the year (Specify):		
N/A		
Balance end of year	$	$

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest Rate	Interest # of Pymts	Principal per Balance Sheet Date
Note payable to bank (issued 5/92)	9.00	180	$ 228,679
Note payable to bank	8.21	84	21,516
Note payable to John Deere Credit	10.89	24	1,161
Total			$ 251,356

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax	$	$	$	$
State income tax				
Taxes Other Than Income:				
State aed valorem tax				
Local property tax	8,031			8,031
Regulatory assessment fee	7,162			7,162
Other (Specify) Fl intangible tax	709			709
Payroll taxes	4,264			4,264
Permits, Licenses & other taxes	1,000			1,000
Total Taxes Accrued	$ 21,166	$	$	$ 21,166

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
Larry Howard	$ 2,436	$	Operations and Maintenance
Short Utility Service	$ 1,338	$	Operations and Maintenance
The NCT Group CPA's, L.L.P.	$ 5,920	$	Accounting and Consulting
Polston Engineering	$ 2,340	$	Engineering Services
Short Environmental Labs	$ 1,926	$	Testing
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	

UTILITY NAME Heartland Utilites, Inc

YEAR OF REPORT
DECEMBER 31, 1999

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year	$ 1,230,991	$	$ 1,230,991
2) Add credits during year	$ 73,528	$	$ 73,528
3) Total	1,304,519		1,304,519
4) Deduct charges during the year			
5) Balance end of year	1,304,519		1,304,519
6) Less Accumulated Amortization	523,969		523,969
7) Net CIAC	$ 780,550	$	$ 780,550

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
Service Connections	Cash	4,088	
State/County/Local Grants	Cash	61,940	
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	Water	Wastewater
Tap Fees	15	$ 500	$ 7,500	$
Total Credits During Year (Must agree with line # 2 above.)			$ 73,528	$

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year	$ 482,639	$	$ 482,639
Add Credits During Year	41,330		41,330
Deduct Debits During Year			
Balance End of Year (Must agree with line #6 above.)	$ 523,969	$	$ 523,969

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

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31 1999

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	$	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: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

N/A

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 Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

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	14,650			14,650
304	Structures and Improvements	132,554	24,841		157,395
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	299,748			299,748
308	Infiltration Galleries and Tunnels				
309	Supply Mains	12,000			12,000
310	Power Generation Equipment				
311	Pumping Equipment	111,703	11,812	1,600	121,915
320	Water Treatment Equipment	8,711	4,924		13,635
330	Distribution Reservoirs and Standpipes	154,136	225		154,361
331	Transmission and Distribution Lines	503,060	35,680		538,740
333	Services	79,389	440		79,829
334	Meters and Meter Installations	69,740	2,835		72,575
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment	10,083		2,934	7,149
341	Transportation Equipment	32,078		32,078	0
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	243	245	243	245
344	Laboratory Equipment				
345	Power Operated Equipment	6,167			6,167
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant	5,229		1,799	3,430
	Total Water Plant	$ 1,439,491	$ 81,002	$ 38,654	$ 1,481,839

UTILITY NAME: Heartland Utilities, Inc

YEAR OF REPORT
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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	28	%	3.57 %	$ 38,505	$ 5,542	$	$ 44,047
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	27	%	3.70 %	120,684	10,225		130,909
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains	32	%	3.13 %	4,085	375		4,460
310	Power Generating Equipment		%	%				
311	Pumping Equipment	27	%	3.70 %	21,481	5,200	297	26,384
320	Water Treatment Equipment	17	%	5.88 %	2,908	469		3,377
330	Distribution Reservoirs & Standpipes	33	%	3.03 %	46,476	4,978		51,454
331	Trans. & Dist. Mains	40	%	2.50 %	156,287	14,140		170,427
333	Services	40	%	2.50 %	15,999	2,074		18,073
334	Meter & Meter Installations	17	%	5.88 %	35,264	2,192		37,456
335	Hydrants		%	%				
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment	15	%	6.67 %	1,664	1,080	630	2,114
341	Transportation Equipment	5	%	20.00 %	3,336	3,472	6,808	0
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment	15	%	6.67 %	1	24	13	12
344	Laboratory Equipment		%	%				
345	Power Operated Equipment	15	%	6.67 %	187	411		598
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant	10	%	10.00 %	3,814	386	771	3,429
	Totals				$ 450,691	$ 50,568	$ 8,519	$ 492,740 *

