CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF SU644-06-AR HARDER HALL - HOWARD, INC.

Exact Legal Name of Respondent

349-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

Form PSC/ECR 006-W (Rev. 12/99)

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FINANCIAL SECTION

Utility Sold 11/20/2006

	Harder Hall-Ho			
3201 Golfview Drive	(EXACT NAME OF UT	TILITY) 3201 Golfview Drive		
Sebring, FL 33875		Sebring, FL 33875 Highlands		
Mailing Address		Street Address	County	
Telephone Number (863) 382-0500		Date Utility First Organized _	10-24-90	
Fax Number		E-mail Address		
Sunshine State One-Call of Florida, Inc. Men	nber No.	····		
Check the business entity of the utility as filed	d with the Internal Revenu	ue Service:		
Individual X Sub Chapter S C	Corporation	1120 Corporation	Partnership	
Name, Address and phone where records are		3201 Golfview Drive Sebring, FL 33875		
Name of subdivisions where services are pro				
	CONTACTS	3:		
Nama	T:41-	Dringinla Duginaga Addus	Salary Charged	
Name	Title	Principle Business Address	Utility	
Person to send correspondence: Paul E. Howard	President	3201 Golfview Drive Sebring, FL 33875		
T dui E. Howard	1 TOOLGOTIC			
Person who prepared this report:		435 S. Commerce Ave.		
William R. Benton	CPA	Sebring, FL 33870		
Officers and Managers: Paul E. Howard	President	Same	\$637 \$	
			\$	
		<u> </u>	\\$	
Report every corporation or person owning o securities of the reporting utility:	r holding directly or indired	ctly 5 percent or more of the voting		
Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility	
Paul E. Howard	90%	Same	\$ 637	
Evelyn N. Howard	10%	Same	\$ 14,538	
			\$	
			\$	
			\$	

Utility Sold 11/20/2006

INCOME STATEMENT

	Ref.				Total
Account Name	Page	Water	Wastewater	Other	Company
Gross Revenue: Residential Commercial Industrial Multiple Family Guaranteed Revenues Other (Specify)		\$	\$ <u>101,008</u>	*	\$101,008
Total Gross Revenue		\$	\$101,008_	\$	\$101,008_
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$	\$ <u>114,953</u>	\$	\$ <u>114,953</u>
Depreciation Expense	F-5		4,244		4,244
CIAC Amortization Expense_	F-8		0_		0_
Taxes Other Than Income	F-7		9,641		9,641
Income Taxes	F-7		0		0
Total Operating Expense		\$	128,838		\$128,838
Net Operating Income (Loss)		\$	\$ (27,830)	\$	\$ (27,830)
Other Income: Nonutility Income		\$	\$	\$	\$
Other Deductions: Miscellaneous Nonutility Expenses Interest Expense Loss on sale of assets		\$	\$	\$ 	\$
Net Income (Loss)		\$	\$ (91,426)	\$	\$ (91,426)

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2006

Utility Sold 11/20/2006

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) Accumulated Depreciation and	F-5,W-1,S-1	\$	\$460,378
Amortization (108)	F-5,W-2,S-2		(242,314)
Net Utility Plant		\$	\$218,064_
Cash			19,589
Customer Accounts Receivable (141)			683
Other Assets (Specify):			47.744
Construction in Progress			<u>17,714</u>
Total Access			
Total Assets		\$	\$256,050
Liabilities and Capital:			
Common Stock Issued (201)	F-6		1,000
Preferred Stock Issued (204)	F-6		
Other Paid in Capital (211) Retained Earnings (215)	F-6		9,000 (194,961)
Propietary Capital (Proprietary and	1-5		(194,301)
partnership only) (218)	F-6		
Total Capital		\$	\$ (184,961)
Long Term Debt (224)	F-6	\$	\$119,629
Accounts Payable (231)			
Notes Payable (232)			
Customer Deposits (235) Accrued Taxes (236)			
Other Liabilities (Specify)			
Accrued Interest			3,166
Due to P.E.H.]		10,724
Due to Others	1		167,535
Advances for Construction			
Contributions in Aid of Construction - Net (271-272)	F-8		139,957
Total Liabilities and Capital		\$	\$ 256,050

