

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$150,000 Each)

ANNUAL REPORT

d/b/a WS753 *Keith & Clara Starkey*
Heather Hills Estates
4925 3rd Street, West
Bradenton, FL 34207-2608

577-W 498-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

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WATER AND SEWER

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Florida Public Service Commission
Division of Water and Wastewater

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1996

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)

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Water and Wastewater, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

CERTIFICATION OF ANNUAL REPORT

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

- | | | |
|--|--------------------------------|---|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

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



 (signature of chief executive officer of the utility)

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

 (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 officer. 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.

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FINANCIAL SECTION

REPORT OF

Heather Hills Estates

(EXACT NAME OF UTILITY)

4925 3rd St W

Bradenton, FL 34207

Manatee Co

Mailing Address

Street Address

County

Telephone Number 941-755-0123

Date Utility First Organized 1967

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

- Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located:

4925 3rd St W, Bradenton, FL 34207

Name of subdivisions where services are provided:

Heather Hills Estates

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Keith Starkey</u>	<u>Owner</u>	<u>4925 3rd St W Bradenton, FL 34207</u>	
Person who prepared this report: <u>J. Robert Pool</u>	<u>C.P.A.</u>	<u>5410 26th St W Bradenton, FL 34207</u>	
Officers and Managers:			\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
<u>N/A</u>			\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____

UTILITY NAME: Heather Hills Estate

YEAR OF REPORT
DECEMBER 31, 1996

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 43,307	\$ 67,274	\$ _____	\$ 110,581
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 43,307	\$ 67,274	\$ _____	\$ 110,581
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3				
_____		\$ 35,704	\$ 48,466	\$ _____	\$ 84,170
Depreciation Expense _____	F-5	796	2,300	_____	3,096
CIAC Amortization Expense _____	F-8	(579)	(579)	_____	(1,158)
Taxes Other Than Income _____	F-7	3,888	3,412	_____	7,300
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense _____		\$ 39,809	\$ 53,599	\$ _____	\$ 93,408
Net Operating Income (Loss) _____		\$ 3,498	\$ 13,675	\$ _____	\$ 17,173
Other Income:					
Nonutility Income _____		\$ 60	\$ 60	\$ _____	\$ 120
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss) _____		\$ 3,558	\$ 13,735	\$ _____	\$ 17,293

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 118,166	\$ 118,166
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	94,780	91,684
Net Utility Plant -----		\$ 23,386	\$ 26,482
Cash -----		3,905	
Customer Accounts Receivable (141) -----		27,238	26,669
Other Assets (Specify): -----			
Office Equipment -----		743	
Total Assets -----		\$ 55,272	\$ 53,151
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6		
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----			
Retained Earnings (215) -----	F-6		
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6	46,732	43,627
Total Capital -----		\$ 46,732	\$ 43,627
Long Term Debt (224) -----	F-6	\$	\$
Accounts Payable (231) -----		3,844	4,574
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----		903	
Other Liabilities (Specify) -----			
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	3,793	4,950
Total Liabilities and Capital -----		\$ 55,272	\$ 53,151

UTILITY NAME: Heather Hills Estate

YEAR OF REPORT
DECEMBER 31, 1996

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)_____	\$ _____	\$ _____	\$ _____	\$ _____
Construction Work in Progress (105)_____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant_____	\$ _____	\$ _____	\$ _____	\$ <u>N/A</u>

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

Account 108	Water	Wastewater	A/D & CIAC AM Other Than Reporting Systems	Total
Balance First of Year_____	\$ <u>38,550</u>	\$ <u>53,134</u>	\$ <u>(21,675)</u>	\$ <u>70,009</u>
Add Credits During Year:				
Accruals charged to depreciation account_____	\$ <u>796</u>	\$ <u>2,300</u>	\$ _____	\$ <u>3,096</u>
Salvage_____	_____	_____	_____	_____
Other Credits (specify)_____	_____	_____	_____	_____
Total Credits_____	\$ <u>796</u>	\$ <u>2,300</u>	\$ _____	\$ <u>3,096</u>
Deduct Debits During Year:				
Book cost of plant retired_____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal_____	_____	_____	_____	_____
Other debits (specify)				
CIAC_____	_____	_____	<u>1,157</u>	<u>1,157</u>
Total Debits_____	\$ _____	\$ _____	\$ <u>1,157</u>	\$ <u>1,157</u>
Balance End of Year_____	\$ <u>39,346</u>	\$ <u>55,434</u>	\$ <u>(22,832)</u>	\$ <u>71,948</u>