* This amount should tie to Sheet F-5

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	$ 3,072
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	41,700
604	Employee Pensions and Benefits	3,124
610	Purchased Water	502
615	Purchased Power	8,643
616	Fuel for Power Production	810
618	Chemicals	540
620	Materials and Supplies	1,703
630	Contractual Services:	
	Billing	
	Professional	
	Testing	1,926
	Other - Operation and Maintenance	13,195
640	Rents	1,191
650	Transportation Expense	7,412
655	Insurance Expense	4,075
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	4,000
675	Miscellaneous Expenses (Office Exp, Repairs, Maintenance & Miscellaneous)	17,685
	Total Water Operation And Maintenance Expense	$ 109,578 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers Start of Year (d)	Number of Active Customers End of Year (e)	Total Number of Meter Equivalents (c x e) (f)
Residential Service					
5/8"	D	1.0	662	686	686.0
3/4"	D	1.5	4	4	6.0
1"	D	2.5	7	7	17.5
1 1/2"	D,T	5.0	2	2	10.0
General Service					
5/8"	D	1.0	0	0	
3/4"	D	1.5	7	7	10.5
1"	D	2.5	7	7	17.5
1 1/2"	D,T	5.0	4	4	20.0
2"	D,C,T	8.0	3	3	24.0
3"	D	15.0			
3"	C	16.0			
Other (Specify):					
		Unmetered Customers			
		Total	696	720	792.0

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: HEARTLAND UTILITIES, INC.

SYSTEM NAME: DeSoto City

YEAR OF REPORT
DECEMBER 31, 1999

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		2922	595	2327	2327
February		2732	480	2252	2252
March		3608	1469	2139	2139
April		3789	387	3402	3402
May		3105	(39)	3144	3144
June		2623	192	2431	2431
July		2985	218	2767	2767
August		2921	676	2245	2245
September		2544	(414)	2958	2958
October		2433	374	2059	2059
November		2873	655	2218	2218
December		2866	355	2511	2511
Total for Year		35,401	4948	30,453	30,453

If water is purchased for resale, indicate the following: NA

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"	7640	0	0	7640
PVC	4"	25180	0	0	25180
PVC	6"	10098	0	0	10098
Galv.	2"	500	0	0	500
Galv.	3"	3000	0	0	3000
Transite	6"	7000	0	0	7000

UTILITY NAME: HEARTLAND UTILITIES, INC.

SYSTEM NAME: Sebring Country Estates

YEAR OF REPORT
DECEMBER 31, 1999

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		2309	(203)	2512	2512
February		2173	185	1988	1988
March		2702	577	2125	2125
April		3126	448	2678	2678
May		2775	(133)	2908	2908
June		2343	(609)	2952	2952
July		2231	34	2197	2197
August		2396	391	2005	2005
September		2085	(531)	2616	2616
October		2047	129	1918	1918
November		2405	147	2258	2258
December		2413	182	2231	2231
Total for Year		29,005	617	28,388	28,388

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:

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"	5,290	0	0	5,290
PVC	4"	18,850	0	0	18,850
Galv.	2"	500	0	0	500
Transite	6"	3,250	0	0	3,250

UTILITY NAME: HEARTLAND UTILITIES, INC.

SYSTEM NAME: Sebring Lakes

YEAR OF REPORT
DECEMBER 31, 1999

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		0	0	0	0
February		0	0	0	0
March		0	0	0	0
April		0	0	0	0
May		159	159	0	0
June		575	493	82	82
July		329	228	101	101
August		573	479	94	94
September		393	272	121	121
October		358	257	101	101
November		410	267	143	143
December		443	332	111	111
Total for Year		3240	2487	753	753

If water is purchased for resale, indicate the following: NA

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"	2300	0	0	2300
PVC	4"	2050	0	0	2050
PVC	6"	7300	4440	0	11740

UTILITY NAME: HEARTLAND UTILITIES, INC.

SYSTEM NAME: DeSoto City

YEAR OF REPORT
DECEMBER 31, 1999

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed	1987	1987		
Types of Well Construction and Casing	Steel	Steel		
Depth of Wells	1500'	1500'		
Diameters of Wells	8"	8"		
Pump - GPM	300	300		
Motor - HP	10	10		
Motor Type *				
Yields of Wells in GPD	360,000	360,000		
Auxiliary Power				
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Steel	Steel Pneumatic		
Capacity of Tank	11,000	10,000		
Ground or Elevated	Ground	Ground		

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer	U.S.E.M.	U.S.E.M.		
Type	Electric	Electric		
Rated Horsepower	15	15		
Pumps				
Manufacturer	Peerless	Peerless		
Type	H/S Centrifugal	H/S Centrifugal		
Capacity in GPM	240	240		
Average Number of Hours Operated Per Day	6	6		
Auxiliary Power	65 KW	65 KW		

UTILITY NAME: HEARTLAND UTILITIES, INC.

