

OFFICIAL COPY
DIVISION OF
WATER CLASS "C"

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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

_____ WS844-01-AR _____

Highlands Ridge Utilities, LLC

Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2001

Form PSC/WAW 6 (Rev. 12/99)

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceding year ending December 31.

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

GENERAL DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL SECTION

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REPORT OF

Highlands Ridge Utilities, LLC

(EXACT NAME OF UTILITY)

3003 East Fairway Vista Drive
Mailing Address

Avon Park, Florida
Street Address

Highlands
County

Telephone Number 863 471-9976

Date Utility First Organized _____

Fax Number 863 471-9428

E-mail Address bmartinez@highlandsridge.co
dmeseroll@highlandsridge.co

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

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

Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: David Meseroll or Birdy Whitehouse;
3003 East Fairway Vista Drive; Avon Park, FL 33825

Name of subdivisions where services are provided: _____

CONTACTS:

| Name | Title | Principle Business Address | Salary Charged Utility |
|---|----------------------------|------------------------------------|----------------------------------|
| Person to send correspondence: <u>David B. Meseroll</u> | <u>General Manager</u> | <u>3003 E. Fairway Vista Drive</u> | |
| Person who prepared this report: <u>Michael R. Moses</u> | <u>CPA</u> | <u>1509 W. Swann, Tampa FL</u> | \$ _____ \$ _____ |
| Officers and Managers: <u>Birdy M. Whitehouse</u> | <u>Controller</u> | <u>3003 E. Fairway</u> | \$ _____ |
| <u>Howard Bateman</u> | <u>Licensed Operator</u> | <u>3003 E. Fairway</u> | \$ _____ |
| <u>Frieda Fitch</u> | <u>Administrative Mgr.</u> | <u>3003 E. Fairway</u> | \$ _____ \$ _____ \$ _____ |
| _____ | _____ | _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ |

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>Sebring Land Limited Part.</u> | <u>100%</u> | <u>1275 Lake Heathrow Lane; Heathrow, FL 32746</u> | \$ <u>0</u> \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ |
| _____ | _____ | _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ |

UTILITY NAME: Highlands Ridge Utilities, LLC Revised 5/20/2002

YEAR OF REPORT
DECEMBER 31, 2001

INCOME STATEMENT

| Account Name | Ref. Page | Water | Wastewater | Other | Total Company |
|---|------------|------------|-------------|----------|---------------|
| Gross Revenue: | | | | | |
| Residential_____ | | \$ 104,717 | \$ 108,347 | \$ _____ | \$ 213,064 |
| Commercial_____ | | 16,731 | 5,208 | _____ | 21,939 |
| Industrial_____ | | _____ | _____ | _____ | _____ |
| Multiple Family_____ | | _____ | _____ | _____ | _____ |
| Guaranteed Revenues_____ | | _____ | _____ | _____ | _____ |
| Other (Specify)_____ | | _____ | _____ | _____ | _____ |
| Total Gross Revenue_____ | | \$ 121,448 | \$ 113,555 | \$ 0 | \$ 235,003 |
| Operation Expense (Must tie to pages W-3 and S-3) | W-3 S-3 | \$ 84,228 | \$ 79,841 | \$ _____ | \$ 164,069 |
| Depreciation Expense_____ | F-5 | 23,265 | 18,837 | _____ | 42,102 |
| CIAC Amortization Expense_____ | F-8 | (12,466) | (12,683) | _____ | (25,149) |
| Taxes Other Than Income_____ | F-7 | 11,452 | 12,297 | _____ | 23,749 |
| Income Taxes_____ | F-7 | _____ | _____ | _____ | _____ |
| Total Operating Expense | | \$ 106,479 | 98,292 | 0 | \$ 204,771 |
| Net Operating Income (Loss) | | \$ 14,969 | \$ 15,263 | \$ 0 | \$ 30,232 |
| Other Income: | | | | | |
| Nonutility Income_____ | | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | | _____ | _____ | _____ | _____ |
| Other Deductions: | | | | | |
| Miscellaneous Nonutility Expenses_____ | | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Interest Expense_____ | | 10,870 | 34,553 | _____ | 45,423 |
| _____ | | _____ | _____ | _____ | _____ |
| _____ | | _____ | _____ | _____ | _____ |
| Net Income (Loss) | | \$ 4,099 | \$ (19,290) | \$ 0 | \$ (15,191) |

