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Winter Haven, Florida 33880-3521

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EMail HNHCPAS@AOL

DISTRIBUTION CENTER
05 APR 29 AM 7:56

Hunter & Herman, P.A.
Certified Public Accountants

April 27, 2005

Division of Commission Clerk and Admin Services
Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850

RECEIVED - FPSC
05 APR 29 AM 9:23
COMMISSION
CLERK

RE: Alturas Utilities LLC
Sunrise Utilities LLC

Dear Sir or Madem,

Please find enclosed financial statements showing that the NARUC accounts system is being used. The fixed assets have been set up using the PSC figures sent to us.

If you any further questions please contact us.

Sincerely,



G Stephen Herman

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1
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Winter Haven, Florida 33880-3521

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Hunter & Herman, P.A.
Certified Public Accountants

April 27, 2005

Sunrise Utilities LLC

RE: Interim Financial Statements for February through December 31, 2004

Dear Board of Directors,

We have compiled the accompanying Interim Financial Statements (balance sheet of Sunrise Utilities LLC and the related statement of income), for the period above in accordance with standards established by the American Institute of CPA's.

A compilation is limited to presenting in the form of financial statement information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has omitted essentially all of the disclosures and the statement of cash flows. If the omissions were included in the financial statements, they might influence the user's conclusions. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Hunter & Herman", is written over a light gray rectangular background.

Hunter & Herman, PA

SUNRISE-UTILITIES, LLC
Balance Sheet
 As of December 31, 2004

Dec 31. 04

ASSETS		
Current Assets		
Checking/Savings		
131 · Cash		
131.2 · Cash	714.00	
131.3 · SUNTRUST DEPOSITS	7,838.15	
131.4 · Citizens - Sunrise	<u>12,422.40</u>	
Total 131 · Cash		<u>20,974.55</u>
Total Checking/Savings		20,974.55
Other Current Assets		
141 · ACCTS. REC.		1,489.42
174 · Misc Current/Accured Assets		
174.1 · MANAGEMENT ACCT	959.54	
174.2 · AR ALTURAS LLC	<u>10,500.00</u>	
Total 174 · Misc Current/Accured Assets		<u>11,459.54</u>
Total Other Current Assets		<u>12,948.96</u>
Total Current Assets		33,923.51
Fixed Assets		
101 · Utility Plant in Service		
301 · Organization	750.00	
304 · Structures and Improvements	5,169.00	
307 · Wells and Springs	16,972.00	
310 · Power Generation Equipment	28,607.95	
311 · Pumping Equipment	14,551.00	
320 · Water Treatment Equipment	4,055.00	
330 · Distribution Reserv/Standpipes	21,485.00	
331 · Transmission/Distribution Mains	12,393.00	
334 · Meters/Meter Installation	9,967.41	
341 · Transportation Equipment	750.00	
348 · Other Tangible Plant	<u>2,388.00</u>	
Total 101 · Utility Plant in Service		117,088.36
108 · Accu Depn/Amzt of Utility Plant		
301.1 · Accum Amortization	-100.00	
304.1 · A/D	-2,215.00	
307.1 · A/D-307.1	-8,466.00	
310.1 · A/D 310.1	-8,646.00	
311.1 · AD/311.1	-3,462.00	
320.1 · AD/320.1	-2,736.00	
330.1 · AD/330.1	-9,466.00	
331.1 · AD/331.1	-5,030.00	
334.1 · AD/334.1	-4,159.00	
341.1 · AD/341.1	-150.00	
348.1 · A/D348.1	<u>-1,459.00</u>	
Total 108 · Accu Depn/Amzt of Utility Plant		-45,889.00
114 · Utility Plant Acquisition Adjust		<u>32,742.89</u>
Total Fixed Assets		<u>103,942.25</u>
TOTAL ASSETS		<u><u>137,865.76</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
231 · Accounts Payable		
231.2 · Polk County Utility Tax	457.82	
231 · Accounts Payable - Other	<u>18,416.32</u>	
Total 231 · Accounts Payable		18,874.14
235 · Customer Deposits		6,716.00

