

CLASS "A" OR "B"

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

ANNUAL REPORT

OF

WU727-11-AR

Harbor Hills Utilities, LP

Exact Legal Name of Respondent

OFFICIAL COPY
Public Service Commission
Do Not Remove from this Office

522-W

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2011

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.

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

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	Business Contracts with Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers and Directors	E-8
Directory of Personnel Who Contact the FPSC	E-3	Businesses which are a Byproduct, Coproduct or Joint Product Result of Providing Service	E-9
Company Profile	E-4	Business Transactions with Related Parties. Part I and II	E-10
Parent / Affiliate Organization Chart	E-5		
Compensation of Officers & Directors	E-6		
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Unamortized Debt Discount / Expense / Premium	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Extraordinary Property Losses	F-13
Comparative Operating Statement	F-3	Miscellaneous Deferred Debits	F-14
Year End Rate Base	F-4	Capital Stock	F-15
Year End Capital Structure	F-5	Bonds	F-15
Capital Structure Adjustments	F-6	Statement of Retained Earnings	F-16
Utility Plant	F-7	Advances from Associated Companies	F-17
Utility Plant Acquisition Adjustments	F-7	Other Long Term Debt	F-17
Accumulated Depreciation	F-8	Notes Payable	F-18
Accumulated Amortization	F-8	Accounts Payable to Associated Companies	F-18
Regulatory Commission Expense - Amortization of Rate Case Expense	F-9	Accrued Interest and Expense	F-19
Nonutility Property	F-9	Miscellaneous Current & Accrued Liabilities	F-20
Special Deposits	F-9	Advances for Construction	F-20
Investments and Special Funds	F-10	Other Deferred Credits	F-21
Accounts and Notes Receivable - Net	F-11	Contributions In Aid of Construction	F-22
Accounts Receivable from Associated Companies	F-12	Accumulated Amortization of CIAC	F-22
Notes Receivable from Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	F-23
Miscellaneous Current & Accrued Assets	F-12		

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
WATER OPERATION SECTION			
Water Listing of System Groups	W-1	CIAC Additions / Amortization	W-8
Year End Water Rate Base	W-2	Water Operating Revenue	W-9
Water Operating Statement	W-3	Water Utility Expense Accounts	W-10
Water Utility Plant Accounts	W-4	Pumping and Purchased Water Statistics, Source Supply	W-11
Basis for Water Depreciation Charges	W-5	Water Treatment Plant Information	W-12
Analysis of Entries in Water Depreciation Reserve	W-6	Calculation of ERC's	W-13
Contributions In Aid of Construction	W-7	Other Water System Information	W-14
WASTEWATER OPERATION SECTION			
Wastewater Listing of System Groups	S-1	Contributions In Aid of Construction	S-7
Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Operating Revenue	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Utility Expense Accounts	S-10
Basis for Wastewater Depreciation Charges	S-5	Calculation of ERC's	S-11
Analysis of Entries in Wastewater Depreciation Reserve	S-6	Wastewater Treatment Plant Information	S-12
		Other Wastewater System Information	S-13

EXECUTIVE SUMMARY

UTILITY NAME: Harbor Hills Utilities, LP

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 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



 (Signature of Chief Executive Officer of the utility) *

 (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, 2011

Harbor Hills Utilities, LP
(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: www.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: 28-Dec-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, LP

<p align="center">YEAR OF REPORT December 31, 2011</p>

**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Adam Rich	Manager	Harbor Hills Utilities, LP	General Business
Lu Ann Miller	Controller	Harbor Hills Utilities, LP	General Business
Karen Smead	Asst. Controller	Harbor Hills Utilities, LP	General Business Annual Report

(1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
 (2) Provide individual telephone numbers if the person is not normally reached at the company.
 (3) Name of company employed by if not on general payroll.

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

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 increases in 2008 and 2009. 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 now has almost 600 residences with more under construction.

Wastewater service is currently being provided at no charge.

Sale of Harbor Hills Utilities to Harbor Waterworks is currently pending before the Public Service Commission.

