

CLASS "C"

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Public Service Commission
P.O. Box 16000, Tallahassee, Florida 32311-0600

WATER and/or WASTEWATER UTILITIES

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

ANNUAL REPORT

WS925-10-AR

Heather Hills Estates Utilities, LLC

EXACT LEGAL NAME OF RESPONDENT

577-W / 498-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



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PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2010



Carlstedt, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

James L. Carlstedt, C.P.A.
Katherine U. Jackson, C.P.A.
Robert H. Jackson, C.P.A.
Cheryl T. Losee, C.P.A.
Robert C. Nixon, C.P.A.
Jeanette Sung, C.P.A.
Holly M. Towner, C.P.A.
James L. Wilson, C.P.A.

February 16, 2011

Chris Stephens
Heather Hills Estates, LLC

We have compiled the balance sheets of Heather Hills Estates, LLC as of December 31, 2010 and 2009, and the statements of income and retained earnings for the year ended December 31, 2010, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Heather Hills Estates, LLC. We have not audited or reviewed the accompanying financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

We are not independent with respect to Heather Hills Estates, LLC.

CARLSTEDT, JACKSON, NIXON & WILSON

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 will 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 schedules should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page. Any additional pages should state the name of the utility, 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.

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 - this account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction 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 utilities property, facilities, or equipment used to provide services to the public. (Section 367.021 (3), Florida Statutes)

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

DEPRECIATION - The loss of 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 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

Heather Hills Estates Utilities, LLC
(Exact name of utility)

4925 3rd St W

4925 3rd St W

Bradenton, FL 34207
Mailing Address

Bradenton FL 34207 Manatee
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

Location where books and records are located:

4925 3rd St W

Bradenton FL 34207

Names of subdivisions where service is provided:

Heather Hills Estates

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Christina Stephens	Owner	4925 3rd St W Bradenton FL 34207	
Person who prepared this report: Carlstedt, Jackson, Nixon & Wilson	CPA's	2560 Gulf-to-Bay Blvd. Clearwater, FL	
Officers and Managers: Richard Stephens	Manager	4925 3rd St W Bradenton FL 34207	
Christina Stephens	Manager	Same	None

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
Richard Stephens	50%	Same As Above	None
Christina Stephens	50%	Same As Above	None

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other (1)	Total Company
Gross Revenue:					
Residential _____		\$ 46,883	\$ 71,739		\$ 118,622
Commercial _____		126	190		316
Industrial (Agricultural Water)					-
Multiple Family _____					-
Guarenteed Revenues _____					-
Other (Specify) _Late Fees _		536			536
Total Gross Revenue _____		47,545	71,929	N/A	119,474
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	44,797	73,802		118,599
Depreciation Expense _____	F-5	2,176	198		2,374
CIAC Amortization Expense _____	F-8				-
Taxes Other Than Income _____	F-7	2,140	3,237	-	5,377
Income Taxes _____	F-7	-	-		-
Total Operating Expenses _____		49,113	77,237		126,350
Net Operating Income (Loss)		(1,568)	(5,308)	-	(6,876)
Other Income:					
Nonutility Income _____		-	-		-
Interest Income _____		-	-		-
					-
Miscellaneous Nonutility Expenses _____					-
Interest Expense _____		3,570	3,570		7,140
Other Deductions:					-
		-	-		-
					-
					-
Net Income (Loss)		\$ (5,138)	\$ (8,878)	N/A	\$ (14,016)

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year (1)	Previous Year
ASSETS:			
Utility Plant In Service (101 - 105) _____	F-5, W-1, S-1	\$ 165,612	\$ 144,143
Accumulated Depreciation and Amortization (108) _____	F-5, W-2, S-2	(118,825)	(116,451)
Net Utility Plant _____		46,787	27,692
Cash _____		5,455	22,070
Customer Accounts Receivable (141) _____		20,595	26,679
Other Assets (Specify):			
Plant Acquisition Adjustments (Non-Recognized)		99,587	
Total Assets _____		\$ 172,424	\$ 76,441
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	7,684	(48,289)
Total Capital _____		7,684	(48,289)
Long Term Debt (224) _____	F-6	115,263	
Accounts Payable (231) _____			3,304
Notes Payable (232) _____			
Customer Deposits (235) _____			
Accrued Taxes (236) _____	F-7	5,377	5,504
Other Liabilities (Specify):			
Interdivisional Payable		-	197
Accrued Salaries (241)		-	21,000
Accounts Payable - Related Party		44,100	80,100
Accrued Rent		-	14,625
Advances For Construction (252) _____			
Contributions In Aid Of Construction - Net (271 - 272) _____	F-8		
Total Liabilities and Capital _____		\$ 172,424	\$ 76,441