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
1. Balance first of year _____	\$ _____	\$ _____	\$ _____	\$ _____
Add Accruals charged:				
State ad valorem tax _____	\$ _____	\$ _____	\$ _____	\$ _____
Local property tax _____	_____	_____	_____	_____
Federal income tax _____	_____	_____	_____	_____
State income tax _____	_____	_____	_____	_____
Regulatory assessment fee _____	904	_____	_____	904
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
2. Total Taxes Accrued _____	\$ 904	\$ _____	\$ _____	\$ 904
Deduct Taxes Paid:				
State ad valorem tax _____	\$ _____	\$ _____	\$ _____	\$ _____
Local property tax _____	_____	_____	_____	_____
Federal income tax _____	_____	_____	_____	_____
State income tax _____	_____	_____	_____	_____
Regulatory assessment fee _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
3. Total Taxes Paid _____	\$ _____	\$ _____	\$ _____	\$ _____
4. Balance end of year _____	\$ 904	\$ _____	\$ _____	\$ 904
(1 + 2 - 3 = 4)				

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

N/A

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ _____	\$ _____	\$ <u>26,625</u>
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	_____	_____	_____
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	_____	_____	_____
6) Less Accumulated Amortization _____	_____	_____	<u>22,833</u>
7) Net CIAC _____	\$ _____	\$ _____	\$ <u>3,792</u>

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____
			\$ <u>N/A</u>

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ _____	\$ _____	\$ <u>21,675</u>
Add Credits During Year: _____	_____	_____	<u>1,158</u>
Deduct Debits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ _____	\$ _____	\$ <u>22,833</u>

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

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT DECEMBER 31, 1996

SCHEDULE "A" N/A

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	%	_____ %
Preferred Stock	_____	_____ %	%	_____ %
Long Term Debt	_____	_____ %	%	_____ %
Customer Deposits	_____	_____ %	%	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	%	_____ %
Deferred Income Taxes	_____	_____ %	%	_____ %
Other (Explain)	_____	_____ %	%	_____ %
Total	\$ _____	<u>100.00 %</u>		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order approving AFUDC rate:	_____ %

**WATER
OPERATING
SECTION**

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

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_____	_____	_____	_____	_____
304	Structures and Improvements_____	_____	_____	_____	_____
305	Collecting and Impounding Reservoirs_____	_____	_____	_____	_____
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	_____	_____	_____	_____
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	45,126	_____	_____	45,126
310	Power Generation Equipment_____	_____	_____	_____	_____
311	Pumping Equipment_____	_____	_____	_____	_____
320	Water Treatment Equipment_____	_____	_____	_____	_____
330	Distribution Reservoirs and Standpipes_____	_____	_____	_____	_____
331	Transmission and Distribution Lines_____	_____	_____	_____	_____
333	Services_____	_____	_____	_____	_____
334	Meters and Meter Installations_____	_____	_____	_____	_____
335	Hydrants_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
340	Office Furniture and Equipment_____	_____	_____	_____	_____
341	Transportation Equipment_____	_____	_____	_____	_____
342	Stores Equipment_____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
344	Laboratory Equipment_____	_____	_____	_____	_____
345	Power Operated Equipment_____	_____	_____	_____	_____
346	Communication Equipment_____	_____	_____	_____	_____
347	Miscellaneous Equipment_____	_____	_____	_____	_____
348	Other Tangible Plant_____	_____	_____	_____	_____
	Total Water Plant_____	\$ 45,126	\$ _____	\$ _____	\$ 45,126

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	%	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%	38,550		796	39,346
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equipment		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installations		%	%				
335	Hydrants		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 38,550	\$	\$ 796	\$ 39,346

* This amount should tie to Sheet F-5.

