

OFFICIAL COPY

Public Service Commission

CLASS "A" OR "B"

Revised Annual Report

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

REVISED ANNUAL REPORT

OF

WU727-08-AR

Harbor Hills Utilities, LP

Exact Legal Name of Respondent

522-W

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

09 SEP 21 AM 9: 27
ECONOMIC REGULATION

RECEIVED
PUBLIC SERVICE
COMMISSION



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2008

GENERAL INSTRUCTIONS

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

**Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The fourth copy should be retained by the utility.

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EXECUTIVE SUMMARY

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

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. |
| 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 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.

(Signature of Chief Executive Officer of the utility) *

1.	2.	3.	4.
X	X	X	X



(Signature of Chief Financial Officer of the utility) *

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

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

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 2008

Harbor Hills Utilities
(Exact Name of Utility)

County: Lake

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

6538 Lake Griffin Road
Lady Lake, FL 32159

Telephone: 352-753-7000

E Mail Address: ksmead@harborhills.com

WEB Site: harborhills.com

Sunshine State One-Call of Florida, Inc. Member Number HHU542

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

Karen Smead
6538 Lake Griffin Road
Lady Lake, FL 32159

Telephone: 352-753-7000

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

6538 Lake Griffin Road
Lady Lake, FL 32159

Telephone: 352-753-7000

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

Wiley & Wiley Associates PA

Date of original organization of the utility: 12/28/1987

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

Individual Partnership Sub S Corporation 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	H.H.C.C. Inc.	100%
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

The utility began operations in 1989 as Lake Griffin Utilities, Inc. under certificate 522-W granted by Order No. 21835. Initial rates and charges were set by the Commission in Order No. 23039, issued June 6, 1990. Those rates and charges are still in effect with the exception of a price index increase in 2008. The Commission approved the transfer to the current owners in Order No. PSC-94-1543-FOF-WU, issued December 13, 1994, after the utility and other assets of the previous owner were confiscated by the U.S. Government.

Harbor Hills Utilities, L.P. provides water service to a golf course and country club community. Its goal is to provide safe, dependable drinking water to its customers and be a responsible custodian of the water allotted to it in its consumptive use permit.

The service area of the utility has enjoyed an annual average growth of over 30 homes per year over the last five years and now has over 500 residences with many more under construction.

The utility may apply for a certificate and establish rates for the wastewater system at Harbor Hills. Wastewater service is currently being provided at no charge.