Note: (1) In August 2010 the water and wastewater certificates of Keith & Clara Starkey d/b/a Heather Hills Estates was transferred to Heather Hills Estates Utilities, LLC. The current year balance sheet has been adjusted to reflect liabilities of the new business entity.

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) Inclusive	Water	Sewer	Plant Other Than Reporting Systems	Total
Utility Plant In Service (101) _____	\$ 90,715	\$ 74,897	N/A	\$ 165,612
Construction Work In Progress (105) _____				-
Other (Specify) _____	-	-		-
_____				-
Total Utility Plant _____	\$ 90,715	\$ 74,897	N/A	\$ 165,612

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First Of Year _____	\$ 43,813	\$ 72,638	N/A	\$ 116,451
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	2,176	198		2,374
Salvage _____	-	-		-
Other credits (specify) _____	-	-		-
_____	-	-		-
Total credits _____	2,176	198		2,374
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	-	-		-
Cost of removal _____	-	-		-
Other debits (specify) _____				-

Total debits _____	-	-		-
Balance End of Year _____	\$ 45,989	\$ 72,836	N/A	\$ 118,825

UTILITY NAME:

Heather Hills Estates Utilities, LLC

YEAR OF REPORT
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CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	N/A	N/A
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 _____	N/A	\$ -
Charges during the year (specify):		
Current Year Income _____	-	-

Balance end of year _____	\$	

PROPRIETARY CAPITAL (218)
(MEMBER'S EQUITY)

	Proprietor or Partner	Partner
Balance first of year _____	\$ (48,289)	N/A
Charges during the year (specify):		
Current year loss _____	(14,016)	-
Member Equity Contributions _____	18,400	
Adjustments to equity for assets acquired _____	51,589	
Balance end of year _____	\$ 7,684	

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Interest		Principal Per Balance Sheet Date
	Rate	# of Payments	
Utility Purchase - Issued 02/1/09, Maturity 10/1/2019	3.52 %	36	\$ 115,263
_____	%		
_____	%		
_____	%		
Total _____			\$ 115,263

TAXES EXPENSE

(a)	WATER (b)	SEWER (c)	OTHER (d)	TOTAL (e)
Income Taxes:				
Federal income tax _____	\$ -	\$ -	N/A	\$ -
State income tax _____	-	-		
Taxes Other Than Income:				
State ad valorem tax _____	-	-		
Local property tax _____				
Regulatory assessment fee _____	2,140	3,237		5,377
Other (Specify): _____				

Total taxes accrued _____	\$ 2,140	\$ 3,237		\$ 5,377

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar 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
Carlstedt, Jackson, Nixon & Wilson CPA's	\$ 1,523	\$ 1,522	Accounting Services
Ed Guimond	1,300	-	Maintenance
John Tyson	4,365	-	Meter reader / Maintenance
HD Supply Water Works	12,557		Maintenance / Supplies
Rick and Chris Stephens	7,250	7,250	Management

UTILITY NAME:

Heather Hills Estates Utilities, LLC

YEAR OF REPORT
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CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year _____	N/A	N/A	\$ -
2. Add credits during year: _____	-	-	-
3. Total _____	-	-	-
4. Deduct charges during year _____	-	-	-
5. Balance end of year _____	-	-	-
6. Less Accumulated Amortization _____	-	-	-
7. Net CIAC _____	-	-	-

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 _____				NONE	NONE

Report below all capacity charges, main extension charges and customer connections charges received during the year.			Water	Wastewater
Description of Charge	Number of Connections	Charge per Connection		
None				
Total Credits During Year (Must agree with line # 2 above) _____			\$ -	\$ -

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	N/A	N/A	\$ -
Add Debits During Year: _____	-	-	-
Deduct Credits During Year: _____	-	-	-
Balance End of Year (Must agree with line #6 above) _____	\$ -	\$ -	-