UTILITY NAME: Highlands Ridge Utilities, LLC

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

INCOME STATEMENT

| Account Name | Ref. Page | Water | Wastewater | Other | Total Company |
|---|------------|----------------|----------------|----------|----------------|
| Gross Revenue: | | | | | |
| Residential_____ | | \$ 104,717 | \$ 108,347 | \$ _____ | \$ 213,064 |
| Commercial_____ | | 16,731 | 5,208 | _____ | 21,939 |
| Industrial_____ | | _____ | _____ | _____ | _____ |
| Multiple Family_____ | | _____ | _____ | _____ | _____ |
| Guaranteed Revenues__ | | _____ | _____ | _____ | _____ |
| Other (Specify)_____ | | _____ | _____ | _____ | _____ |
| Total Gross Revenue_ _ | | \$ 121,448 | \$ 113,555 | \$ 0 | \$ 235,003 |
| Operation Expense (Must tie to pages W-3 and S-3) | W-3 S-3 | \$ 84,228 | \$ 79,841 | \$ _____ | \$ 164,069 |
| Depreciation Expense_ _ _ | F-5 | 23,265 | 18,837 | _____ | 42,102 |
| CIAC Amortization Expense_ | F-8 | (12,466) | (12,683) | _____ | (25,149) |
| Taxes Other Than Income_ _ | F-7 | 11,452 | 12,297 | _____ | 23,749 |
| Income Taxes_____ | F-7 | _____ | _____ | _____ | _____ |
| Total Operating Expense | | \$ 106,479 | 98,292 | 0 | \$ 204,771 |
| Net Operating Income (Loss) | | \$ 14,969 | \$ 15,263 | \$ 0 | \$ 30,232 |
| Other Income: | | | | | |
| Nonutility Income_____ | | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | | _____ | _____ | _____ | _____ |
| _____ | | _____ | _____ | _____ | _____ |
| Other Deductions: | | | | | |
| Miscellaneous Nonutility Expenses_____ | | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Interest Expense_____ | | _____ | _____ | _____ | _____ |
| _____ | | _____ | _____ | _____ | _____ |
| _____ | | _____ | _____ | _____ | _____ |
| Net Income (Loss) | | \$ 14,969 | \$ 15,263 | \$ 0 | \$ 30,232 |

UTILITY NAME: Highlands Ridge Utilities, LLC

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|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
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COMPARATIVE BALANCE SHEET

| ACCOUNT NAME | Reference Page | Current Year | Previous Year |
|--|----------------|--------------|---------------|
| Assets: | | | |
| Utility Plant in Service (101-105) ----- | F-5,W-1,S-1 | \$ 1,290,683 | \$ 1,290,683 |
| Accumulated Depreciation and Amortization (108) ----- | F-5,W-2,S-2 | 218,548 | 176,448 |
| Net Utility Plant ----- | | \$ 1,072,135 | \$ 1,114,235 |
| Cash ----- | | ----- | ----- |
| Customer Accounts Receivable (141) ----- | | 6,639 | 19,222 |
| Other Assets (Specify): ----- | | ----- | ----- |
| Due from affiliates ----- | | 108,415 | ----- |
| Acquisition adjustment ----- | | 92,244 | ----- |
| Deferred loan costs ----- | | 14,130 | ----- |
| Organization costs ----- | | 651 | ----- |
| Total Assets ----- | | \$ 1,294,214 | \$ 1,133,457 |
| 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 | 2587 | (71,521) |
| Proprietary Capital (Proprietary and partnership only) (218) ----- | F-6 | ----- | ----- |
| Total Capital ----- | | \$ 2,587 | \$ (71,521) |
| Long Term Debt (224) ----- | F-6 | \$ 600,000 | \$ 501,107 |
| Accounts Payable (231) ----- | | 328 | ----- |
| Notes Payable (232) ----- | | ----- | ----- |
| Customer Deposits (235) ----- | | ----- | ----- |
| Accrued Taxes (236) ----- | | ----- | 10,568 |
| Other Liabilities (Specify) ----- | | ----- | ----- |
| Due to affiliates ----- | | 5,522 | ----- |
| Advances for Construction ----- | | ----- | ----- |
| Contributions in Aid of Construction - Net (271-272) ----- | F-8 | 685,777 | 693,303 |
| Total Liabilities and Capital ----- | | \$ 1,294,214 | \$ 1,133,457 |

UTILITY NAME: Highlands Ridge Utilities, LLC

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| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

GROSS UTILITY PLANT

| Plant Accounts: (101 - 107) inclusive | Water | Wastewater | Plant other Than Reporting Systems | Total |
|--|-------------------|-------------------|---|---------------------|
| Utility Plant in Service (1) _____ | \$ <u>583,168</u> | \$ <u>707,515</u> | \$ _____ | \$ <u>1,290,683</u> |
| Construction Work in Progress (105) _____ | _____ | _____ | _____ | _____ |
| Other (Specify) _____ _____ | _____ | _____ | _____ | _____ |
| Total Utility Plant _____ | \$ <u>583,168</u> | \$ <u>707,515</u> | \$ _____ | \$ <u>1,290,683</u> |

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

| Account 108 | Water | Wastewater | Other Than Reporting Systems | Total |
|--|---------------------|------------------|------------------------------------|-------------------|
| Balance First of Year _____ | \$ <u>106,598</u> | \$ <u>69,848</u> | \$ _____ | \$ <u>176,446</u> |
| <u>Add Credits During Year:</u> | | | | |
| Accruals charged to depreciation account _____ | \$ <u>19,023</u> | \$ <u>18,837</u> | \$ _____ | \$ <u>37,860</u> |
| Salvage _____ | _____ | _____ | _____ | _____ |
| Other Credits (specify) _____ Amort of organization costs | <u>4,242 **</u> | _____ | _____ | <u>4,242</u> |
| Total Credits _____ | \$ <u>23,265</u> | \$ <u>18,837</u> | \$ _____ | \$ <u>42,102</u> |
| <u>Deduct Debits During Year:</u> | | | | |
| Book cost of plant retired _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Cost of removal _____ | _____ | _____ | _____ | _____ |
| Other debits (specify) _____ _____ | _____ | _____ | _____ | _____ |
| Total Debits _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Balance End of Year _____ | \$ <u>129,863 *</u> | \$ <u>88,685</u> | \$ _____ | \$ <u>218,548</u> |

129,863* - 4,242** = 125,621 which ties to schedule W-2.