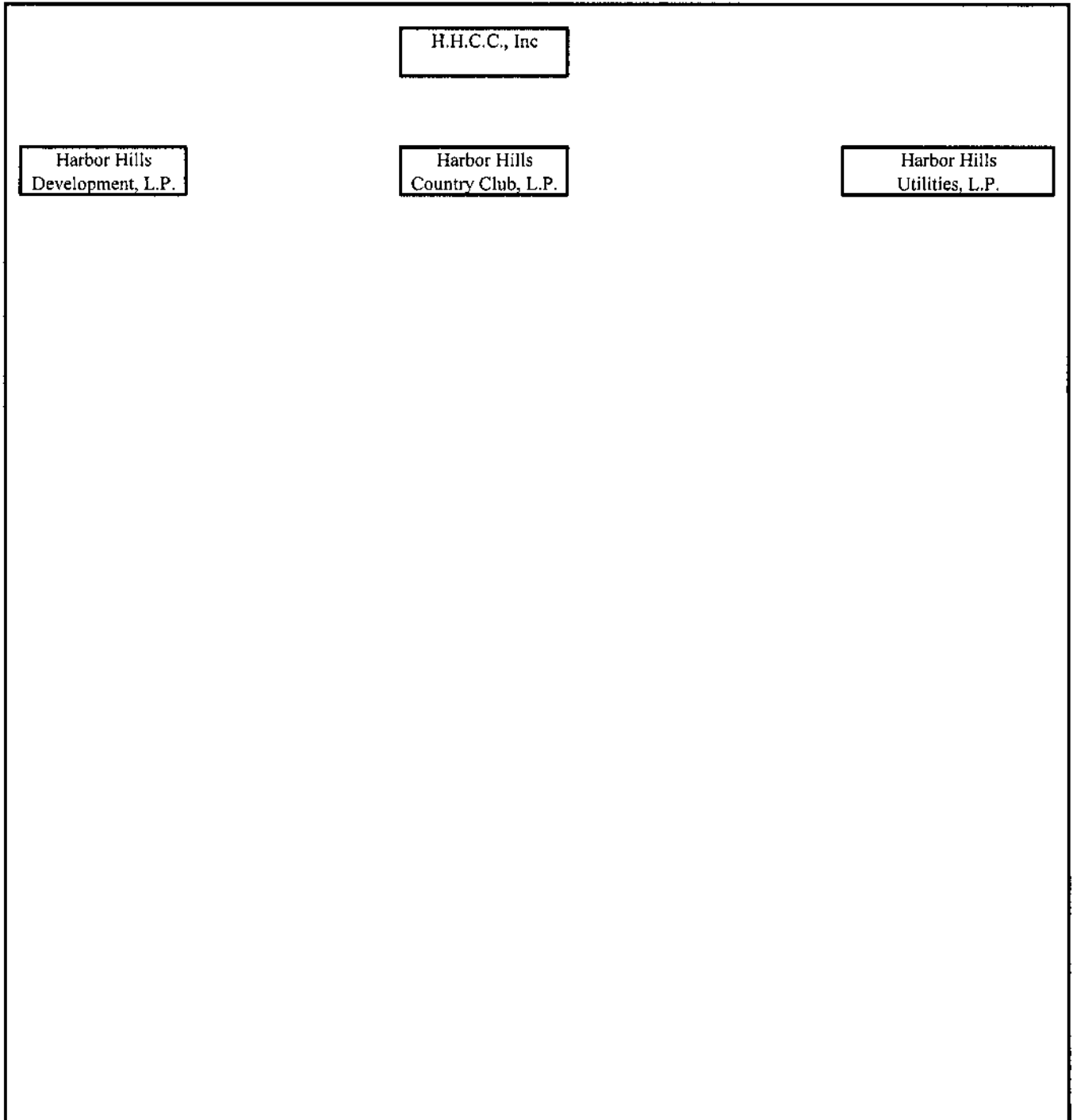
UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

PARENT / AFFILIATE ORGANIZATION CHART

Current as of December 31, 2008

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



FINANCIAL SECTION

UTILITY NAME: **Harbor Hills Utilities**

YEAR OF REPORT December 31, 2008
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**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 1,438,228.34	\$ 1,730,501.96
108-110	Less: Accumulated Depreciation and Amortization	F-8	615,252.57	654,711.06
Net Plant			\$ 822,975.77	\$ 1,075,790.90
114-115	Utility Plant Acquisition adjustment (Net)	F-7	590,258.80	554,026.72
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 1,413,234.57	\$ 1,629,817.62
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$	\$
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$	\$
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$	\$
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 6,473.26	\$ 9,773.94
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	47,816.24	48,617.33
145	Accounts Receivable from Associated Companies	F-12	359,991.42	87,011.47
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Miscellaneous Current and Accrued Assets	F-12	4,775.00	4,775.00
Total Current and Accrued Assets			\$ 419,055.92	\$ 150,177.74

* Not Applicable for Class B Utilities

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ _____	\$ _____
182	Extraordinary Property Losses	F-13	_____	_____
183	Preliminary Survey & Investigation Charges		_____	_____
184	Clearing Accounts		_____	_____
185 *	Temporary Facilities		_____	_____
186	Miscellaneous Deferred Debits	F-14	_____	_____
187 *	Research & Development Expenditures		_____	_____
190	Accumulated Deferred Income Taxes		_____	_____
	Total Deferred Debits		\$ _____	\$ _____
	TOTAL ASSETS AND OTHER DEBITS		\$ <u>1,832,290.49</u>	\$ <u>1,779,995.36</u>

* Not Applicable for Class B Utilities

<p><u>NOTES TO THE BALANCE SHEET</u></p> <p>The space below is provided for important notes regarding the balance sheet.</p>