WATER OPERATION SECTION

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_____	389	-	-	389
304	Structure 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_____	-	-	-	-
310	Power Generation Equipment_____	-	-	-	-
311	Pumping Equipment_____	-	-	-	-
320	Water Treatment Equipment_____	-	-	-	-
330	Distribution Reservoirs and Standpipes_____	-	-	-	-
331	Transmission and Distribution Mains_____	64,510	-	-	64,510
333	Services_____	-	-	-	-
334	Meters and Meter Installations_____	5,749	17,821	-	23,570
335	Hydrants_____	-	-	-	-
339	Other Plant and Miscellaneous Equipment_____	-	-	-	-
340	Office Furniture and Equipment_____	422	1,824	-	2,246
341	Transportation Equipment_____	-	-	-	-
342	Stores Equipment_____	-	-	-	-
343	Tools, Shop and Garage Equipm_____	-	-	-	-
344	Laboratory Equipment_____	-	-	-	-
345	Power Operated Equipment_____	-	-	-	-
346	Communication Equipment_____	-	-	-	-
347	Miscellaneous Equipment_____	-	-	-	-
348	Other Tangible Plant_____	-	-	-	-
	Total Water Plant_____	\$ 71,070	\$ 19,645	\$ -	\$ 90,715

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

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

ACCT. NO. (a)	ACCOUNT NAME (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)
301	Organization	-	-	-	\$	\$	\$	\$
302	Franchises	-	-	-	-	-	-	-
304	Structure 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	-	-	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-	-	-
311	Pumping Equipment	-	-	-	-	-	-	-
320	Water Treatment Equipment	-	-	-	-	-	-	-
330	Distribution Reservoirs and Standpipes	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	40	-	2.50	43,365	-	1,612	44,977
333	Services	-	-	-	-	-	-	-
334	Meters and Meter Installations	-	-	-	72	-	366	438
335	Hydrants	-	-	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	-	-	-	-	-	-	-
340	Office Furniture and Equipment	6	-	16.67	376	-	198	574
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				\$ 43,813	\$	\$ 2,176	\$ 45,989

* This amount should tie to Sheet F-5

Note:

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 _____	24,411
615	Purchased Power _____	
616	Fuel for Power Production _____	
618	Chemicals _____	
620	Materials and Supplies _____	
630	Contractual Services:	
	Billing _____	
	Operator and Management _____	7,250
	Testing _____	1,063
	Other _____	7,241
640	Rents _____	1,000
650	Transportation Expense _____	1,003
655	Insurance Expense _____	
665	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	
670	Bad Debt Expense _____	
675	Miscellaneous Expenses _____	2,829
	Total Water Operation and Maintenance Expense _____	\$ 44,797 *
* 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)	
Residential Service					
5/8"	D	1.0	353	353	353
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5	1	1	3
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			
Unmetered Customers		1.0			
Other (Specify):					
Total			354	354	356
** D = Displacement C = Compound T = Turbine					

UTILITY NAME: Heather Hills Estates Utilities, LLC
 SYSTEM NAME: Heather Hills Estates

YEAR OF REPORT
 December 31, 2010

PUMPING AND PURCHASED WATER STATISTICS

MONTH (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_____	830			830	
February_____	950			950	
March_____	892			892	1,703
April_____	782			782	
May_____	342			342	
June_____	198			198	1,616
July_____	56			56	
August_____	419			419	
September_____	498			498	1,142
October_____	454			454	
November_____	583			583	
December_____	770			770	1,496
Total for year_____	6,774	N/A		6,774	5,957

If water is purchased for resale, indicate the following:

Vendor Manatee County Utilities
 Point of Delivery 5th St W

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

Note: Meters read/billed quarterly

MAINS (Feet)

Kind of Pipe (Cast Iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	3/4"	15,300			15,300

UTILITY NAME: Heather Hills Estates Utilities, LLC
 SYSTEM NAME: Heather Hills Estates

YEAR OF REPORT
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WELLS AND WELL PUMPS
 (If Available)

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	None			
Types of Well Construction and Casing _____				

Depth of Wells _____				
Diameters of Wells _____				
Pump - GPM _____				
Motor - HP _____				
Motor Type * _____				
Yeilds of Wells in GPD _____				
Auxillary Power _____				
* Submersable, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	None			
Capacity of Tank _____				
Ground of Elevated _____				