SYSTEM NAME: Sebring Country Estates

YEAR OF REPORT
DECEMBER 31, 1999

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed	Unknown	Unknown		
Types of Well Construction and Casing	Steel	Steel		
Depth of Wells	1200'	120'		
Diameters of Wells	12"	4"		
Pump - GPM	300	30		
Motor - HP	20	1.5		
Motor Type *				
Yields of Wells in GPD	504,000	43,200		
Auxiliary Power				
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Steel Pneumatic			
Capacity of Tank	10,000			
Ground or Elevated	Ground			

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer				
Type				
Rated Horsepower				
Pumps				
Manufacturer				
Type				
Capacity in GPM				
Average Number of Hours Operated Per Day				
Auxiliary Power				

UTILITY NAME: HEARTLAND UTILITIES, INC.

SYSTEM NAME: Sebring Lakes

YEAR OF REPORT
DECEMBER 31, 1999

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed	1998	1998		
Types of Well Construction and Casing	Steel	Steel		
Depth of Wells	1300'	1200'		
Diameters of Wells	10 x 6	10 x 6		
Pump - GPM	450	450		
Motor - HP	20	20		
Motor Type *	Goulds	Goulds		
Yields of Wells in GPD	400	400		
Auxiliary Power	NA	NA		
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Steel			
Capacity of Tank	10,000			
Ground or Elevated	15,000			

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer	Baldour	Baldour		
Type	Elect	Elect		
Rated Horsepower	15	15		
Pumps				
Manufacturer	Goulds	Goulds		
Type	Centrifugal	Centrifugal		
Capacity in GPM	350	350		
Average Number of Hours Operated Per Day	20	20		
Auxiliary Power	NA	NA		

UTILITY NAME: HEARTLAND UTILITIES, INC.
DeSoto City

YEAR OF REPORT
DECEMBER 31, 1999

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day	200,000		
Type of Source	Groundwater		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type	Aeration & Chlorination		
Make			
Permitted Capacity (GPD)	200,000		
High service pumping			
Gallons per minute	600		
Reverse Osmosis			
Lime Treatment			
Unit Rating			
Filtration			
Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection			
Chlorinator	Regal 216		
Ozone			
Other			
Auxiliary Power	65 KW		

UTILITY NAME: HEARTLAND UTILITIES, INC.
Sebring Country Estates

YEAR OF REPORT
DECEMBER 31, 1999

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day	200,000		
Type of Source	Groundwater		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type	Chlorination		
Make			
Permitted Capacity (GPD)	200,000		
High service pumping			
Gallons per minute			
Reverse Osmosis			
Lime Treatment			
Unit Rating			
Filtration			
Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection			
Chlorinator	Regal 216		
Ozone			
Other			
Auxiliary Power	75 KW		

UTILITY NAME: HEARTLAND UTILITIES, INC.
Sebring Lakes

YEAR OF REPORT
DECEMBER 31, 1999

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day	280,000		
Type of Source	Groundwater		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type	Aeration/Chlorination		
Make			
Permitted Capacity (GPD)	280,000		
High service pumping			
Gallons per minute	700		
Reverse Osmosis			
Lime Treatment			
Unit Rating			
Filtration			
Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection			
Chlorinator	Regal 216		
Ozone			
Other			
Auxiliary Power	NA		

UTILITY NAME: HEARTLAND UTILITIES, INC

SYSTEM NAME: DeSoto City

YEAR OF REPORT
DECEMBER 31, 1999

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. 244
2. Maximum number of ERCs * which can be served. 571
3. Present system connection capacity (in ERCs *) using existing lines. 244
4. Future connection capacity (in ERCs *) upon service area buildout. 571
5. Estimated annual increase in ERCs *. 10
6. Is the utility required to have fire flow capacity? No
   If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities. 4 hydrants @ 500 gpm
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
   NA
9. When did the company last file a capacity analysis report with the DEP? NA
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? NA
    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 # 5280075
12. Water Management District Consumptive Use Permit # 207938.01
    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 proceding 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).

UTILITY NAME: HEARTLAND UTILITIES, INC

YEAR OF REPORT
DECEMBER 31, 1999

SYSTEM NAME: Sebring Country Estates

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. 222
2. Maximum number of ERCs * which can be served. 571
3. Present system connection capacity (in ERCs *) using existing lines. 222
4. Future connection capacity (in ERCs *) upon service area buildout. 571
5. Estimated annual increase in ERCs *. 10
6. Is the utility required to have fire flow capacity? No
   If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities. None
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
   NA
9. When did the company last file a capacity analysis report with the DEP? NA
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 # 5280247
12. Water Management District Consumptive Use Permit # 205882.02
    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 proceding 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).