UTILITY NAME: Highlands Ridge Utilities, LLC

Revised 5/20/2002

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| YEAR OF REPORT DECEMBER 31, 2001 |
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CAPITAL STOCK (201 - 204)

| | Common Stock | 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 _____ | _____ | _____ |

RETAINED EARNINGS (215)

| | Appropriated | Un-Appropriated |
|---|--------------|-----------------|
| Balance first of year _____ | \$ _____ | \$ (71,521) |
| Changes during the year (Specify): | | |
| Income (loss) during year _____ | _____ | (15,191) |
| Allocated to Highlands Ridge Associates at closing (transfer of utility to Highlands Ridge Utilities, LLC an unrelated company) _____ | _____ | 89,299 |
| Balance end of year _____ | \$ _____ | \$ 2,587 |

PROPRIETARY CAPITAL (218)

| | Proprietor Or Partner | Partner |
|------------------------------------|-----------------------|----------|
| Balance first of year _____ | \$ _____ | \$ _____ |
| Changes during the year (Specify): | | |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Balance end of year _____ | \$ _____ | \$ _____ |

LONG TERM DEBT (224)

| Description of Obligation (Including Date of Issue and Date of Maturity): | Interest | | Principal per Balance Sheet Date |
|---|------------------------------------|------------|----------------------------------|
| | Rate | # of Pymts | |
| First Union note, Dated 12/21/2001 * interest rate at 12/31/2001 4.2237% | LIBOR Market Index Rate plus 2.95% | 36 ** | \$ 600,000 |
| ** 36 pmts of \$1,150 plus interest and balloon payment due on 12/21/2004 | | | |
| Total _____ | | | \$ 600,000 |

UTILITY NAME: Highlands Ridge Utilities, LLC

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|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

CAPITAL STOCK (201 - 204)

| | Common Stock | 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 _____ | _____ | _____ |

RETAINED EARNINGS (215)

| | Appropriated | Un- Appropriated |
|--|--------------|---------------------|
| Balance first of year _____ | \$ _____ | \$ (71,521) |
| Changes during the year (Specify): | | |
| Income during year _____ | _____ | 30,232 |
| Allocated to Highlands Ridge Associates at closing (transfer of utility to Highlands Ridge Utilities, LLC) _____ | _____ | 43876 |
| Balance end of year _____ | \$ _____ | \$ 2,587 |

PROPRIETARY CAPITAL (218)

| | Proprietor Or Partner | Partner |
|------------------------------------|--------------------------|----------|
| Balance first of year _____ | \$ _____ | \$ _____ |
| Changes during the year (Specify): | | |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Balance end of year _____ | \$ _____ | \$ _____ |

LONG TERM DEBT (224)

| Description of Obligation (Including Date of Issue and Date of Maturity): | Interest | | Principal per Balance Sheet Date |
|---|----------|------------|----------------------------------|
| | Rate | # of Pymts | |
| First Union note, Dated 12/21/2002 * balloon payment due on 12/21/2004 | P + 2.35 | 24 * | \$ 600,000 |
| _____ | _____ | _____ | _____ |
| Total _____ | | | \$ 600,000 |

UTILITY NAME: Highlands Ridge Utilities, LLC

| | |
|----------------|------|
| YEAR OF REPORT | |
| DECEMBER 31 | 2001 |

TAXES ACCRUED (236)

| (a) | Water (b) | Wastewater (c) | Other (d) | Total (e) |
|--------------------------------|--------------|-------------------|--------------|--------------|
| Income Taxes: | | | | |
| Federal income tax_____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| State income Tax_____ | _____ | _____ | _____ | _____ |
| Taxes Other Than Income:_____ | _____ | _____ | _____ | _____ |
| State ad valorem tax_____ | _____ | _____ | _____ | _____ |
| Local property tax_____ | 5,987 | 7,187 | _____ | 13,174 |
| Regulatory assessment fee_____ | 5,465 | 5,110 | _____ | 10,575 |
| Other (Specify)_____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Total Taxes Accrued_____ | \$ 11,452 | \$ 12,297 | \$ _____ | \$ 23,749 |

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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

| Name of Recipient | Water Amount | Wastewater Amount | Description of Service |
|--------------------------------|-----------------|----------------------|-------------------------|
| Sebring Highlands Realty & Mgt | \$ 45,313 | \$ 45,314 | Management of utility |
| Short Utility | \$ 5,704 | \$ 8,448 | Operation & maintenance |
| C & M Lawn Care | \$ 2,500 | \$ 2,500 | Lawn care |
| Roto Rooter | \$ _____ | \$ 9,253 | Sludge removal |
| Shumaker, Loop & Kendrick | \$ 2,626 | \$ _____ | Legal fees |
| _____ | \$ _____ | \$ _____ | _____ |
| _____ | \$ _____ | \$ _____ | _____ |
| _____ | \$ _____ | \$ _____ | _____ |
| _____ | \$ _____ | \$ _____ | _____ |
| _____ | \$ _____ | \$ _____ | _____ |
| _____ | \$ _____ | \$ _____ | _____ |
| _____ | \$ _____ | \$ _____ | _____ |