Utility Sold 11/20/2006

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101) Construction Work in Progress	\$	\$0	\$	\$0
(105) Other (Specify) *Plant Held for Future Use				
Total Utility Plant	\$	\$0	\$	\$0

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year	\$	\$242,314	\$	\$242,314_
Add Credits During Year: Accruals charged to depreciation account	\$	\$ 16,089	\$	\$ 16,089
SalvageOther Credits (specify) Amortization Expense				
Total Credits	\$	\$16,089	\$	\$16,089
Deduct Debits During Year: Book cost of plant retired Cost of removal Other debits (specify)	\$	\$246,558	\$	\$
*Plant Held for Future Use Total Debits	\$	\$ 11,845 258,403	\$	\$ 11,845 258,403
Balance End of Year	\$	\$0	\$	\$0

Utility Sold 11/20/2006

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per shareShares authorizedShares issued and outstanding Total par value of stock issued Dividends declared per share for year	0 0 0 0	

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year Changes during the year (Specify):	\$	\$(194,961)
Loss for year Sale of utility		<u>(91,426)</u> 286,387
Balance end of year	\$	\$0

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of yearChanges during the year (Specify):	\$	\$
Balance end of year	\$	\$

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	t Principal f of per Balance ymts Sheet Date

Utility Sold 11/20/2006

TAX EXPENSE

(a)	Water	Wastewater	Other	Total
	(b)	(c)	(d)	(e)
Income Taxes: Federal income tax State income Tax Taxes Other Than Income: State ad valorem tax Local property tax Regulatory assessment fee Other (Specify) Taxes and licenses Total Tax Expense	\$ \$	\$ 9,041 650 \$ 9,691	\$ = \$	\$ 9,041 650 \$ 9,691

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
The NCT Group CPA's, L.L.P. Ables & Ritenour P.A Ted Long Short Environmental Labs H & H Sludge Disposal, Inc. Brock Excavation LL Sod Tammy Brewer Angel Rivera	\$	\$ 2,955 \$ 833 \$ 9,920 \$ 1,730 \$ 6,300 \$ 26,000 \$ 2,087 \$ 900 \$ 650 \$	Accounting and Consulting Legal Services Operation and Maintenance Water Analysis Sludge Removal Repairs and Maintenance Repairs and Maintenance Contract Labor - Admin Contract Labor - Maintenance

UTILITY NAME: Harder Hall-Howard, Inc.

Utility Sold 11/20/2006

YEAR OF REPORT DECEMBER 31, 2006

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water	Wastewater	Total
	(b)	(c)	(d)
1) Balance first of year 2) Add credits during year 3) Total 4) Deduct charges during the year 5) Balance end of year 6) Less Accumulated Amortization 7) Net CIAC	\$ \$ \$	\$ 471,345 \$ 0 471,345 (471,345) 0 0 \$ 0	\$ 471,345 \$ 0 471,345 (471,345) 0 0 0

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

Report below all developers or co agreements from which cash or p received during the year.		Indicate "Cash" or "Property"	Water	Wastewater
	4			
Sub-total			\$	\$
	pacity charges, main and customer connecti uring the year.	on		
Description of Charge	Number of Connections	Charge per Connection		
	0	\$	\$	\$
Total Credits During Year (Must agree	with line # 2 above)		s	
Total Daming Total (Material)				<u> </u>

ACCUMULATED AMORTIZATION OF CIAC (272)

Balance First of YearAdd Debits During Year:	<u>Water</u> \$	<u>Wastewater</u> \$ 331,388	Total \$331,388
Deduct Credits During Year:		(331,388)	(331,388)
Balance End of Year (Must agree with line #6 above.)	\$	\$0	\$0

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

UTILITY NAME Harder Hall-Howard, Inc.