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	12,755
604	Employee Pensions and Benefits	
610	Purchased Water	16,867
615	Purchased Power	
616	Fuel for Power Production	
618	Chemicals	
620	Materials and Supplies	512
630	Contractual Services:	
	Operator and Management	
	Testing	
	Other	2,567
640	Rents	1,332
650	Transportation Expense	261
655	Insurance Expense	13
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	1,070
670	Bad Debt Expense	
675	Miscellaneous Expenses	327
	Total Water Operation And Maintenance Expense	\$ 35,704

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0	354		354
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers					
Total			354		354

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January	9,961	_____	_____	_____	9,961
February	10,062	_____	_____	_____	10,062
March	10,294	_____	_____	_____	10,294
April	11,713	_____	_____	_____	11,713
May	7,921	_____	_____	_____	7,921
June	5,645	_____	_____	_____	5,645
July	4,556	_____	_____	_____	4,556
August	4,189	_____	_____	_____	4,189
September	3,617	_____	_____	_____	3,617
October	4,436	_____	_____	_____	4,436
November	5,855	_____	_____	_____	5,855
December	8,402	_____	_____	_____	8,402
Total for Year	86,651	_____	_____	_____	86,651

If water is purchased for resale, indicate the following:

Vendor Manatee County Public Works Dept

Point of delivery _____

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

N/A

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
<u>Plastic</u>	<u>2"</u>	<u>15,300</u>	_____	_____	<u>15,300</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT DECEMBER 31, 1996

SYSTEM NAME: _____

WELLS AND WELL PUMPS N/A
(If Available)

(a)	(b)	(c)	(d)	(e)
Year Constructed _____ Types of Well Construction and Casing _____ _____ _____ Depth of Wells _____ Diameters of Wells _____ Pump - GPM _____ Motor - HP _____ Motor Type * _____ Yields of Wells in GPD _____ Auxiliary Power _____ * Submersible, centrifugal, etc.	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

RESERVOIRS N/A

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) Capacity of Tank _____ Ground or Elevated _____	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

HIGH SERVICE PUMPING N/A

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

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

SOURCE OF SUPPLY N/A

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

WATER TREATMENT FACILITIES N/A

List for each Water Treatment Facility:			
Type _____	_____	_____	_____
Make _____	_____	_____	_____
Gals. per day capacity _____	_____	_____	_____
High service pumping _____	_____	_____	_____
Gallons per minute _____	_____	_____	_____
Reverse Osmosis _____	_____	_____	_____
Lime Treatment _____	_____	_____	_____
Unit Rating _____	_____	_____	_____
Filtration _____	_____	_____	_____
Pressure Sq. Ft. _____	_____	_____	_____
Gravity GPD/Sq.Ft. _____	_____	_____	_____
Disinfection _____	_____	_____	_____
Chlorinator _____	_____	_____	_____
Ozone _____	_____	_____	_____
Other _____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____

OTHER WATER SYSTEM INFORMATION N/A

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

1. Present ERCs * now being served _____
2. Maximum ERCs ** that system can efficiently serve _____
3. Present system connection capacity (in ERC's) using existing lines _____
4. Future connection capacity (in ERC's) upon service area buildout _____
5. Estimated annual increase in ERCs * _____
6. List fire fighting facilities and capacities (including number of fire hydrants) _____

7. List percent of certificated area where service connections are installed (total for each county) _____

8. What is the current need for system upgrading and/or expansion? _____

9. What are plans for future system upgrading and/or expansion? _____

10. Have questions 8 and 9 been discussed with an engineer? (if so, state name and address) _____

11. Has an application for a construction permit been filed with the DEP? (if so, explain) _____

12. Department of Environmental Protection ID # _____
Water Management District ID # _____

* ERC = (Total Gallons Sold / 365 days) / 350 Gallons Per Day

** Total Plant Capacity / 350 gallons

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises _____	_____	_____	_____	_____
353	Land and Land Rights _____	_____	_____	_____	_____
354	Structures and Improvements _____	_____	_____	_____	_____
360	Collection Sewers - Force _____	_____	_____	_____	_____
361	Collection Sewers - Gravity _____	<u>72,262</u>	_____	_____	<u>72,262</u>
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	_____	_____	_____	_____
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	_____	_____	_____	_____
380	Treatment and Disposal Equipment _____	_____	_____	_____	_____
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment _____	_____	_____	_____	_____
390	Office Furniture and Equipment _____	_____	_____	_____	_____
391	Transportation Equipment _____	_____	_____	_____	_____
392	Stores Equipment _____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
394	Laboratory Equipment _____	_____	_____	_____	_____
395	Power Operated Equipment _____	_____	_____	_____	_____
396	Communication Equipment _____	_____	_____	_____	_____
397	Miscellaneous Equipment _____	_____	_____	_____	_____
398	Other Tangible Plant _____	_____	_____	_____	_____
	Total Wastewater Plant _____	\$ <u>72,262</u>	\$ _____	\$ _____	\$ <u>72,262</u> *

* This amount should tie to sheet F-5.