UTILITY NAME: Highlands Ridge Utilities, LLC

| |
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| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

| (a) | Water (b) | Wastewater (c) | Total (d) |
|--|--------------|-------------------|--------------|
| 1) Balance first of year_____ | \$ 395,000 | \$ 400,945 | \$ 795,945 |
| 2) Add credits during year_____ | \$ 7,832 | \$ 9,792 | \$ 17,624 |
| 3) Total_____ | 402,832 | 410,737 | 813,569 |
| 4) Deduct charges during the year_____ | | | |
| 5) Balance end of year_____ | 402,832 | 410,737 | 813,569 |
| 6) Less Accumulated Amortization_____ | 70,274 | 57,518 | 127,792 |
| 7) Net CIAC_____ | \$ 332,558 | \$ 353,219 | \$ 685,777 |

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 | |
| Main capacity charge - water | 8 | \$ 854 | \$ 6,832 |
| Meter installation | 8 | 125 | 1,000 |
| Main capacity charge - sewer | 8 | 1224 | 9,792 |
| _____ | _____ | _____ | _____ |
| Total Credits During Year (Must agree with line # 2 above.)_____ | | \$ 7,832 | \$ 9,792 |

ACCUMULATED AMORTIZATION OF CIAC (272)

| | Water | Wastewater | Total |
|--|-----------|------------|------------|
| Balance First of Year_____ | \$ 57,808 | \$ 44,835 | \$ 102,643 |
| Add Credits During Year:_____ | 12,466 | 12,683 | 25,149 |
| Deduct Debits During Year:_____ | | | |
| Balance End of Year (Must agree with line #6 above.) | \$ 70,274 | \$ 57,518 | \$ 127,792 |

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

UTILITY NAME: Highlands Ridge Utilities, LLC

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

SCHEDULE "A"

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

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

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

APPROVED AFUDC RATE

| | |
|---|---------|
| Current Commission approved AFUDC rate: | _____ % |
| Commission Order Number approving AFUDC rate: | _____ |

WATER
OPERATING
SECTION

UTILITY NAME: Highlands Ridge Utilities, LLC

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

WATER UTILITY PLANT ACCOUNTS

| Acct. No. (a) | Account Name (b) | Previous Year (c) | Additions (d) | Retirements (e) | Current Year (f) |
|---------------------|--|-------------------------|------------------|--------------------|------------------------|
| 301 | Organization _____ | \$ 21,211 | \$ _____ | \$ _____ | \$ 21,211 |
| 302 | Franchises _____ | | | | |
| 303 | Land and Land Rights _____ | 443 | | | 443 |
| 304 | Structures and Improvements _____ | 14,066 | | | 14,066 |
| 305 | Collecting and Impounding Reservoirs _____ | | | | |
| 306 | Lake, River and Other Intakes _____ | | | | |
| 307 | Wells and Springs _____ | 54,141 | | | 54,141 |
| 308 | Infiltration Galleries and Tunnels _____ | | | | |
| 309 | Supply Mains _____ | | | | |
| 310 | Power Generation Equipment _____ | 46,715 | | | 46,715 |
| 311 | Pumping Equipment _____ | | | | |
| 320 | Water Treatment Equipment _____ | 45,375 | | | 45,375 |
| 330 | Distribution Reservoirs and Standpipes _____ | 18,500 | | | 18,500 |
| 331 | Transmission and Distribution Lines _____ | 340,796 | | | 340,796 |
| 333 | Services _____ | | | | |
| 334 | Meters and Meter Installations _____ | 41,161 | | | 41,161 |
| 335 | Hydrants _____ | | | | |
| 336 | Backflow Prevention Devices _____ | | | | |
| 339 | Other Plant and Miscellaneous Equipment _____ | | | | |
| 340 | Office Furniture and Equipment _____ | 760 | | | 760 |
| 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 _____ | \$ 583,168 | \$ - | \$ - | \$ 583,168 |