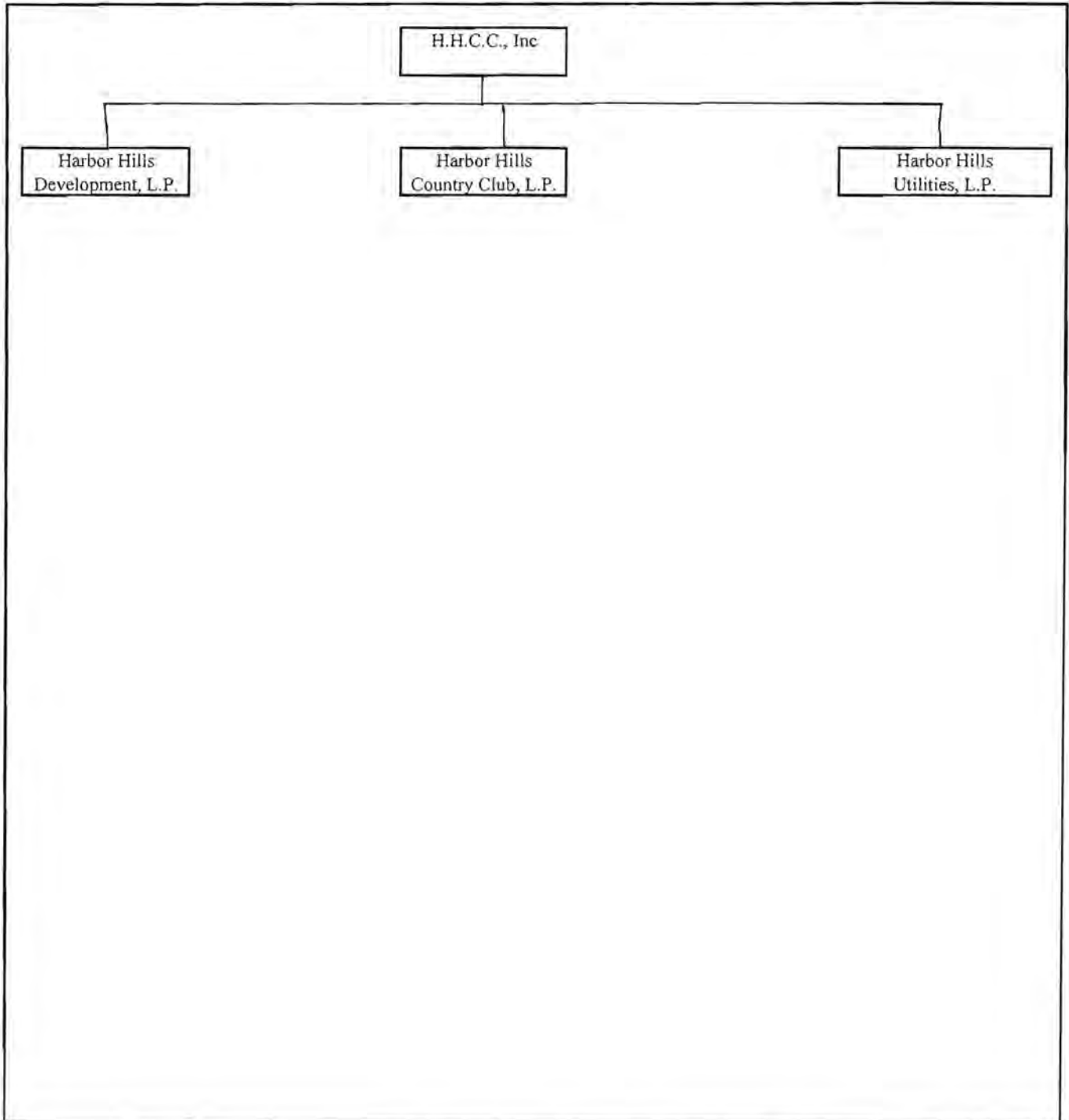
UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

PARENT / AFFILIATE ORGANIZATION CHART

Current as of December 31, 2011

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).



UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Not Applicable			\$ _____

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
Not Applicable			\$ _____

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
Not Applicable		\$	

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principal occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Not Applicable			

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**BUSINESSES WHICH ARE A BY-PRODUCT, COPRODUCT OR JOINT-PRODUCT
RESULT OF PROVIDING WATER OR WASTEWATER SERVICE**

Complete the following for any business which is conducted as a byproduct, coproduct, or joint product as a result of providing water and / or wastewater service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenue and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCOUNT NUMBER (c)	REVENUES GENERATED (d)	ACCOUNT NUMBER (e)	EXPENSES INCURRED (f)	ACCOUNT NUMBER (g)
Not Applicable	\$		\$		\$	

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any on year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6, identifying the parties, amounts, dates and product, and asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.

2. Below are some types of transactions to include:

- | | |
|--|---|
| -management, legal and accounting services | -material and supplies furnished |
| -computer services | -leasing of structures, land, and equipment |
| -engineering & construction services | -rental transactions |
| -repairing and servicing of equipment | -sale, purchase or transfer of various products |

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased (S)old (d)	AMOUNT (e)
Not Applicable				\$

UTILITY NAME: Harbor Hills Utilities, LP

<p>YEAR OF REPORT December 31, 2011</p>
--

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

- | | |
|--|--|
| <p>1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> -purchase, sale or transfer of equipment -purchase, sale or transfer of land and structures -purchase, sale or transfer of securities -noncash transfers of assets -noncash dividends other than stock dividends -write-off of bad debts or loans | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (a) Enter name of related party or company. (b) Describe briefly the type of assets purchased, sold or transferred. (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S". (d) Enter the net book value for each item reported. (e) Enter the net profit or loss for each item reported. (column (c) - column (d)) (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value. |
|--|--|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
Not Applicable		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____
		\$ _____	\$ _____	\$ _____	\$ _____

FINANCIAL SECTION

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**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	\$ 1,703,262.98	\$ 1,887,339.09
108-110	Less: Accumulated Depreciation and Amortization	F-8	721,667.28	765,885.79
Net Plant			\$ 981,595.70	\$ 1,121,453.30
114-115	Utility Plant Acquisition adjustment (Net)	F-7	502,669.20	476,805.99
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 1,484,264.90	\$ 1,598,259.29
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		\$ 435.43	\$ 1,453.01
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	65,971.95	59,968.76
145	Accounts Receivable from Associated Companies	F-12		
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			\$ 71,182.38	\$ 66,196.77

* Not Applicable for Class B Utilities

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**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>1,555,447.28</u>	\$ <u>1,664,456.06</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, LP

YEAR OF REPORT December 31, 2011
--

**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	(131,039.23)	(99,940.76)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)		1,131,046.66	1,023,861.35
Total Equity Capital			\$ 1,000,007.43	\$ 923,920.59
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		3,025.64	2,273.09
232	Notes Payable	F-18		
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18	35,804.97	238,270.85
235	Customer Deposits		3,386.49	4,399.18
236	Accrued Taxes	W/S-3	17,525.75	16,212.73
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	44,899.97	44,311.85
Total Current & Accrued Liabilities			\$ 104,642.82	\$ 305,467.70

* Not Applicable for Class B Utilities

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**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			\$ _____	\$ _____
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____	\$ _____
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 779,193.00	\$ 782,813.00
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(328,395.97)	(347,745.23)
Total Net C.I.A.C.			\$ 450,797.03	\$ 435,067.77
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			\$ _____	\$ _____
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 1,555,447.28	\$ 1,664,456.06

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

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)	\$ 371,228.58	\$ 373,103.58
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	(1,121.84)	(2,243.68)
Net Operating Revenues			\$ 370,106.74	\$ 370,859.90
401	Operating Expenses	F-3(b)	\$ 328,091.50	\$ 306,088.47
403	Depreciation Expense:	F-3(b)	\$ 42,634.09	\$ 44,426.90
	Less: Amortization of CIAC	F-22	19,307.14	19,349.26
Net Depreciation Expense			\$ 23,326.95	\$ 25,077.64
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	45,251.73	43,183.80
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			\$ 396,670.18	\$ 374,349.91
Net Utility Operating Income			\$ (26,563.44)	\$ (3,490.01)
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	1,121.84	2,243.68
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)]			\$ (25,441.60)	\$ (1,246.33)