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ _____	\$ _____
204	Preferred Stock Issued	F-15	_____	_____
202,205 *	Capital Stock Subscribed		_____	_____
203,206 *	Capital Stock Liability for Conversion		_____	_____
207 *	Premium on Capital Stock		_____	_____
209 *	Reduction in Par or Stated Value of Capital Stock		_____	_____
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock		_____	_____
211	Other Paid - In Capital		_____	_____
212	Discount On Capital Stock		_____	_____
213	Capital Stock Expense		_____	_____
214-215	Retained Earnings	F-16	(865,896.46)	(48,111.36)
216	Reacquired Capital Stock		_____	_____
218	Proprietary Capital (Proprietorship and Partnership Only)		2,152,533.86	1,238,739.10
Total Equity Capital			\$ 1,286,637.40	\$ 1,190,627.74
LONG TERM DEBT				
221	Bonds	F-15	_____	_____
222 *	Reacquired Bonds		_____	_____
223	Advances from Associated Companies	F-17	_____	_____
224	Other Long Term Debt	F-17	_____	_____
Total Long Term Debt			\$ _____	\$ _____
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		0.00	5,090.14
232	Notes Payable	F-18	_____	_____
233	Accounts Payable to Associated Companies	F-18	_____	_____
234	Notes Payable to Associated Companies	F-18	18,386.49	22,136.55
235	Customer Deposits		_____	1,862.98
236	Accrued Taxes	W/S-3	16,503.30	18,699.16
237	Accrued Interest	F-19	_____	_____
238	Accrued Dividends		_____	_____
239	Matured Long Term Debt		_____	_____
240	Matured Interest		_____	_____
241	Miscellaneous Current & Accrued Liabilities	F-20	9,722.98	59,831.98
Total Current & Accrued Liabilities			\$ 44,612.77	\$ 107,620.81

* Not Applicable for Class B Utilities

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	_____	_____
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		_____	_____
Total Deferred Credits			\$ <u>_____</u>	\$ <u>_____</u>
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ <u>_____</u>	\$ <u>_____</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 771,953.00	\$ 771,953.00
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(270,912.68)	(290,206.19)
Total Net C.I.A.C.			\$ <u>501,040.32</u>	\$ <u>481,746.81</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		_____	_____
Total Accumulated Deferred Income Tax			\$ <u>_____</u>	\$ <u>_____</u>
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u>1,832,290.49</u>	\$ <u>1,779,995.36</u>

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 397,959.57	\$ 360,194.50
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	(12,340.24)	
Net Operating Revenues			\$ 385,619.33	\$ 360,194.50
401	Operating Expenses	F-3(b)	\$ 301,927.84	\$ 340,650.90
403	Depreciation Expense:	F-3(b)	\$ 42,998.37	\$ 39,458.49
	Less: Amortization of CIAC	F-22	22,859.97	19,225.43
Net Depreciation Expense			\$ 20,138.40	\$ 20,233.06
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	41,412.54	44,200.12
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			\$ 363,478.78	\$ 405,084.08
Net Utility Operating Income			\$ 22,140.55	\$ (44,889.58)
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	12,340.24	
413	Income From Utility Plant Leased to Others			
414	Gains (losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 34,480.79	\$ (44,889.58)

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

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 360,194.50	\$ _____	\$ _____
\$ 360,194.50	\$ _____	\$ _____
\$ 340,650.90	\$ _____	\$ _____
39,458.49	_____	_____
19,225.43	_____	_____
\$ 20,233.06	\$ _____	\$ _____
20,233.06	_____	_____
_____	_____	_____
44,200.12	_____	_____
_____	_____	_____
_____	_____	_____
\$ 405,084.08	\$ _____	\$ _____
\$ (44,889.58)	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
\$ (44,889.58)	\$ _____	\$ _____