UTILITY NAME: HEARTLAND UTILITIES, IN

SYSTEM NAME: Sebring Lakes

YEAR OF REPORT
DECEMBER 31, 1999

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. 800
2. Maximum number of ERCs * which can be served. 800
3. Present system connection capacity (in ERCs *) using existing lines. 6
4. Future connection capacity (in ERCs *) upon service area buildout. 800
5. Estimated annual increase in ERCs *. 10
6. Is the utility required to have fire flow capacity? No
   If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities. None
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
   NA
9. When did the company last file a capacity analysis report with the DEP? NA
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 # 5284137
12. Water Management District Consumptive Use Permit # 2011768.00
    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 proceding 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: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

N/A

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				
354	Structures and Improvements				
355	Power Generation Equipment				
360	Collection Sewers - Force				
361	Collection Sewers - Gravity				
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				
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	$	$	$	$ *

* This amount should tie to sheet F-5.

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

N/A

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		%	%	$	$	$	$
355	Power Generation Equipment		%	%				
360	Collection Sewers - Force		%	%				
361	Collection Sewers - Gravity		%	%				
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		%	%				
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				$	$	$	$ *

* This amount should tie to Sheet F-5.

UTILITY NAME: Heartland Utilites, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

N/A

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	
716	Fuel for Power Production	
718	Chemicals	
720	Materials and Supplies	
730	Contractual Services:	
	Operator and Management	
	Testing	
	Other	
740	Rents	
750	Transportation Expense	
755	Insurance Expense	
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	
775	Misc. Expenses (Plant Maintenance, Repairs and Office Exp)	
	Total Wastewater Operation And Maintenance Expense	$ *

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers Start of Year (d)	Number of Active Customers End of Year (e)	Total Number of Meter Equivalents (c x e) (f)
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			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Comm 5/8 x 3/4					
Comm 1"					
		Unmetered Customers			
		Total			

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME Heartland Utilities, Inc.

YEAR OF REPORT
December 31, 1999

N/A

PUMPING EQUIPMENT

Lift Station Number						
Make or Type and nameplate data on pump						
Gorman Rupp 13a 25						
Year installed						
Rated capacity						
Size						
Power						
Electric						
Mechanical						
Nameplate data of motor - U.S. Electric						

SERVICE CONNECTIONS

Size (inches)						
Type (PVC, VCP, etc.)						
Average length						
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)								
Type of main								
Length of main (nearest foot)								
Begining of year								
Added during year								
Retired during year								
End of year								

MANHOLES

Size (inches)				
Type of Manhole				
Number of Manholes:				
Beginning of year				
Added during year				
Retired during year				
End of Year				

UTILITY NAME: Heartland Utilities, Inc.

SYSTEM NAME: N/A

YEAR OF REPORT
DECEMBER 31, 1999

N/A TREATMENT PLANT

Manufacturer			
Type			
"Steel" or "Concrete"			
Total Capacity			
Average Daily Flow			
Effluent Disposal			
Total Gallons of Wastewater treated			

MASTER LIFT STATION PUMPS

Manufacturer						
Capacity (GPM's)						
Motor:						
Manufacturer						
Horsepower						
Power (Electric or Mechanical)						

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total for year			

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

UTILITY NAME: Heartland Utilities, Inc.

SYSTEM NAME: N/A

YEAR OF REPORT
December 31, 1999

N/A

OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

1. Present ERCs * now being served
2. Maximum ERCs ** that system can efficiently serve
3. Present system connection capacity (in ERC's) using existing lines
4. Future connection capacity (in ERC's) upon service area buildout
5. Estimated annual increase in ERCs *
6. State any plans and estimated completion dates for any enlargements of this systen
7. List percent of certificated area where service connections are installed (total for each county)

8. If present systems do not meet the requirements of DEP Rule 62-4, Florida Administrative Code, submit the following:
   a. Evaluation of the present plant or plants in regard to meeting the DEP's rules.
   b. Plans for funding and construction of the required upgrading.
   c. Have these plans been coordinated with the DEP?
   d. Do they concur?
   e. When will construction begin?
9. Do you discharge effluent to surface waters?
10. Department of Environmental Protection ID #
    Water Management District ID #

* ERC = (Total Gallons Treated / 365 days) / 280 Gallons Per Day

Note: Total Gallons Treated includes both Wastewater treated and Purchased Wastewater Treatment.

** Total Plant Capacity / 280 gallons

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1998

CERTIFICATION OF ANNUAL REPORT

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

YES	NO		
X		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.
X		2.	The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
X		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.
X		4.	The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

Items Certified

1.	2.	3.	4.	
X	X	X	X	Howard Short *

(signature of chief executive officer of the utility)
Howard Short, President

1.	2.	3.	4.	
				*

(signature of chief financial officer of the utility)

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

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