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

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 373,103.58 (2,243.68)	\$ _____	\$ _____
\$ 370,859.90	\$ _____	\$ _____
\$ 306,088.47	\$ _____	\$ _____
44,426.90 19,349.26	_____	_____
\$ 25,077.64	\$ _____	\$ _____
43,183.80	_____	_____
_____	_____	_____
_____	_____	_____
\$ 374,349.91	\$ _____	\$ _____
\$ (3,490.01)	\$ _____	\$ _____
2,243.68	_____	_____
_____	_____	_____
\$ (1,246.33)	\$ _____	\$ _____

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

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

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)]			\$ (25,441.60)	\$ (1,246.33)
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		_____	195.72
426	Miscellaneous Nonutility Expenses		(22,760.00)	(48,627.15)
Total Other Income and Deductions			\$ (22,760.00)	\$ (48,431.43)
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	\$ (216.25)	\$ (545.87)
428	Amortization of Debt Discount & Expense	F-13	_____	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ (216.25)	\$ (545.87)
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ _____	\$ _____
NET INCOME			\$ (48,417.85)	\$ (50,223.63)

Explain Extraordinary Income:

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

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	\$ 1,887,339.09	\$
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	765,885.79	
110	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	782,813.00	
252	Advances for Construction	F-20		
Subtotal			\$ 338,640.30	\$
272	Add:			
	Accumulated Amortization of Contributions in Aid of Construction	F-22	347,745.23	
Subtotal			\$ 686,385.53	\$
114	Plus or Minus:			
	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	38,261.06	
	Working Capital Allowance (3)			
	Other (Specify):			
RATE BASE			\$ 724,646.59	\$
NET UTILITY OPERATING INCOME			\$ (3,490.01)	\$
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-0.48%	

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, LP

YEAR OF REPORT December 31, 2011
--

**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	\$ 1,023,861.35	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	\$ <u>1,023,861.35</u>	<u>100.00%</u>		<u>13.95%</u>

(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, LP

YEAR OF REPORT December 31, 2011
--

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE (g)
Common Equity	\$ 1,023,861.35	\$	\$	\$	\$	\$ 1,023,861.35
Preferred Stock						0.00
Long Term Debt						0.00
Customer Deposits						0.00
Tax Credits - Zero Cost						0.00
Tax Credits - Weighted Cost						0.00
Deferred Inc. Taxes						0.00
Other (Explain)						0.00
Total	\$ <u>1,023,861.35</u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	\$ <u>1,023,861.35</u>

(1) Explain below all adjustments made in Columns (e) and (f):

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011

**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	\$ 1,887,339.09	\$ _____	\$ _____	\$ 1,887,339.09
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	\$ 1,887,339.09	\$ _____	\$ _____	\$ 1,887,339.09

**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	\$ 1,045,138.00	\$ _____	\$ _____	\$ 1,045,138.00
115	Accumulated Amortization	\$ 568,332.01	\$ _____	\$ _____	\$ 568,332.01
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Accumulated Amortization	\$ 568,332.01	\$ _____	\$ _____	\$ 568,332.01
	Net Acquisition Adjustments	\$ 476,805.99	\$ _____	\$ _____	\$ 476,805.99

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION				
Account 108				
Balance first of year	\$ 721,667.28	\$	\$	\$ 721,667.28
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 44,426.90	\$	\$	\$ 44,426.90
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				

Salvage				
Other Credits (Specify):				

Total Credits	\$ 44,426.90	\$	\$	\$ 44,426.90
Debits during year:				
Book cost of plant retired	(208.39)			(208.39)
Cost of Removal				
Other Debits (specify):				

Total Debits	\$ (208.39)	\$	\$	\$ (208.39)
Balance end of year	\$ 765,885.79	\$	\$	\$ 765,885.79
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$	\$	\$	\$
Credit during year:				
Accruals charged to:				