Utility Sold 11/20/2006 N/A YEAR OF REPORT DECEMBER 31, 2006

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	\$			%

(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:	<u> </u>	_ %
Commission Order Number approving AFUDC rate:		_

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

UTILITY NAME Harder Ha	ll-Howard, Inc.			YEAR OF REP		
N/A <u>Utility Sold 11/20/2006</u>						
Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)	
Common Equity Preferred Stock Long Term Debt Customer Deposits Tax Credits-Zero Cost Tax Credits-Weighted Cost of Capital Deferred Income Taxes Other (Explain) Total	\$ ================================	\$	\$ \$	\$ ================================	\$ \$	
	(1) Explain belo	ow all adjustments	made in Column	(e):		

WATER

OPERATING

SECTION

Note:

This utility is a wastewater only service; therefore, Pages W-1 through W-7 have been omitted from this report.

WASTEWATER OPERATING SECTION

Utility Sold 11/20/2006

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351 352 353 354 355 360 361 362 363 364 365 370	Organization Franchises Land and Land Rights Structures and Improvements_ Power Generation Equipment _ Collection Sewers - Force Collection Sewers - Gravity Special Collecting Structures_ Services to Customers Flow Measuring Devices Flow Measuring Installations Receiving Wells	\$18,343	\$	\$(18,343)	\$O O O O
371	Pumping Equipment	5,427		(5,427)	0
380	Treatment and Disposal Equipment	211,848		(211,848)	0
381	Plant Sewers			(211,040)	
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	1,640		(1,640)	0
	Total Wastewater Plant	\$683,301_	\$0	\$(683,301)	\$*

^{*} This amount should tie to sheet F-5.

UTILITY NAME:

Harder Hall-Howard, Inc.

<u>Utility Sold 11/20/2006</u> ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

YEAR OF REPORT DECEMBER 31, 2006

Accum. Depr. Balance End of Year (f-g+h=i)		
Credits	\$ \(\frac{1,472}{1,472} \) \(\frac{1,472}{1,581} \) \(\frac{1,528}{7,591} \) \(\frac{182}{1,168} \) \(\frac{208,395}{87} \) \(\frac{87}{87} \)	
Debits (a)	\$ 10,883 45,941 39,741 198,535 1,446 1,446 1,446 1,446 1,283 \$ 466,742	
Accumulated Depreciation Balance Previous Year (f)	\$ 10,210 44,469 38,213 190,944 1,114 1,114 1,114 1,116 (208,395) 1,196 \$ 242,314	
Depr. Rate Applied (e)	4.00 4.55 % 3.70 % 2.50 % 6.67 % 7 % % % % % % % % % % % % % % % % %	ς.
Average Salvage in Percent (d)	%%%%%%%%%% 	
Average Service Life in Years (c)	25 22 27 40 40 15 15 10	
Account (b)	Organization Structures and Improvements Power Generation Equipment Collection Sewers - Force Collection Sewers - Gravity Special Collecting Structures Services to Customers Flow Measuring Devices Flow Measuring Installations Receiving Wells Pumping Equipment Treatment and Disposal Equipment Currians Sewers Outfall Sewer Lines Outfall Sewer Lines Cut Flow Measuring Equipment Equipment Company Equipment Equipment Company Equipment Communication Equipment Communication Equipment Communication Equipment Communication Equipment Company Equipment Company Equipment Communication Equipment Comm	* This amount should tie to Sheet F-5.
Acct. No. (a)	303 354 355 360 361 363 363 363 364 365 391 391 392 393 393 395 396 397	* This amo

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Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2006

Utility Sold 11/20/2006

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct.	Account Name		Amount
110.	Account Name	-	Amount
701	Salaries and Wages - Employees	\$	19,656_
703	Salaries and Wages - Officers, Directors, and Majority Stockholders		15,175
704	Employee Pensions and Benefits		
710	Purchased Wastewater Treatment	Ì	
711	Sludge Removal Expense	İ	6,640
715	Purchased Power		13,255
716	Fuel for Power Production		
718	Chemicals		4,702
720	Materials and Supplies		
730	Contractual Services:		
	Billing		
	Professional		3,788
	Testing		1,730
	Other (Operations and Management)	1	11,470
740	Rents	İ	2,520
750	Transportation Expense		2,989
755	Insurance Expense		630
765	Regulatory Commission Expenses (Amortized Rate Case Expense)		
770	Bad Debt Expense		
775	Miscellaneous Expenses (Repair and Maintenance, Office Exp., and Misc.)		32,398
	Total Wastewater Operation And Maintenance Expense	\$	114,953 *
	* This amount should tie to Sheet F-3.	Ľ	