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT
DECEMBER 31 2001

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

| Acct. No. (a) | Account (b) | Average Service Life in Years (c) | Average Salvage in Percent (d) | Depr. Rate Applied (e) | Accumulated Depreciation Balance Previous Year (f) | Debits (g) | Credits (h) | Accum. Depr. Balance End of Year (f+g-h=i) (i) |
|---------------|---|-----------------------------------|--------------------------------|------------------------|--|------------|-------------|--|
| 304 | Structures and Improvements | 28.00 | % | 3.57 | \$ 3,305 | \$ | \$ 502 | \$ 3,807 |
| 305 | Collecting and Impounding Reservoirs | | % | | | | | |
| 306 | Lake, River and Other Intakes | | % | | | | | |
| 307 | Wells and Springs | 27 | % | 3.70 | 13,612 | | 2,005 | 15,617 |
| 308 | Infiltration Galleries & Tunnels | | % | | | | | |
| 309 | Supply Mains | | % | | | | | |
| 310 | Power Generating Equipment | | % | | | | | |
| 311 | Pumping Equipment | 17 | % | 5.88 | 18,031 | | 2,748 | 20,779 |
| 320 | Water Treatment Equipment | 20 | % | 5.00 | 15,627 | | 2,269 | 17,896 |
| 330 | Distribution Reservoirs & Standpipes | 40 | % | 2.50 | 3,555 | | 463 | 4,018 |
| 331 | Trans. & Dist. Mains | 40 | % | 2.50 | 42,756 | | 8,520 | 51,276 |
| 333 | Services | | % | | | | | |
| 334 | Meter & Meter Installations | 17 | % | 5.88 | 9,615 | | 2,421 | 12,036 |
| 335 | Hydrants | | % | | | | | |
| 336 | Backflow Prevention Devices | | % | | | | | |
| 339 | Other Plant and Miscellaneous Equipment | | % | | | | | |
| 340 | Office Furniture and Equipment | 15 | % | 6.67 | | | | |
| 341 | Transportation Equipment | 6 | % | 16.67 | 97 | | 95 | 192 |
| 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 | | | | \$ 106,598 | \$ | \$ 19,023 | \$ 125,621 * |

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

| Acct. No. | Account Name | Amount |
|-----------|---|--------------------|
| 601 | Salaries and Wages - Employees | \$ _____ |
| 603 | Salaries and Wages - Officers, Directors, and Majority Stockholders | _____ |
| 604 | Employee Pensions and Benefits | _____ |
| 610 | Purchased Water | _____ |
| 615 | Purchased Power | 5,754 |
| 616 | Fuel for Power Production | 1,287 |
| 618 | Chemicals | 2,584 |
| 620 | Materials and Supplies | _____ |
| 630 | Contractual Services: | |
| | Billing | _____ |
| | Professional | 5,707 |
| | Testing | 1,574 |
| | Other | 50,683 |
| 640 | Rents | _____ |
| 650 | Transportation Expense | _____ |
| 655 | Insurance Expense | _____ |
| 665 | Regulatory Commission Expenses (Amortized Rate Case Expense) | _____ |
| 670 | Bad Debt Expense | _____ |
| 675 | Miscellaneous Expenses | 16,639 |
| | Total Water Operation And Maintenance Expense | \$ <u>84,228</u> * |

* 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 Equivalent (c x e) (f) |
|---|-------------------------|--------------------------|----------------------------|--------------------|---|
| | | | Start of Year (d) | End of Year (e) | |
| Residential Service | | | | | |
| 5/8" | D | 1.0 | 374 | 396 | 396 |
| 3/4" | D | 1.5 | _____ | _____ | _____ |
| 1" | D | 2.5 | _____ | _____ | _____ |
| 1 1/2" | D,T | 5.0 | _____ | _____ | _____ |
| General Service | | | | | |
| 5/8" | D | 1.0 | 11 | 16 | 16 |
| 3/4" | D | 1.5 | _____ | _____ | _____ |
| 1" | D | 2.5 | _____ | _____ | _____ |
| 1 1/2" | D,T | 5.0 | 2 | 2 | 10 |
| 2" | D,C,T | 8.0 | 6 | 6 | 48 |
| 3" | D | 15.0 | _____ | _____ | _____ |
| 3" | C | 16.0 | _____ | _____ | _____ |
| 3" | T | 17.5 | _____ | _____ | _____ |
| ID 50 6" * | T | 62.5 | 1 | 0 | 0 |
| Unmetered Customers | _____ | _____ | _____ | _____ | _____ |
| Other (Specify) | _____ | _____ | _____ | _____ | _____ |
| ** D = Displacement C = Compound T = Turbine | | | | | |
| Total | | | <u>394</u> | <u>420</u> | <u>470</u> |

* ID 50 has been removed from Potable water to we ID No 2 on SWIFTMUD Permit

UTILITY NAME: _ Highlands Ridge Utilities, LLC

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

SYSTEM NAME: _ Highlands Ridge Utilities

WELLS AND WELL PUMPS

| (a) | (b) | (c) | (d) | (e) |
|--|-------------------|-------------------|-------|-------|
| Year Constructed _____ | 1989 | 1990 | _____ | _____ |
| Types of Well Construction and Casing _____ | ID# 479741 | ID# 502708 | _____ | _____ |
| 12" to 8" telescopic _____ | 147 | 136 | _____ | _____ |
| Depth of Wells _____ | 370 | 585 | _____ | _____ |
| Diameters of Wells _____ | 900 | 1310 | _____ | _____ |
| Pump - GPM _____ | 8" | 8" | _____ | _____ |
| Motor - HP _____ | 850 at 35 psi | 850 at 35 psi | _____ | _____ |
| Motor Type * _____ | 40 | 40 | _____ | _____ |
| Yields of Wells in GPD _____ | Emerson | Emerson | _____ | _____ |
| Auxiliary Power _____ | 1224000 at 35 psi | 1224000 at 35 psi | _____ | _____ |
| | 90 KW | 90 KW | _____ | _____ |

* Submersible, centrifugal, etc.