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>MOTORS</u>				
Manufacturer _____	None			
Type _____				
Rated Horsepower _____				
(a)	(b)	(c)	(d)	(e)
<u>PUMPS</u>				
Manufacturer _____	None			
Type _____				
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____				
Auxiliary Power _____				

UTILITY NAME: Heather Hills Estates Utilities, LLC

YEAR OF REPORT
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SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water, etc):

Gallons per day of source_____	24,700		
Type of source_____	Purchased		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:

Type_____	None		
Make_____			
Permitted Capacity (GPD)			
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_____			

UTILITY NAME: Heather Hills Estates Utilities, LLC
SYSTEM NAME: Heather Hills Estates

YEAR OF REPORT
December 31, 2010

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve 356
2. Maximum number of ERC's * which can be served 356
3. Present system connection capacity (in ERC's *) using existing lines 356
4. Future connection capacity (in ERC's *) upon service area buildout 356
5. Estimated annual increase in ERC's* None
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities None
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
Replacement of customer meters.

9. When did the company last file a capacity analysis report with the DEP? None
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 DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # None
12. Water Management District Consumptive Use Permit # None
 - 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? N/A

* 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 available are available for use:

ERC = (Total SFR gallons sold (omit 000)/365 days/350 gallons per day).

WASTEWATER OPERATION SECTION

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 _____	389	-	-	389
354	Structure and Improvements _____	-	-	-	-
355	Power Generation Equipment _____	-	-	-	-
360	Collection Sewers - Force _____	-	-	-	-
361	Collection Sewers - Gravity _____	72,262	-	-	72,262
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 _____	422	1,824	-	2,246
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 Sewer Plant _____	\$ 73,073	\$ 1,824	\$ -	\$ 74,897

* This amount should tie to Sheet F-5
Note:

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account Name (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)
351	Organization	-	%	%	-	-	-	-
352	Franchises	-	%	%	-	-	-	-
354	Structure and Improvements	-	%	%	-	-	-	-
355	Power Generation Equipment	-	%	%	-	-	-	-
360	Collection Sewers - Force	-	%	%	-	-	-	-
361	Collection Sewers - Gravity	40	%	2.50	72,262	-	-	72,262
362	Special Collecting Structures (Lift Stations)	-	%	%	-	-	-	-
363	Services to Customers	-	%	%	-	-	-	-
364	Flow Measuring Devices	-	%	%	-	-	-	-
365	Flow Measuring Installations	-	%	%	-	-	-	-
370	Receiving Wells (Lift Stations)	-	%	%	-	-	-	-
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	6	%	16.70	376	-	198	574
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				72,638		198	72,836

* This amount should tie to Sheet F-5

Note:

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 _____	59,727
711	Sludge Removal Expense _____	
715	Purchased Power _____	
716	Fule for Power Production _____	
718	Chemicals _____	
720	Materials and Supplies _____	
730	Contractual Services:	
	Operator and Management _____	7,250
	Testing _____	
	Other _____	2,332
740	Rents _____	1,000
750	Transportation Expense _____	1,003
755	Insurance Expense _____	
765	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	
770	Bad Debt Expense _____	
775	Miscellaneous Expenses _____	2,490
	Total Wastewater Operation and Maintenance Expense _____	\$ 73,802 *

* 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)	
Residential Service					
5/8"	D	1.0	353	353	353
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5	1	1	3
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			
Unmetered Customers		1.0			
Other (Specify):					
Total			354	354	356

** D = Displacement
C = Compound
T = Turbine

PUMPING EQUIPMENT

Lift station number _____	None	_____	_____	_____	_____	_____	_____
Make or type and nameplate data of pump _____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Year installed _____	_____	_____	_____	_____	_____	_____	_____
Rated capacity (GPM) _____	_____	_____	_____	_____	_____	_____	_____
Size (HP) _____	_____	_____	_____	_____	_____	_____	_____
Power:	_____	_____	_____	_____	_____	_____	_____
Electric _____	_____	_____	_____	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	4"	_____	_____	_____	_____	_____	_____
Type (PVC, VCP, etc) _____	PVC	_____	_____	_____	_____	_____	_____
Average length _____	5'	_____	_____	_____	_____	_____	_____
Number of active service connections _____	355	_____	_____	_____	_____	_____	_____
Beginning of year _____	354	_____	_____	_____	_____	_____	_____
Added during year _____	1	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____
End of year _____	355	_____	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS AND MANHOLES