WASTEWATER CUSTOMERS

				ive Customers	Total Number of
	Type of	Equivalent	Start	End	Meter Equivalents
Description	Meter **	Factor	of Year	of Year	(c x e)
(a)	(b)	(c)	(d)	(e)	(f)
Residential Service					
All meter sizes	D	1.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	С	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
** D = Displacement					
C = Compound		Total			
T = Turbine					

HTII	ITV	A I A	MAC.

Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2006

Utility Sold 11/20/2006

PUMPING FOUIPMENT

Othity Gold 11/20/		FOMFING EQUI				
Year installed Rated capacity Size Power: Electric	neplate					
		SERVICE CONNE	CTIONS		 70000 1 SALU SU	
Size (inches) Type (PVC, VCP, etc.) Average length Number of active service connections Beginning of year Added during year Retired during year End of year Give full particulars concerning inactive connections						
		COLLECTING AND	FORCE MAIN	IS		
Collecting Mains Force Mains						
Size (inches) Type of main Length of main (neares foot) Begining of year Added during year_ Retired during year_ End of year	st					
		MANHO	OLES			
	Size (inches) Type of Manhole Number of Manholes: Beginning of year_ Added during year_ Retired during year_ End of Year					

UTILITY NAME: Harder Hall-Howard, Inc.							
SYSTEM NAME:	N/A	N/A			YEAR OF REPORT DECEMBER 31, 2006		
<u>Utility Sold 11/20/2006</u>		TREATMENT	ΓΡΙΔΝΤ				
		TREATMENT	I		T		
Manufacturer Type "Steel" or "Concrete" Total Permitted Capacity_ Average Daily Flow Method of Effluent Dispos Permitted Capacity of Dispos Total Gallons of Wastewater treated	al						
	· · · · · · · · · · · · · · · · · · ·						
Manufacturer Capacity (GPM's) Motor: Manufacturer Horsepower Power (Electric or Mechanical)							
			ER STATISTI				
Months	Gallons of Treated Wastewater		Effluent Reuse Gallons to Customers		Effluent Gallons Disposed of on site		
January February	-			·			

UTILITY NAME:	Harder Hall-Howard, Inc.			
CVCTEM NAME.	NI/A			

SYSTEM NAME: N/A
Utility Sold 11/20/2006

GENERAL WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.
Present number of ERCs* now being served
2. Maximum number of ERCs* which can be served.
Present system connection capacity (in ERCs*) using existing lines
Future connection capacity (in ERCs*) upon service area buildout
5. Estimated annual increase in ERCs*.
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
 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?
9. Has the utility been required by the DEP or water management district to implement reuse?
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?
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? c. When will construction begin? d. Attach plans for funding the required upgrading.
e. Is this system under any Consent Order with DEP?
12. Department of Environmental Protection ID #
 * An ERC is determined based on one of the following methods: (a) If actual flow data are available from the proceding 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 Sold 11/20/2006

CERTIFICATION OF ANNUAL REPORT

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

YES X	NO	1.	of Accounts pr	substantial compliance with the Uniform System rescribed by the Florida Public Service Commission 115 (1), Florida Administrative Code.		
YES X	NO	2.	-	substantial compliance with all applicable rules and Florida Public Service Commission.		
YES X	NO	3.	concerning no	een no communications from regulatory agencies ncompliance with, or deficiencies in, financial reporting could have a material effect on the financial statement		
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 Co	<u>ertified</u>					
1. X	2. X	3. X	4. X	(signature of chief executive officer of the utility) Paul E. Howard	*	
			Date:			
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.