Account 110.2 (3)				
Other Accounts (specify):				

Total credits	\$	\$	\$	\$
Debits during year:				
Book cost of plant retired				
Other debits (specify):				

Total Debits	\$	\$	\$	\$
Balance end of year	\$	\$	\$	\$

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**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, LP

YEAR OF REPORT December 31, 2011
--

INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): Not Applicable	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124): Not Applicable	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): Not Applicable	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): Not Applicable		\$ _____
_____		_____
_____		_____
_____		_____
_____		_____
Total Special Funds		\$ _____

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

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	\$ 59,835.99	
Wastewater		
Other	132.77	
Total Customer Accounts Receivable		\$ 59,968.76
OTHER ACCOUNTS RECEIVABLE (Account 142):		
_____	\$ _____	

Total Other Accounts Receivable		\$ _____
NOTES RECEIVABLE (Account 144):		
_____	\$ _____	

Total Notes Receivable		\$ _____
Total Accounts and Notes Receivable		\$ 59,968.76
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		\$ 59,968.76

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145**

Report each account receivable from associated companies separately.

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

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
Not Applicable	%	\$ _____
_____	%	_____
_____	%	_____
_____	%	_____
_____	%	_____
_____	%	_____
_____	%	_____
_____	%	_____
_____	%	_____
Total		\$ _____

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Security Deposit - Sumter Electric	\$ 4,775.00
_____	_____
_____	_____
Total Miscellaneous Current and Accrued Liabilities	\$ 4,775.00

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**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, LP

YEAR OF REPORT December 31, 2011
--

**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, LP

YEAR OF REPORT December 31, 2011
--

**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, LP

YEAR OF REPORT December 31, 2011
--

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	\$ (23,853.92)
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	\$ (76,086.84)
436	Appropriations of Retained Earnings:	_____
	_____	_____
	Total Appropriations of Retained Earnings	\$ _____
437	Dividends Declared: Preferred Stock Dividends Declared	_____
438	Common Stock Dividends Declared	_____
	_____	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ (99,940.76)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	_____
	_____	_____
	_____	_____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (99,940.76)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**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, LP

YEAR OF REPORT December 31, 2011
--

**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 Development	\$ 31,976.80
Harbor Hills Country Club	22,544.60
Harbor Hills Construction	183,749.45
Total	\$ 238,270.85

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

**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	\$ _____	427	\$ _____	\$ _____	\$ _____
Not Applicable	\$ _____		\$ _____	\$ _____	\$ _____
	\$ _____		\$ _____	\$ _____	\$ _____
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, LP

YEAR OF REPORT December 31, 2011
--

**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	\$ 9,335.02
Partial Proceeds from Insurance Claim - for Future Use	34,976.83
Total Miscellaneous Current and Accrued Liabilities	\$ <u>44,311.85</u>

**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, LP

YEAR OF REPORT December 31, 2011
--

**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, LP

YEAR OF REPORT December 31, 2011
--

**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>779,193.00</u>	\$ _____	\$ _____	\$ <u>779,193.00</u>
Add credits during year:	\$ <u>3,620.00</u>	\$ _____	\$ _____	\$ <u>3,620.00</u>
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ <u>782,813.00</u>	\$ _____	\$ _____	\$ <u>782,813.00</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>328,395.97</u>	\$ _____	\$ _____	\$ <u>328,395.97</u>
Debits during the year:	\$ <u>19,349.26</u>	\$ _____	\$ _____	\$ <u>19,349.26</u>
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u>347,745.23</u>	\$ _____	\$ _____	\$ <u>347,745.23</u>

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011
--

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)	\$ (50,223.63)
Reconciling items for the year:		
Taxable income not reported on books:		

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		\$ (50,223.63)

Computation of tax :

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

**WATER
OPERATION
SECTION**

UTILITY NAME: Harbor Hills Utilities, LP

SYSTEM NAME / COUNTY : Harbor Hills Utilities / 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)	\$ 1,887,339.09
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	765,885.79
110	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	782,813.00
252	Advances for Construction	F-20	
	Subtotal		\$ 338,640.30
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 347,745.23
	Subtotal		\$ 686,385.53
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	38,261.06
	Working Capital Allowance (3)		
	Other (Specify):		
	WATER RATE BASE		\$ 724,646.59
	WATER OPERATING INCOME	W-3	\$ (3,490.01)
	ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)		-0.48%

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.