RESERVOIRS

| (a) | (b) | (c) | (d) | (e) |
|-------------------------------|----------|-------|-------|-------|
| Description (steel, concrete) | steel pn | _____ | _____ | _____ |
| Capacity of Tank _____ | 15000 | _____ | _____ | _____ |
| Ground or Elevated _____ | N/A | _____ | _____ | _____ |

HIGH SERVICE PUMPING

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

UTILITY NAME: _ Highlands Ridge Utilities, LLC

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

SOURCE OF SUPPLY

| | | | |
|--|---------|-------|-------|
| List for each source of supply (Ground, Surface, Purchased Water etc.) | | | |
| Permitted Gals. per day_____ | 276,000 | _____ | _____ |
| Type of Source_____ | Ground | _____ | _____ |

WATER TREATMENT FACILITIES

| | | | |
|---|------------------|-------|-------|
| List for each Water Treatment Facility: | | | |
| Type_____ | Gas Chlorination | _____ | _____ |
| Make_____ | Rearl | _____ | _____ |
| Permitted Capacity (GPD)_____ | 350,000 GPD | _____ | _____ |
| High service pumping | N/A | _____ | _____ |
| Gallons per minute_____ | N/A | _____ | _____ |
| Reverse Osmosis_____ | N/A | _____ | _____ |
| Lime Treatment | N/A | _____ | _____ |
| Unit Rating_____ | N/A | _____ | _____ |
| Filtration | N/A | _____ | _____ |
| Pressure Sq. Ft._____ | N/A | _____ | _____ |
| Gravity GPD/Sq.Ft._____ | N/A | _____ | _____ |
| Disinfection | N/A | _____ | _____ |
| Chlorinator_____ | N/A | _____ | _____ |
| Ozone_____ | N/A | _____ | _____ |
| Other_____ | N/A | _____ | _____ |
| Auxiliary Power_____ | 90 KW | _____ | _____ |

UTILITY NAME: Highlands Ridge Utilities, LLC

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

SYSTEM NAME: Highlands Ridge Utilities

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * the system can efficiently serve. $50375 / 365 / 350 = .394$
2. Maximum number of ERCs * which can be served. $276,000 / 420 = 657$ ERCs
3. Present system connection capacity (in ERCs *) using existing lines. .394
4. Future connection capacity (in ERCs *) upon service area buildout. 901 based on buildout of all phases.
5. Estimated annual increase in ERCs *. 40
6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500 GPM
7. Attach a description of the fire fighting facilities. Sebring Fire Dept & we have 23 fire hydrants
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
None at this time

9. When did the company last file a capacity analysis report with the DEP? N/A
10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules. N/A
 - b. Have these plans been approved by DEP? N/A
 - c. When will construction begin? N/A
 - d. Attach plans for funding the required upgrading. N/A
 - e. Is this system under any Consent Order with DEP? No
11. Department of Environmental Protection ID # 5284100
12. Water Management District Consumptive Use Permit # 2000951b.001
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:
(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
(b) If no historical flow data are available use:
 $ERC = (Total\ SFR\ gallons\ sold\ (omit\ 000/365\ days/350\ gallons\ per\ day)).$

WASTEWATER
OPERATING
SECTION

UTILITY NAME: Highlands Ridge Utilities, LLC

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

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 _____ | 4,434 | _____ | _____ | 4,434 |
| 354 | Structures and Improvements _____ | 352,775 | _____ | _____ | 352,775 |
| 355 | Power Generation Equipment _____ | _____ | _____ | _____ | _____ |
| 360 | Collection Sewers - Force _____ | _____ | _____ | _____ | _____ |
| 361 | Collection Sewers - Gravity _____ | 350,306 | _____ | _____ | 350,306 |
| 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 _____ | \$ 707,515 | \$ - | \$ - | \$ 707,515 * |

* This amount should tie to sheet F-5.

UTILITY NAME:

Highlands Ridge Utilities, LLC

YEAR OF REPORT
DECEMBER 31, 2001

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

| Acct. No. (a) | Account (b) | Average Service Life in Years (c) | Average Salvage in Percent (d) | Depr. Rate Applied (e) | Accumulated Depreciation Balance Previous Year (f) | Debits (g) | Credits (h) | Accum. Depr. Balance End of Year (f-g+h=i) (i) |
|---------------|---|-----------------------------------|--------------------------------|------------------------|--|------------|--------------|--|
| 354 | Structures and Improvements | 35.00 | % | 2.86 | \$ 38,243.00 | \$ | \$ 10,079.00 | \$ 48,322.00 |
| 355 | Power Generation Equipment | | % | | | | | |
| 360 | Collection Sewers - Force | | % | | | | | |
| 361 | Collection Sewers - Gravity | 40.00 | % | 2.50 | 31,605.00 | | 8,758.00 | 40,363.00 |
| 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 | | | | \$ 69,848.00 | \$ - | \$ 18,837.00 | \$ 88,685.00 * |