11:50 AM
04/27/05
Accrual Basis

SUNRISE-UTILITIES, LLC
Balance Sheet
As of December 31, 2004

	<u>Dec 31, 04</u>
236 · Accrued Taxes	2,832.80
Total Other Current Liabilities	<u>28,422.94</u>
Total Current Liabilities	28,422.94
Long Term Liabilities	
224 · Long Term Debt	
224.1 · Note Pay Keen Utilities	<u>20,000.00</u>
Total 224 · Long Term Debt	<u>20,000.00</u>
Total Long Term Liabilities	<u>20,000.00</u>
Total Liabilities	48,422.94
Equity	
211 · Other Paid-In Capital	61,273.46
Net Income	<u>28,169.36</u>
Total Equity	<u>89,442.82</u>
TOTAL LIABILITIES & EQUITY	<u>137,865.76</u>

SUNRISE-UTILITIES, LLC
Profit & Loss
 January through December 2004

	Jan - Dec 04
Ordinary Income/Expense	
Income	
400 · Operating Revenues	
461 · Metered Water Revenue	
461.1 · Metered Sales to Residential	
461.1-1 · REFUND - OVERCHARGES	75.00
461.1 · Metered Sales to Residential - Other	58,946.43
Total 461.1 · Metered Sales to Residential	59,021.43
Total 461 · Metered Water Revenue	59,021.43
Total 400 · Operating Revenues	59,021.43
Total Income	59,021.43
Expense	
401 · Operating Expenses	
615 · Purchased Power	2,794.17
616 · Fuel for Power Production	286.78
618 · Chemicals	999.80
620 · Materials & Supplies	1,197.93
631 · Contract Services -Professional	1,128.00
635 · Contact Services - Testing	2,228.50
636 · Contract Services - Other	6,827.50
650 · Transportation Expenses	108.65
655 · Insurance Expense	1,776.01
670 · Bad Debt Expense	262.01
675 · Miscellaneous Expense	
675.1 · POSTAGE & SHIPPING	1,022.76
675.2 · TELEPHONE	582.89
675.3 · DUES & SUBSCRIPTIONS	33.04
675.4 · COMPUTER EXPENSE	218.75
675.5 · OFFICE EXPENSE & SUPPLIES	911.46
675.7 · TRAVEL	146.72
675.9 · Repairs	1,721.62
675 · Miscellaneous Expense - Other	312.00
Total 675 · Miscellaneous Expense	4,949.24
Total 401 · Operating Expenses	22,558.59
407 · Amortization Expense - Other	19.00
Total Expense	22,577.59
Net Ordinary Income	36,443.84
Other Income/Expense	
Other Income	
419 · Interest and Dividend Income	11.45
Total Other Income	11.45
Other Expense	
403 · Depreciation Expenses	5,422.00
408 · Taxes Other Than Income	
408.10 · Regulatory Assessment Fee	2,832.80
408 · Taxes Other Than Income - Other	31.13
Total 408 · Taxes Other Than Income	2,863.93
Total Other Expense	8,285.93
Net Other Income	-8,274.48
Net Income	28,169.36

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Hunter & Herman, P.A.
Certified Public Accountants

April 27, 2005

Alturas Utilities LLC

RE: Interim Financial Statements for February through December 31, 2004

Dear Board of Directors,

We have compiled the accompanying Interim Financial Statements (balance sheet of Alturas Utilities LLC and the related statement of income), for the period above in accordance with standards established by the American Institute of CPA's.

A compilation is limited to presenting in the form of financial statement information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Accumulated Depreciation and Depreciation have been estimated pending approval of the Florida Public Service Commission.

Management has omitted essentially all of the disclosures and the statement of cash flows. If the omissions were included in the financial statements, they might influence the user's conclusions. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Sincerely,