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

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
--

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 34,480.79	\$ (44,889.58)
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		_____	_____
421	Nonutility Income		_____	_____
426	Miscellaneous Nonutility Expenses		(16,540.73)	(16,454.04)
Total Other Income and Deductions			\$ (16,540.73)	\$ (16,454.04)
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$ _____	\$ _____
409.20	Income Taxes		_____	_____
410.20	Provision for Deferred Income Taxes		_____	_____
411.20	Provision for Deferred Income Taxes - Credit		_____	_____
412.20	Investment Tax Credits - Net		_____	_____
412.30	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ _____	\$ _____
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ (154.20)	\$ (185.04)
428	Amortization of Debt Discount & Expense	F-13	_____	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ (154.20)	\$ (185.04)
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ _____	\$ _____
NET INCOME			<u>\$ 17,785.86</u>	<u>\$ (61,528.66)</u>

Explain Extraordinary Income:

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 1,730,501.96	\$
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	654,711.06	
110	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	771,953.00	
252	Advances for Construction	F-20		
Subtotal			\$ 303,837.90	\$
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	290,206.19	
Subtotal			\$ 594,044.09	\$
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		42,581.36	
	Other (Specify):			
RATE BASE			\$ 636,625.45	\$
NET UTILITY OPERATING INCOME			\$ (44,889.58)	\$
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-7.05%	

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Harbor Hills Utilities

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 1,238,739.10	100.00%	13.95%	13.95%
Preferred Stock				
Long Term Debt				
Customer Deposits				
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
Total	\$ 1,238,739.10	100.00%		13.95%

(1) If the utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

APPROVED RETURN ON EQUITY

Current Commission Return on Equity: <u>13.95%</u>
Commission order approving Return on Equity: <u>Order No. 23039</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate: <u>13.95%</u>
Commission order approving AFUDC rate: <u>Order No. 23039</u>

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 1,730,501.96	\$ _____	\$ _____	\$ 1,730,501.96
102	Utility Plant Leased to Other	_____	_____	_____	_____
103	Property Held for Future Use	_____	_____	_____	_____
104	Utility Plant Purchased or Sold	_____	_____	_____	_____
105	Construction Work in Progress	_____	_____	_____	_____
106	Completed Construction Not Classified	_____	_____	_____	_____
	Total Utility Plant	\$ <u>1,730,501.96</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>1,730,501.96</u>

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ 1,045,138.00	\$ _____	\$ _____	\$ 1,045,138.00
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Plant Acquisition Adjustments	\$ <u>1,045,138.00</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>1,045,138.00</u>
115	Accumulated Amortization	\$ 491,111.28	\$ _____	\$ _____	\$ 491,111.28
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Accumulated Amortization	\$ <u>491,111.28</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>491,111.28</u>
	Net Acquisition Adjustments	\$ <u>554,026.72</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>554,026.72</u>

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
Not Applicable	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total	\$ _____	_____	\$ _____

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.

Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
Not Applicable	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Nonutility Property	\$ _____	\$ _____	\$ _____	\$ _____

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): Not Applicable	\$ _____
_____	_____
_____	_____
Total Special Deposits	\$ _____
OTHER SPECIAL DEPOSITS (Account 133): Not Applicable	\$ _____
_____	_____
_____	_____
Total Other Special Deposits	\$ _____

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 48,617.33	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 48,617.33
OTHER ACCOUNTS RECEIVABLE (Account 142):		
	\$	
Total Other Accounts Receivable		\$
NOTES RECEIVABLE (Account 144):		
	\$	
Total Notes Receivable		\$
Total Accounts and Notes Receivable		\$ 48,617.33
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$	
Add: Provision for uncollectibles for current year	\$	
Collection of accounts previously written off		
Utility Accounts		
Others		
Total Additions	\$	
Deduct accounts written off during year:		
Utility Accounts		
Others		
Total accounts written off	\$	
Balance end of year		\$
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 48,617.33

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

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

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): Not Applicable	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ _____	\$ _____
UNAMORTIZED PREMIUM ON DEBT (Account 251): Not Applicable	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ _____	\$ _____

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
Not Applicable	\$ _____
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ _____

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1) Not Applicable	\$ _____	\$ _____
Total Deferred Rate Case Expense	\$ _____	\$ _____
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): Not Applicable	\$ _____	\$ _____
Total Other Deferred Debits	\$ _____	\$ _____
REGULATORY ASSETS (Class A Utilities: Account. 186.3): Not Applicable	\$ _____	\$ _____
Total Regulatory Assets	\$ _____	\$ _____
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ _____	\$ _____