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

| Acct. No. | Account Name | Amount |
|-----------|--|-------------|
| 701 | Salaries and Wages - Employees_____ | \$ _____ |
| 703 | Salaries and Wages - Officers, Directors, and Majority Stockholders_____ | _____ |
| 704 | Employee Pensions and Benefits_____ | _____ |
| 710 | Purchased Wastewater Treatment_____ | _____ |
| 711 | Sludge Removal Expense_____ | 10,382 |
| 715 | Purchased Power_____ | 7,252 |
| 716 | Fuel for Power Production_____ | _____ |
| 718 | Chemicals_____ | 5,328 |
| 720 | Materials and Supplies_____ | _____ |
| 730 | Contractual Services: | _____ |
| | Billing_____ | _____ |
| | Professional_____ | _____ |
| | Testing_____ | 3,233 |
| | Other_____ | 50,684 |
| 740 | Rents_____ | _____ |
| 750 | Transportation Expense_____ | _____ |
| 755 | Insurance Expense_____ | _____ |
| 765 | Regulatory Commission Expenses (Amortized Rate Case Expense)_____ | _____ |
| 770 | Bad Debt Expense_____ | _____ |
| 775 | Miscellaneous Expenses_____ | 2,962 |
| | Total Wastewater Operation And Maintenance Expense_____ | \$ 79,841 * |

* 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 ter Equivalents (c x e) (f) |
|---------------------|--------------------------------------|--------------------------|----------------------------|-----------------------|--|
| | | | Start of Year (d) | End of Year (e) | |
| Residential Service | | | | | |
| All meter sizes | D | 1.0 | 374 | 396 | 396 |
| General Service | | | | | |
| 5/8" | D | 1.0 | 2 | 2 | 2 |
| 3/4" | D | 1.5 | _____ | _____ | _____ |
| 1" | D | 2.5 | _____ | _____ | _____ |
| 1 1/2" | D,T | 5.0 | _____ | _____ | _____ |
| 2" | D,C,T | 8.0 | 2 | 2 | 16 |
| 3" | D | 15.0 | _____ | _____ | _____ |
| 3" | C | 16.0 | _____ | _____ | _____ |
| 3" | T | 17.5 | _____ | _____ | _____ |
| Unmetered Customers | 14 5/8' meters have no sewer hookup | | | | |
| Other (Specify) | 2 1-1/2" meters have no sewer hookup | | | | |
| | 4 2" meters have no sewer hookup | | | | |
| Total | | | 378 | 400 | 414 |

** D = Displacement
C = Compound
T = Turbine

PUMPING EQUIPMENT

| | | | | | | |
|---|--------------------------|----------|------------------------|----------|-------|-------|
| Lift Station Number _____ | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | _____ | _____ |
| Make or Type and nameplate data on pump _____ | Hydromatic S4N500M3-4 | Same | Hydromatic 5PG-L200 | Same | _____ | _____ |
| Year installed _____ | 1990 | 1990 | 1990 | 1994 | _____ | _____ |
| Rated capacity _____ | 195 | 150 | 24 | 200 | _____ | _____ |
| Size _____ | 5 HP | 5 HP | 2 HP | 5 HP | _____ | _____ |
| Power: | | | | | | |
| Electric _____ | X | _____ | _____ | _____ | _____ | _____ |
| Mechanical _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Nameplate data of motor _____ | 5YN500M3-4 | Same | 5PG-L200 | Same | _____ | _____ |

SERVICE CONNECTIONS

| | | | | | | |
|---|------------|-------|-------|-------|-------|-------|
| Size (inches) _____ | <u>4"</u> | _____ | _____ | _____ | _____ | _____ |
| Type (PVC, VCP, etc.) _____ | PVC | _____ | _____ | _____ | _____ | _____ |
| Average length _____ | <u>30'</u> | _____ | _____ | _____ | _____ | _____ |
| Number of active service connections _____ | <u>403</u> | _____ | _____ | _____ | _____ | _____ |
| Beginning of year _____ | <u>378</u> | _____ | _____ | _____ | _____ | _____ |
| Added during year _____ | <u>24</u> | _____ | _____ | _____ | _____ | _____ |
| Retired during year _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| End of year _____ | <u>403</u> | _____ | _____ | _____ | _____ | _____ |
| Give full particulars concerning inactive connections _____ | <u>N/A</u> | _____ | _____ | _____ | _____ | _____ |

COLLECTING AND FORCE MAINS

| | Collecting Mains | | | | Force Mains | | | |
|-------------------------------------|------------------|--------------|-------------|----------|-------------|-------------|----------|----------|
| | Re-Use Line | 8" | 4" | | 8" | 6" | | |
| Size (inches) _____ | <u>12"</u> | <u>8"</u> | <u>4"</u> | _____ | <u>8"</u> | <u>6"</u> | _____ | _____ |
| Type of main _____ | PVC | PVC | PVC | _____ | PVC | PVC | _____ | _____ |
| Length of main (nearest foot) _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Beginning of year _____ | <u>500</u> | <u>17575</u> | <u>1453</u> | _____ | <u>6000</u> | <u>1600</u> | _____ | _____ |
| Added during year _____ | _____ | <u>2140</u> | _____ | _____ | _____ | _____ | _____ | _____ |
| Retired during year _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| End of year _____ | <u>500</u> | <u>19715</u> | <u>1453</u> | <u>0</u> | <u>6000</u> | <u>1600</u> | <u>0</u> | <u>0</u> |