YEAR OF REPORT December 31, 2011
--

UTILITY NAME: Harbor Hills Utilities, LP

SYSTEM NAME / COUNTY : Harbor Hills Utilities / 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	\$ 373,103.58
469	Less: Guaranteed Revenue and AFPI	W-9	(2,243.68)
	Net Operating Revenues		\$ 370,859.90
401	Operating Expenses	W-10(a)	\$ 306,088.47
403	Depreciation Expense	W-6(a)	44,426.90
	Less: Amortization of CIAC	W-8(a)	19,349.26
	Net Depreciation Expense		\$ 25,077.64
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		16,789.66
408.11	Property Taxes		16,212.73
408.12	Payroll Taxes		9,931.41
408.13	Other Taxes and Licenses		250.00
408	Total Taxes Other Than Income		\$ 43,183.80
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		\$ 374,349.91
	Utility Operating Income		\$ (3,490.01)
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$ 2,243.68
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		\$ (1,246.33)

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011

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	33,948.06			33,948.06
330	Distribution Reservoirs and Standpipes	101,790.85			101,790.85
331	Transmission and Distribution Mains	833,411.46	183,749.45		1,017,160.91
333	Services	184,598.44			184,598.44
334	Meters and Meter Installations	38,355.22	374.36	(47.70)	38,681.88
335	Hydrants	139,206.87			139,206.87
336	Backflow Prevention Devices	14,231.40			14,231.40
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		\$ 1,703,262.98	\$ 184,123.81	\$ (47.70)	\$ 1,887,339.09

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

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

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)	.6 TRANSMISSION AND DISTRIBUTION IRRIGATION (i)
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	33,948.06			33,948.06			
330	Distribution Reservoirs and Standpipes	101,790.85				101,790.85		
331	Transmission and Distribution Mains	1,017,160.91				833,411.46		183,749.45
333	Services	184,598.44				184,598.44		
334	Meters and Meter Installations	38,681.88				38,681.88		
335	Hydrants	139,206.87				139,206.87		
336	Backflow Prevention Devices	14,231.40				14,231.40		
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		\$ 1,887,339.09	\$	\$ 343,873.57	\$ 33,948.06	\$ 1,311,920.90	\$ 13,847.11	183,749.45

UTILITY NAME: Harbor Hills Utilities, LP

SYSTEM NAME / COUNTY : Harbor Hills Utilities / 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.

UTILITY NAME:

Harbor Hills Utilities, LP

YEAR OF REPORT December 31, 2011

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)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 1,266.65	\$ 146.28	\$	\$ 146.28
305	Collecting and Impounding Reservoirs				0.00
306	Lake, River and Other Intakes				0.00
307	Wells and Springs	94,636.60	3,086.18		3,086.18
308	Infiltration Galleries and Tunnels				0.00
309	Supply Mains	2,667.86	115.85		115.85
310	Power Generation Equipment	469.45	40.55		40.55
311	Pumping Equipment	175,197.61	2,968.40		2,968.40
320	Water Treatment Equipment	26,235.80	1,917.12		1,917.12
330	Distribution Reservoirs and Standpipes	39,966.80	2,618.88		2,618.88
331	Transmission and Distribution Mains	270,646.06	20,351.84		20,351.84
333	Services	38,900.35	4,867.11		4,867.11
334	Meters and Meter Installations	16,654.02	2,012.00		2,012.00
335	Hydrants	39,663.90	3,075.86		3,075.86
336	Backflow Prevention Devices	6,340.60	814.07		814.07
339	Other Plant Miscellaneous Equipment				0.00
340	Office Furniture and Equipment				0.00
341	Transportation Equipment	9,021.58	2,412.76		2,412.76
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		\$ 721,667.28	\$ 44,426.90	\$	\$ 766,094.18