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	%\$	Not Applicable
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	%\$	
Dividends declared per share for year	%\$	
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	%\$	

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
Not Applicable	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

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

UTILITY NAME: **Harbor Hills Utilities**

YEAR OF REPORT
December 31, 2008

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ (865,828.38)
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits:	\$ _____ _____
	Total Credits:	\$ _____
	Debits:	\$ _____ _____
	Total Debits:	\$ _____
435	Balance Transferred from Income	\$ (97,760.74)
436	Appropriations of Retained Earnings: Auditors Adjustments to Owners Equity	915,477.76
	Total Appropriations of Retained Earnings	\$ 915,477.76
437	Dividends Declared: Preferred Stock Dividends Declared	_____
438	Common Stock Dividends Declared	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ (48,111.36)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____	_____ _____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (48,111.36)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
Not Applicable	\$
Total	\$

**OTHER LONG-TERM DEBT
ACCOUNT 224**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
Not Applicable	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

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

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232): Not Applicable			\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): Not Applicable			\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$

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

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Harbor Hills Country Club	\$ 22,136.55
Total	\$ 22,136.55

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Harbor Hills Utilities

ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt Not Applicable	\$ _____			\$ _____	_____
Total Account 237.1	\$ _____			\$ _____	_____
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities Customer Deposits Not Applicable	\$ _____	427		\$ _____	_____
Total Account 237.2	\$ _____			\$ _____	_____
Total Account 237 (1)	\$ _____			\$ _____	_____
INTEREST EXPENSED: Total accrual Account 237		237		\$ _____	_____
Less Capitalized Interest Portion of AFUDC: Not Applicable				\$ _____	_____
Net Interest Expensed to Account No. 427 (2)				\$ _____	_____

(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.
(2) Must agree to F-3 (c), Current Year Interest Expense

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT
December 31, 2008

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Estimated Jul-Dec Assessment Fees and Testing Fees	\$ 8,855.87
Partial Proceeds from Insurance Claim - for Future Use	50,964.51
Overpayment Due Customer	11.60
Total Miscellaneous Current and Accrued Liabilities	\$ 59,831.98

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
Not Applicable	\$	\$		\$	
Total	\$	\$		\$	

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

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):		
Not Applicable	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
Not Applicable	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____	\$ _____
TOTAL OTHER DEFERRED CREDITS	\$ _____	\$ _____

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
--

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>771,953.00</u>	\$ _____	\$ _____	\$ <u>771,953.00</u>
Add credits during year:	\$ <u>0.00</u>	\$ _____	\$ _____	\$ _____
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ <u>771,953.00</u>	\$ _____	\$ _____	\$ <u>771,953.00</u>

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

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>270,980.76</u>	\$ _____	\$ _____	\$ <u>270,980.76</u>
Debits during the year:	\$ <u>19,225.43</u>	\$ _____	\$ _____	\$ <u>19,225.43</u>
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u>290,206.19</u>	\$ _____	\$ _____	\$ <u>290,206.19</u>

UTILITY NAME: **Harbor Hills Utilities**

YEAR OF REPORT December 31, 2008
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

1 The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.

2 If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ (61,528.66)
Reconciling items for the year:		
Taxable income not reported on books:		
Tap Charge		0.00
Meter Installation Charge		0.00
Main Extension Charge		0.00
Plant Capacity Charge		0.00
Deductions recorded on books not deducted for return:		
Income recorded on books not included in return:		
Deduction on return not charged against book income:		
Federal tax net income		\$ (61,528.66)

Computation of tax :

Not applicable - Utility is a limited partnership and tax liability flows through partners.