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (i-g+h=i) (i)
354	Structures and Improvements		%	%	\$			\$
360	Collection Sewers - Force		%	%				
361	Collection Sewers - Gravity		%	%	53,134		2,300	55,434
362	Special Collecting Structures		%	%				
363	Services to Customers		%	%				
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%				
371	Pumping Equipment		%	%				
380	Treatment and Disposal Equipment		%	%				
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment		%	%				
390	Office Furniture and Equipment		%	%				
391	Transportation Equipment		%	%				
392	Stores Equipment		%	%				
393	Tools, Shop and Garage Equipment		%	%				
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment		%	%				
398	Other Tangible Plant		%	%				
	Totals				\$ 53,134	\$	\$ 2,300	\$ 55,434

* This amount should tie to Sheet F-5.

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	4,255
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	40,335
711	Sludge Removal Expense	
715	Purchased Power	
716	Fuel for Power Production	
718	Chemicals	
720	Materials and Supplies	497
730	Contractual Services:	
	Operator and Management	
	Testing	
	Other	1,367
740	Rents	1,332
750	Transportation Expense	261
755	Insurance Expense	13
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	406
775	Miscellaneous Expenses	
	Total Wastewater Operation And Maintenance Expense	\$ 48,466

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers			354		
Total			354		354

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

PUMPING EQUIPMENT N/A

Lift Station Number_____	_____	_____	_____	_____	_____	_____
Make or Type and nameplate data on pump_____	_____	_____	_____	_____	_____	_____
Year installed_____	_____	_____	_____	_____	_____	_____
Rated capacity_____	_____	_____	_____	_____	_____	_____
Size_____	_____	_____	_____	_____	_____	_____
Power:						
Electric_____	_____	_____	_____	_____	_____	_____
Mechanical_____	_____	_____	_____	_____	_____	_____
Nameplate data of motor_____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS N/A

Size (inches)_____	_____	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.)_____	_____	_____	_____	_____	_____	_____
Average length_____	_____	_____	_____	_____	_____	_____
Number of active service connections_____	_____	_____	_____	_____	_____	_____
Beginning of year_____	_____	_____	_____	_____	_____	_____
Added during year_____	_____	_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____	_____	_____
End of year_____	_____	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections_____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS N/A

	Collecting Mains				Force Mains			
Size (inches)_____	_____	_____	_____	_____	_____	_____	_____	_____
Type of main_____	_____	_____	_____	_____	_____	_____	_____	_____
Length of main (nearest foot)_____	_____	_____	_____	_____	_____	_____	_____	_____
Beginning of year_____	_____	_____	_____	_____	_____	_____	_____	_____
Added during year_____	_____	_____	_____	_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____	_____	_____	_____	_____
End of year_____	_____	_____	_____	_____	_____	_____	_____	_____

MANHOLES N/A

Size (inches)_____	_____	_____	_____	_____
Type of Manhole_____	_____	_____	_____	_____
Number of Manholes:				
Beginning of year_____	_____	_____	_____	_____
Added during year_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____
End of Year_____	_____	_____	_____	_____

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

SYSTEM NAME: _____

TREATMENT PLANT N/A

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

MASTER LIFT STATION PUMPS N/A

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

PUMPING WASTEWATER STATISTICS N/A

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

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: Heather Hills Estates

YEAR OF REPORT
DECEMBER 31, 1996

SYSTEM NAME: _____

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present ERCs * now being served _____
2. Maximum ERCs ** that system can efficiently serve _____
3. Present system connection capacity (in ERC's) using existing lines _____
4. Future connection capacity (in ERC's) upon service area buildout _____
5. Estimated annual increase in ERCs * _____
6. State any plans and estimated completion dates for any enlargements of this system. _____

7. List percent of certificated area where service connections are installed (total for each county)

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

* $ERC = (\text{Total Gallons Treated} / 365 \text{ days}) / 280 \text{ Gallons Per Day}$

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

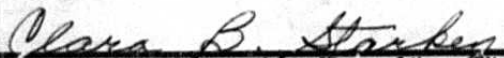
** Total Plant Capacity / 280 gallons

CERTIFICATION OF ANNUAL REPORT

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

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

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

(signature of chief executive officer of the utility) |
| 1.
<input type="checkbox"/> | 2.
<input type="checkbox"/> | 3.
<input type="checkbox"/> | 4.
<input type="checkbox"/> | _____
(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.