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

W-6(a)
GROUP _____

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

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 (h)	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	\$	\$	\$	\$	\$ 1,412.93
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					97,722.78
308	Infiltration Galleries and Tunnels					
309	Supply Mains					2,783.71
310	Power Generation Equipment					510.00
311	Pumping Equipment					178,166.01
320	Water Treatment Equipment					28,152.92
330	Distribution Reservoirs and Standpipes					42,585.68
331	Transmission and Distribution Mains					290,997.90
333	Services					43,767.46
334	Meters and Meter Installations	208.39			208.39	18,457.63
335	Hydrants					42,739.76
336	Backflow Prevention Devices					7,154.67
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment					
341	Transportation Equipment					11,434.34
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 ACCUMULATED DEPRECIATION		\$ 208.39	\$	\$	\$ 208.39	\$ 765,885.79

UTILITY NAME: Harbor Hills Utilities, LP
SYSTEM NAME / COUNTY : Harbor Hills Utilities / Lake County

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ 779,193.00
Add credits during year: Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$ 3,620.00
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	
Total Credits		\$ 3,620.00
Less debits charged during the year (All debits charged during the year must be explained below)		\$
Total Contributions In Aid of Construction		\$ 782,813.00

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all debits charged to Account 271 during the year below:

Not Applicable

UTILITY NAME:

Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

SYSTEM NAME / COUNTY :

Harbor Hills Utilities / Lake County

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	4	\$ 100.00	\$ 400.00
Meter Installation Charge	4	457.00	1,828.00
Main Extension Charge	4	263.00	1,052.00
Plant Capacity Charge	4	85.00	340.00
Total Credits			\$ 3,620.00

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 328,395.97
Debits during the year:	
Accruals charged to Account 272	\$ 19,349.26
Other debits (specify) :	
Total debits	\$ 19,349.26
Credits during the year (specify) :	
	\$
Total credits	\$
Balance end of year	\$ 347,745.23

UTILITY NAME:

Harbor Hills Utilities, LP

YEAR OF REPORT

December 31, 2011

SYSTEM NAME / COUNTY :

Harbor Hills Utilities / Lake County

WATER CIAC SCHEDULE "B"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION
RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS
WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
Not Applicable		\$ _____
Total Credits		\$ _____

YEAR OF REPORT December 31, 2011
--

UTILITY NAME: Harbor Hills Utilities, LP

SYSTEM NAME / COUNTY : Harbor Hills Utilities / Lake County

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	565	591	317,707.75
461.2	Sales to Commercial Customers	49	49	51,762.15
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		614	640	\$ 369,469.90
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		614	640	\$ 369,469.90
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ 2,243.68
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			1,390.00
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
Total Other Water Revenues				\$ 3,633.68
Total Water Operating Revenues				\$ 373,103.58

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

UTILITY NAME:

Harbor Hills Utilities, LP

<p>YEAR OF REPORT December 31, 2011</p>

SYSTEM NAME / COUNTY :

Harbor Hills Utilities / 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	\$ 127,166.92	\$ 6,121.33	\$ 2,947.32
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits	17,751.13	1,405.72	676.81
610	Purchased Water			
615	Purchased Power	53,511.50	53,511.50	
616	Fuel for Power Production	1,289.16	1,289.16	
618	Chemicals	9,250.50		
620	Materials and Supplies	6,660.42	513.70	5,682.42
631	Contractual Services-Engineering	3,898.75		
632	Contractual Services - Accounting	7,428.00		
633	Contractual Services - Legal	364.50		
634	Contractual Services - Mgt. Fees	15,000.00		
635	Contractual Services - Testing	5,570.36		
636	Contractual Services - Other	491.66		491.66
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expenses	2,443.90	551.92	265.75
656	Insurance - Vehicle	3,326.76	898.28	432.48
657	Insurance - General Liability	9,826.64		
658	Insurance - Workman's Comp.	1,678.35	83.60	40.25
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			
675	Miscellaneous Expenses	40,429.92		
Total Water Utility Expenses		\$ 306,088.47	\$ 64,375.21	\$ 10,536.69