Hunter & Herman, PA

ALTURAS-UTILITIES, LLC
Balance Sheet
 As of December 31, 2004

	<u>Dec 31, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
131 · Cash	
131.2 · SUNTRUST DEPOSITS	1,282.71
131.5 · Citizens - Alturas	10,565.24
Total 131 · Cash	<u>11,847.95</u>
Total Checking/Savings	11,847.95
Other Current Assets	
141 · Accts. Rec. Customers	1,169.22
174 · Misc Current/Accured Assets	
174.2 · MANAGEMENT ACCT	49.75
174.3 · AR KEEN SALES UTILITIES	1,000.00
Total 174 · Misc Current/Accured Assets	<u>1,049.75</u>
Total Other Current Assets	<u>2,218.97</u>
Total Current Assets	14,066.92
Fixed Assets	
101 · Utility Plant in Service	
301 · Organization	500.00
307 · Wells and Springs	6,987.00
311 · Pumping Equipment	8,118.00
320 · Water Treatment Equipment	220.00
330 · Distribution Reserv/Standpipes	16,265.00
331 · Transmission/Distribution Mains	18,637.00
334 · Meters/Meter Installation	4,842.41
339 · Other Plant & Misc Equipment	21.73
341 · Transportation Equipment	750.00
Total 101 · Utility Plant in Service	<u>56,341.14</u>
108 · Accu Depn/Amzt of Utility Plant	
307.1 · A/D-307.1	-6,987.00
311.1 · AD/311.1	483.00
320.1 · AD/320.1	-220.00
330.1 · AD/330.1	-1,725.00
331.1 · AD/331.1	-18,637.00
334.1 · AD/334.1	257.00
339.1 · A/D 339.1	-1.00
341.1 · AD/341.1	-150.00
Total 108 · Accu Depn/Amzt of Utility Plant	<u>-26,980.00</u>
114 · Utility Plant Acquisition Adjust	16,114.95
Total Fixed Assets	<u>45,476.09</u>
TOTAL ASSETS	<u><u>59,543.01</u></u>

ALTURAS-UTILITIES, LLC
Balance Sheet
As of December 31, 2004

	<u>Dec 31. 04</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
230 · Polk County Utility Tax	122.86
231 · Accounts Payable	427.96
233 · ACCT PAY SUNRISE LLC	10,500.00
235 · Customer Deposits	682.00
236 · Accrued Taxes	986.84
Total Other Current Liabilities	<u>12,719.66</u>
Total Current Liabilities	12,719.66
Long Term Liabilities	
232 · Notes Payable	
232.1 · N/P - KEEN UTILITIES	10,000.00
232.15 · KEEN RENTAL	500.00
Total 232 · Notes Payable	<u>10,500.00</u>
Total Long Term Liabilities	<u>10,500.00</u>
Total Liabilities	23,219.66
Equity	
211 · Other Paid-In Capital	30,286.73
Net Income	6,036.62
Total Equity	<u>36,323.35</u>
TOTAL LIABILITIES & EQUITY	<u><u>59,543.01</u></u>

ALTURAS-UTILITIES, LLC
Profit & Loss
 January through December 2004

	<u>Jan - Dec 04</u>
Ordinary Income/Expense	
Income	
400 · Operating Revenues	
461 · Metered Water Revenue	
461.1 · Metered Sales to Residential	
461.1-1 · REFUND - OVERCHARGES	75.00
461.1 · Metered Sales to Residential - Other	21,462.25
Total 461.1 · Metered Sales to Residential	<u>21,537.25</u>
Total 461 · Metered Water Revenue	<u>21,537.25</u>
Total 400 · Operating Revenues	<u>21,537.25</u>
Total Income	21,537.25
Expense	
401 · Operating Expenses	
615 · Purchased Power	1,403.66
616 · Fuel for Power Production	18.03
618 · Chemicals	258.20
620 · Materials & Supplies	870.33
635 · Contact Services - Testing	2,008.25
636 · Contract Services - Other	2,152.50
650 · Transportation Expenses	70.89
655 · Insurance Expense	591.99
670 · Bad Debt Expense	98.37
675 · Miscellaneous Expense	
675.1 · POSTAGE & SHIPPING	441.94
675.2 · TELEPHONE	219.32
675.3 · DUES & SUBSCRIPTIONS	64.29
675.4 · COMPUTER EXPENSE	156.25
675.5 · OFFICE EXPENSE & SUPPLIES	442.20
675.7 · TRAVEL	52.97
675.9 · Repairs	4,102.31
675 · Miscellaneous Expense - Other	137.00
Total 675 · Miscellaneous Expense	<u>5,616.28</u>
Total 401 · Operating Expenses	<u>13,088.50</u>
Total Expense	<u>13,088.50</u>
Net Ordinary Income	8,448.75
Other Income/Expense	
Other Income	
419 · Interest and Dividend Income	2.01
Total Other Income	2.01
Other Expense	
403 · Depreciation Expenses	1,406.00
408 · Taxes Other Than Income	
408.10 · Regulatory Assessment Fee	986.84
408 · Taxes Other Than Income - Other	21.30
Total 408 · Taxes Other Than Income	<u>1,008.14</u>
Total Other Expense	<u>2,414.14</u>
Net Other Income	<u>-2,412.13</u>
Net Income	<u><u>6,036.62</u></u>