	Collecting Mains	Force Mains					
Size (inches) _____	6"	_____	_____	_____	_____	_____	_____
Type of main _____	PVC	_____	_____	_____	_____	_____	_____
Length of main (nearest foot):	_____	_____	_____	_____	_____	_____	_____
Beginning of year _____	15,300	_____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____
End of year _____	15,300	_____	_____	_____	_____	_____	_____

MANHOLES:

Size _____	_____	_____	_____	_____
Type _____	Brick	_____	_____	_____
Number:	_____	_____	_____	_____
Beginning of year _____	38	_____	_____	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of year _____	38	_____	_____	_____

TREATMENT PLANT

Manufacturer_____	None		
Type_____	N/A		
"Steel" or "Concrete"_____	N/A		
Total Capacity_____	N/A		
Average Daily Flow_____	15768		
Effluent Disposal_____	Purchased		
Total Gallons of Wastewater Treated_____	5,755,470		

MASTER LIFT STATION PUMPS

Manufacturer_____	N/A					
Capacity_____ (PM)						
Motor:						
Manufacturer_____						
Horsepower_____						
Power (Electric or Mechanical)_____						

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	705,600	None	705,600
February_____	807,400		807,400
March_____	758,500		758,500
April_____	664,200		664,200
May_____	290,600		290,600
June_____	168,200		168,200
July_____	47,770		47,770
August_____	355,100		355,100
September_____	422,800		422,800
October_____	385,700		385,700
November_____	495,200		495,200
December_____	654,400		654,400
Total for year_____	5,755,470		5,755,470

If Wastewater Treatment is purchased, indicate the vendor: Manatee County Utilities

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present ERC's * that system can efficiently serve. 356
2. Maximum number of ERC's * which can be served. 356
3. Present system connection capacity (in ERC's *) using existing lines. 356
4. Future system connection capacity (in ERC's *) upon service area buildout. 356
5. Estimated annual increase in ERC's * . None
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
7. If the utility uses reuse as a means of effluent disposal, attach 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? No
- N/A
9. Has the utility been required by the DEP or water management district to implement reuse? N/A
- If so, what are the utility's plans to comply with the DEP? N/A
10. When did the company last file a capacity analysis report with the DEP? N/A
11. If the present system does not meet the requirements of DEP rules:
- a. Attach a description of the plant upgrade necessary to meet the DEP rules.
- b. Have these plans been approved by DEP? N/A
- c. When will cor N/A
- d. Attach plans for funding the required upgrading. N/A
- e. Is this system under any Consent Order of the DEP? N/A
11. Department of Environmental Protection ID # N/A

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
- $$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

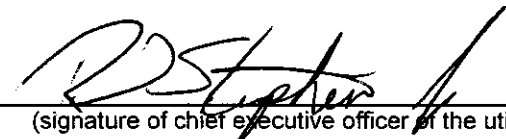
CERTIFICATION OF ANNUAL REPORT

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

- | | | |
|--------------|-----------|--|
| YES
(X) | NO
() | 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
(X) | NO
() | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
(X) | NO
() | 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
(X) | NO
() | 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.
(X)	(X)	(X)	(X)


(signature of chief executive officer of the utility) *

1.	2.	3.	4.
()	()	()	()


(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.

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class C**

Company: Heather Hills Estates Utilities, LLC

For the Year Ended December 31, 2010

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ -	\$ -	\$ -
Total Metered Sales ((461.1 - 461.5)	47,009	47,009	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	-	-	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	536	536	-
Total Water Operating Revenue	\$ 47,545	\$ 47,545	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 47,545	\$ 47,545	\$ -

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class C**

Company: Heather Hills Estates Utilities, LLC

For the Year Ended December 31, 2010

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate revenues (521.1 - 521.6)	\$ -	\$ -	\$ -
Total Measured Revenues (522.1 - 522.5)	71,929	71,929	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	-	-	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
Total Wastewater Operating Revenue	\$ 71,929	\$ 71,929	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 71,929	\$ 71,929	\$ -

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).