**WATER
OPERATION
SECTION**

UTILITY NAME: Harbor Hills Utilities
 SYSTEM NAME / COUNTY : Harbor Hills Utilites / Lake County

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 1,730,501.96
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	654,711.06
110	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	771,953.00
252	Advances for Construction	F-20	
Subtotal			\$ 303,837.90
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 290,206.19
Subtotal			\$ 594,044.09
114	Plus or Minus: Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		42,581.36
	Other (Specify):		
WATER RATE BASE			\$ 636,625.45
WATER OPERATING INCOME		W-3	\$ (44,889.58)
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			<u>-7.05%</u>

- NOTES : (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Harbor Hills Utilities
 SYSTEM NAME / COUNTY: Harbor Hills Utilites / Lake County

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	\$ 360,194.50
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		\$ 360,194.50
401	Operating Expenses	W-10(a)	\$ 340,650.90
403	Depreciation Expense	W-6(a)	39,458.49
	Less: Amortization of CIAC	W-8(a)	19,225.43
	Net Depreciation Expense		\$ 20,233.06
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income		16,208.75
	Utility Regulatory Assessment Fee		18,699.16
408.11	Property Taxes		8,592.21
408.12	Payroll Taxes		700.00
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 44,200.12
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		\$ 405,084.08
	Utility Operating Income		\$ (44,889.58)
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ (44,889.58)

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Harbor Hills Utilities

SYSTEM NAME / COUNTY: Harbor Hills Utilities / Lake County

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	12,500.00			12,500.00
304	Structures and Improvements	4,418.90			4,418.90
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	132,716.48			132,716.48
308	Infiltration Galleries and Tunnels				
309	Supply Mains	4,565.00			4,565.00
310	Power Generation Equipment	687.43			687.43
311	Pumping Equipment	188,985.76			188,985.76
320	Water Treatment Equipment	33,209.06	739.00		33,948.06
330	Distribution Reservoirs and Standpipes	104,259.93	25,665.30		129,925.23
331	Transmission and Distribution Mains	692,085.46	141,326.00		833,411.46
333	Services	96,480.94	88,117.50		184,598.44
334	Meters and Meter Installations	37,148.45	1,228.15	826.90	37,549.70
335	Hydrants	103,886.87	35,320.00		139,206.87
336	Backflow Prevention Devices	13,436.95	704.57		14,141.52
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment	13,847.11			13,847.11
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	1,438,228.34	293,100.52	826.90	1,730,501.96

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

W-4(a)
GROUP

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Harbor Hills Utilities

SYSTEM NAME / COUNTY : Harbor Hills Utilities / Lake County

WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization						
302	Franchises						
303	Land and Land Rights	12,500.00		12,500.00			
304	Structures and Improvements	4,418.90		4,418.90			
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes	132,716.48		132,716.48			
307	Wells and Springs						
308	Infiltration Galleries and Tunnels						
309	Supply Mains	4,565.00		4,565.00			
310	Power Generation Equipment	687.43		687.43			
311	Pumping Equipment	188,985.76		188,985.76	33,948.06		
320	Water Treatment Equipment	33,948.06					
330	Distribution Reservoirs and Standpipes	129,925.23				129,925.23	
331	Transmission and Distribution Mains	833,411.46				833,411.46	
333	Services	184,598.44				184,598.44	
334	Meters and Meter Installations	37,549.70				37,635.66	
335	Hydrants	139,206.87				139,206.87	
336	Backflow Prevention Devices	14,141.52				14,141.52	
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment						
341	Transportation Equipment	13,847.11					13,847.11
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	1,730,501.96		343,873.57	33,948.06	1,338,919.18	13,847.11

W-4(b)
GROUP

UTILITY NAME: Harbor Hills Utilities

SYSTEM NAME / COUNTY : Harbor Hills Utilites / Lake County

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	33		3.03%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains	35		2.86%
310	Power Generation Equipment	20		5.00%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	22		4.55%
330	Distribution Reservoirs and Standpipes	37		2.70%
331	Transmission and Distribution Mains	43		2.33%
333	Services	40		2.50%
334	Meters and Meter Installations	20		
335	Hydrants	45		2.22%
336	Backflow Prevention Devices	20		5.00%
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	6		16.67%
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	12		8.33%
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
Water Plant Composite Depreciation Rate *				

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

YEAR OF REPORT
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UTILITY NAME: Harbor Hills Utilities