MANHOLES

| | | | | |
|---------------------------|------------|-------|-------|-------|
| Size (inches) _____ | <u>48"</u> | _____ | _____ | _____ |
| Type of Manhole _____ | Concrete | _____ | _____ | _____ |
| Number of Manholes: | | | | |
| Beginning of year _____ | <u>73</u> | _____ | _____ | _____ |
| Added during year _____ | <u>9</u> | _____ | _____ | _____ |
| Retired during year _____ | _____ | _____ | _____ | _____ |
| End of Year _____ | <u>82</u> | _____ | _____ | _____ |

UTILITY NAME: Highlands Ridge Utilities, LLC

SYSTEM NAME: Highlands Ridge Utilities

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

TREATMENT PLANT

| | | | |
|--|--------------------------|-------|-------|
| Manufacturer_____ | <u>Marloft</u> | _____ | _____ |
| Type_____ | <u>Extended Aeration</u> | _____ | _____ |
| "Steel" or "Concrete"_____ | <u>Concrete</u> | _____ | _____ |
| Total Permitted Capacity_____ | <u>95,000</u> | _____ | _____ |
| Average Daily Flow_____ | <u>24,000</u> | _____ | _____ |
| Method of Effluent Disposal_____ | <u>Perk Ponds</u> | _____ | _____ |
| Permitted Capacity of Disposal_____ | <u>95,500</u> | _____ | _____ |
| Total Gallons of Wastewater treated_____ | <u>8,786,000</u> | _____ | _____ |

MASTER LIFT STATION PUMPS

| | | | | | | |
|-------------------------------------|-----------------------|-------------|-------------|-------------|-------|-------|
| | Lift Station 1 | 2 | 3 | 4 | | |
| Manufacturer_____ | <u>Unitronic</u> | <u>Same</u> | <u>Same</u> | <u>Same</u> | _____ | _____ |
| Capacity (GPM's)_____ | <u>195</u> | <u>200</u> | <u>24</u> | <u>255</u> | _____ | _____ |
| Motor: | | | | | | |
| Manufacturer_____ | <u>Hydromatic</u> | <u>Same</u> | <u>Same</u> | <u>Same</u> | _____ | _____ |
| Horsepower_____ | <u>5 HP</u> | <u>5 HP</u> | <u>2 HP</u> | <u>5 HP</u> | _____ | _____ |
| Power (Electric or Mechanical)_____ | <u>Electric</u> | <u>Same</u> | <u>Same</u> | <u>Same</u> | _____ | _____ |

PUMPING WASTEWATER STATISTICS

| Months | Gallons of Treated Wastewater | Effluent Reuse Gallons to Customers | Effluent Gallons Disposed of on site |
|---------------------|-------------------------------|-------------------------------------|--------------------------------------|
| January_____ | <u>912,000</u> | _____ | <u>912,000</u> |
| February_____ | <u>906,000</u> | _____ | <u>906,000</u> |
| March_____ | <u>968,000</u> | _____ | <u>968,000</u> |
| April_____ | <u>760,000</u> | _____ | <u>760,000</u> |
| May_____ | <u>620,000</u> | _____ | <u>620,000</u> |
| June_____ | <u>720,000</u> | _____ | <u>720,000</u> |
| July_____ | <u>520,000</u> | _____ | <u>520,000</u> |
| August_____ | <u>470,000</u> | _____ | <u>470,000</u> |
| September_____ | <u>550,000</u> | _____ | <u>550,000</u> |
| October_____ | <u>700,000</u> | _____ | <u>700,000</u> |
| November_____ | <u>800,000</u> | _____ | <u>800,000</u> |
| December_____ | <u>860,000</u> | _____ | <u>860,000</u> |
| Total for year_____ | <u>8,786,000</u> | _____ | <u>8,786,000</u> |

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: Highlands Ridge Utilities, LLC

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2001 |
|-------------------------------------|

SYSTEM NAME: Highlands Ridge Utilities

GENERAL WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present number of ERCs* now being served. _____ 8,786 / 365 / 280 = 85
2. Maximum number of ERCs* which can be served. _____ 95,500 / 400 = 239
3. Present system connection capacity (in ERCs*) using existing lines. _____ 85
4. Future connection capacity (in ERCs*) upon service area buildout. _____ 901
5. Estimated annual increase in ERCs*. _____ 40
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
None at this time

7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known.
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? _____
If so, when? ___ Reuse will be considered upon plant expansion. It is not currently required.
9. Has the utility been required by the DEP or water management district to implement reuse? ___ Not at this time
If so, what are the utility's plans to comply with this requirement? _____

10. When did the company last file a capacity analysis report with the DEP? _____ Jun-00
11. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____ N/A
 - c. When will construction begin? _____ N/A
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____ No
12. Department of Environmental Protection ID # _____ FL 0143391

* An ERC is determined based on 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 residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT
DECEMBER 31, 2001

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



(signature of chief executive officer of the utility) *

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