UTILITY NAME:

Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

SYSTEM NAME / COUNTY :

Harbor Hills Utilities / Lake County

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)
\$ 1,360.30	\$ 1,360.30	\$ 4,080.91	\$ 2,720.60	\$ 13,549.52	\$ 95,026.64
312.43	312.43	937.19	624.75	6,135.67	7,346.13
9,250.50					
	109.11		355.19		
					3,898.75
					7,428.00
					364.50
					15,000.00
					5,570.36
122.66	122.66	367.96	245.29	224.86	542.80
199.60	199.60	598.80	399.20	365.96	232.84
					9,826.64
18.58	18.58	55.73	37.17	581.56	842.88
					40,429.92
\$ 11,264.07	\$ 2,122.68	\$ 6,040.59	\$ 4,382.20	\$ 20,857.57	\$ 186,509.46

UTILITY NAME:

Harbor Hills Utilities, LP

YEAR OF REPORT

December 31, 2011

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		15,060		15,060	
February		15,270	218	15,052	24,917
March		20,435		20,435	
April		23,802	208	23,594	38,194
May		28,917	4	28,913	
June		28,833	377	28,456	55,368
July		23,766		23,766	
August		22,879	211	22,668	41,208
September		24,338		24,338	
October		20,242	182	20,060	42,050
November		20,087	154	19,933	
December		20,247	169	15,229	38,090
Total for Year		263,876	1,523	257,504	239,827

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

W-11

GROUP _____

SYSTEM _____

UTILITY NAME: Harbor Hills Utilities, LP

YEAR OF REPORT
December 31, 2011

SYSTEM NAME / COUNTY : Harbor Hills Utilities / Lake County

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD): 700,000 GPD Max Day

Location of measurement of capacity
(i.e. Wellhead, Storage Tank): Well Head

Type of treatment (reverse osmosis,
(sedimentation, chemical, aerated, etc.): Chlorination

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: _____

YEAR OF REPORT
December 31, 2011

UTILITY NAME: Harbor Hills Utilities, LP
SYSTEM NAME / COUNTY : Harbor Hills Utilities / Lake County

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 (e x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	592	592
3/4"	Displacement	1.5	5	8
1"	Displacement	2.5	10	25
1 1/2"	Displacement or Turbine	5.0	6	30
2"	Displacement, Compound or Turbine	8.0	4	32
3"	Displacement	15.0	2	30
3"	Compound	16.0		
3"	Turbine	17.5		
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				717

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 = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

ERC Calculation:

$$(224904462 \text{ SFR gallons} / 365 \text{ days} / 573 \text{ avg SFR's}) = 1075 \text{ GPD/ERC}$$

$$1076$$

$$(241173662 \text{ total gallons} / 365 \text{ days} / 1075 \text{ GPD/ERC}) = 615$$

$$615$$

UTILITY NAME: Harbor Hills Utilities, LP

SYSTEM NAME / COUNTY : Harbor Hills Utilities / Lake County

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. 615
2. Maximum number of ERCs * which can be served. 799
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? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

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

WASTEWATER OPERATING SECTION

Note: This utility is a water only service; therefore, Pages S-1 through S-13 have been omitted from this report.

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class A & B**

Company:

For the Year Ended December 31, 2011

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. W-9	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$.00	\$.00	\$ 0
Total Metered Sales (461.1 - 461.5)	369,469.90	369,469.90	0
Total Fire Protection Revenue (462.1 - 462.2)	.00	.00	0
Other Sales to Public Authorities (464)	.00	.00	0
Sales to Irrigation Customers (465)	.00	.00	0
Sales for Resale (466)	.00	.00	0
Interdepartmental Sales (467)	.00	.00	0
Total Other Water Revenues (469 - 474)	3,633.68	3,633.68	0
Total Water Operating Revenue	\$ 373,103.58	\$ 373,103.58	\$ 0
LESS: Expense for Purchased Water from FPSC-Regulated Utility	.00	.00	0
Net Water Operating Revenues	\$ 373,103.58	\$ 373,103.58	\$ 0

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule W-9 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).