SYSTEM NAME / COUNTY: Harbor Hills Utilities / Lake County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCURUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 821.59	\$ 154.94		\$ 154.94
305	Collecting and Impounding Reservoirs				0.00
306	Lake, River and Other Intakes				0.00
307	Wells and Springs	85,980.49	2,486.15		2,486.15
308	Infiltration Galleries and Tunnels				0.00
309	Supply Mains	2,325.28	110.88		110.88
310	Power Generation Equipment	344.70	43.65		43.65
311	Pumping Equipment	170,228.77	(562.04)		(562.04)
320	Water Treatment Equipment	20,958.56	1,819.38		1,819.38
330	Distribution Reservoirs and Standpipes	48,282.10	2,829.43		2,829.43
331	Transmission and Distribution Mains	216,961.04	16,753.58		16,753.58
333	Services	24,998.63	4,167.50		4,167.50
334	Meters and Meter Installations	8,426.61	5,083.76		5,083.76
335	Hydrants	30,724.63	2,764.56		2,764.56
336	Backflow Prevention Devices	4,046.23	764.56		764.56
339	Other Plant Miscellaneous Equipment				0.00
340	Office Furniture and Equipment				0.00
341	Transportation Equipment	1,153.93	3,042.14		3,042.14
342	Stores Equipment				0.00
343	Tools, Shop and Garage Equipment				0.00
344	Laboratory Equipment				0.00
345	Power Operated Equipment				0.00
346	Communication Equipment				0.00
347	Miscellaneous Equipment				0.00
348	Other Tangible Plant				0.00
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 615,252.56	\$ 39,458.49		\$ 39,458.49

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

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GROUP _____

YEAR OF REPORT
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UTILITY NAME: Harbor Hills Utilities

SYSTEM NAME / COUNTY : Harbor Hills Utilities / Lake County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (b)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-j) (l)
304	Structures and Improvements	\$	\$	\$	\$	\$ 976.53
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					88,466.65
308	Infiltration Galleries and Tunnels					
309	Supply Mains					2,436.16
310	Power Generation Equipment					388.35
311	Pumping Equipment					169,666.73
320	Water Treatment Equipment					22,777.94
330	Distribution Reservoirs and Standpipes					51,111.53
331	Distribution and Distribution Mains					233,714.62
333	Services					29,166.13
334	Meters and Meter Installations					13,510.37
335	Hydrants					33,489.19
336	Backflow Prevention Devices					4,810.79
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment					
341	Transportation Equipment					
342	Stores Equipment					4,196.07
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 ACCUMULATED DEPRECIATION						\$ 654,711.07

W-6(b)
GROUP _____

UTILITY NAME:

Harbor Hills Utilities

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WATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
 MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Tap Charge	0	\$ 100.00	\$ 0.00
Meter Installation Charge	0	457.00	0.00
Main Extension Charge	0	263.00	0.00
Plant Capacity Charge	0	85.00	0.00
Total Credits			\$ _____

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 270,980.76
Debits during the year:	
Accruals charged to Account 272	\$ 19,225.43
Other debits (specify) :	
Total debits	\$ 19,225.43
Credits during the year (specify) :	
Total credits	\$ _____
Balance end of year	\$ 290,206.19

UTILITY NAME:

Harbor Hills Utilities

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WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$
461.1	Metered Water Revenue: Sales to Residential Customers	560	560	307,718.30
461.2	Sales to Commercial Customers	64	62	51,086.20
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		624	622	\$ 358,804.50
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
Total Fire Protection Revenue				\$
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		624	622	\$ 358,804.50
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ 0.00
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			1,350.00
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			40.00
Total Other Water Revenues				\$ 1,390.00
Total Water Operating Revenues				\$ 360,194.50

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

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UTILITY NAME: Harbor Hills Utilities

SYSTEM NAME / COUNTY : Harbor Hills Utilites / Lake County

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 118,171.46	\$ 6,551.18	\$ 3,154.28
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits	22,232.19	1,752.01	843.57
610	Purchased Water			
615	Purchased Power	51,863.21	51,592.64	
616	Fuel for Power Production	1,001.90	1,001.90	
618	Chemicals	5,609.67		
620	Materials and Supplies	6,458.07		2,452.12
631	Contractual Services-Engineering	35,044.69	1,556.18	
632	Contractual Services - Accounting			
633	Contractual Services - Legal	2,690.14		
634	Contractual Services - Mgt. Fees	15,000.00		
635	Contractual Services - Testing	14,457.75	1,090.20	
636	Contractual Services - Other	15,569.92		9,569.92
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expenses	1,816.01	490.32	236.09
656	Insurance - Vehicle	5,631.00	1,520.40	732.00
657	Insurance - General Liability	1,941.96		
658	Insurance - Workman's Comp.	3,192.59	155.31	74.78
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	884.52		
675	Miscellaneous Expenses	39,085.82		
Total Water Utility Expenses		\$ 340,650.90	\$ 65,710.14	\$ 17,062.76

UTILITY NAME:

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WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ 1,455.82	\$ 1,455.82	\$ 4,367.43	\$ 2,911.64	\$ 36,601.56	\$ 61,673.73
389.33	389.33	1,168.01	778.67	7,231.74	9,679.53
5,609.67	439.30	3,278.97	287.68		270.57
		1,520.00			31,968.51
				518.39	2,171.75
5,831.55	6,000.00	7,536.00			15,000.00
108.95	108.95	326.88	217.93	199.77	127.12
337.80	337.80	1,013.64	675.72	619.44	394.20
34.52	34.52	103.54	69.03	1,110.20	1,941.96
					1,610.69
				884.52	
					36,575.92
\$ 13,767.64	\$ 8,765.72	\$ 19,314.47	\$ 4,940.67	\$ 47,165.62	\$ 161,413.98

UTILITY NAME: Harbor Hills Utilities

YEAR OF REPORT December 31, 2008
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SYSTEM NAME / COUNTY : Harbor Hills Utilities / Lake County

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		15,687		15,687	
February		14,528		14,528	30,172
March		19,101		19,101	
April		22,972	128	22,844	37,052
May		31,202	583	30,619	
June		21,769		21,769	54,175
July		20,167	180	19,987	
August		17,896		17,896	35,259
September		22,551		22,551	
October		24,923	1,050	23,873	42,228
November		23,762		23,762	
December		22,282	128	22,154	40,819
Total for Year		256,840	2,069	254,771	239,705

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:

SOURCE OF SUPPLY

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well #1 (per field test)	1,000 gpm		Deep Well
Well #2 (per field test)	1,000 gpm		Deep Well

UTILITY NAME: Harbor Hills Utilities

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WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>700,000 GPD Max Day</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Well Head</u>
Type of treatment (reverse osmosis, (sedimentation, chemical, aerated, etc.):	<u>Chlorination</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon):	Manufacturer: _____
FILTRATION	
Type and size of area:	
Pressure (in square feet):	Manufacturer: _____
Gravity (in GPM/square feet):	Manufacturer: _____

UTILITY NAME: Harbor Hills Utilities

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CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	600	600
3/4"	Displacement	1.5	6	9
1"	Displacement	2.5	5	13
1 1/2"	Displacement or Turbine	5.0	5	25
2"	Displacement, Compound or Turbine	8.0	4	32
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5	2	35
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				<u>713.5</u>

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC Calculation:	
223417544 SFR gallons/365 days/557 avg SFR's) = 1099	GPD/ERC
	1099
(242550536 total gallons/365 days/1099 GPD/ERC) = 605	
	605

UTILITY NAME: Harbor Hills Utilities

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OTHER 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. 605
2. Maximum number of ERCs * which can be served. 875
3. Present system connection capacity (in ERCs *) using existing lines. 799
4. Future connection capacity (in ERCs *) upon service area buildout. 799
5. Estimated annual increase in ERCs *. _____
6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500ppm,res.
1500 pgm,comm.
7. Attach a description of the fire fighting facilities. Hydrants located per county requirements
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. _____

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:
 - 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 # 3354781
12. Water Management District Consumptive Use Permit # 279
 - a. Is the system in compliance with the requirements of the CUP? Over ground water allowance
 - b. If not, what are the utility's plans to gain compliance? Have filed information with the water management district as required by our permit.

* An ERC is determined based on the calculation on the bottom of Page W-13.