

OFFICIAL COPY

DIVISION OF

RECEIVED

CLASS "A" OR "B"

MAR 10 2003

Do Not Remove from this Office

Florida Public Service Commission
Division of Water and Wastewater

WATER and/or WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

SU293-02-AR

Forest Utilities, Inc.

Exact Legal Name of Respondent

Various

Certificate Numbers

Submitted To The

STATE OF FLORIDA

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
03 MAR 11 AH10:28
DIVISION OF
ECONOMIC REGULATION



DISTRIBUTION CENTER
03 MAR 11 AM 9:56

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
CHRISTINE R. CHRISTIAN, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
JEANETTE SUNG, C.P.A.
HOLLY M. TOWNER, C.P.A.
REBECCA G. VOITLEIN, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(727) 791-4020
FACSIMILE
(727) 797-3602
e-Mail
cpas@cjnw.net

February 28, 2003

Officers and Directors
Forest Utilities, Inc.

We have compiled the 2002 Annual Report of Forest Utilities, Inc. 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.

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 Forest Utilities, Inc. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

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

Company: Forest Utilities, Inc.

For the Year Ended December 31, 2001

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 180,516	\$ 180,516	\$ -
Commercial	94,308	94,308	-
Industrial	-	-	-
Multiple Family	375,512	375,512	-
Guaranteed Revenues	-	-	-
Other	8,000	8,000	-
Total Wastewater Operating Revenue	\$ 658,336	\$ 658,336	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 658,336	\$ 658,336	\$ -

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).

TABLE OF CONTENTS

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

TABLE OF CONTENTS

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

EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2002

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. |
| 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.
()	()	()	()



 (signature of the chief executive officer of the utility) *

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

N/A

 (signature of the chief financial officer of the utility) *

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

NOTICE: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

YEAR OF REPORT December 31, 2002

Forest Utilities, Inc.
 (Exact Name of Utility)

County: Lee

List below the exact mailing address of the utility for which normal correspondence should be sent:

6000 Forest Blvd
 Fort Myers, Florida 33919

Telephone: (941) 481-0111

e-Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

Name and address of person to whom correspondence concerning this report should be addressed:

Robert C. Nixon, CPA
 Cronin, Jackson, Nixon & Wilson, CPA's, PA
 2560 Gulf-to-Bay Blvd, Suite 200
 Clearwater, Florida 34625

Telephone: (727) 791-4020

List below the address of where the utility's books and records are located:

6000 Forest Blvd
 Fort Myers, Florida 33919

Telephone: (941) 481-0111

List below any groups auditing or reviewing the records and operations:

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: 12/31/80

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

Individual
 Partnership
 Sub S Corporation
 1120 Corporation

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

	Name	Percent Ownership	
1.	David W. Swor	100.0	%
2.			%
3.			%
4.			%
5.			%
6.			%
7.			%
8.			%
9.			%
10.			%

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

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

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Robert C. Nixon	CPA	Cronin, Jackson, Nixon & Wilson, CPA's	Accounting & rate matters
Martin S. Friedman	Attorney	Rose, Sundstrom & Bentley	Legal matters

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

UTILITY NAME: Forest Utilities, Inc.

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

(A) The Utility was organized December 31, 1980 to provide sewer service to the Forest Development. The Utility has experienced customer growth from other developments since its organization.

(B) Sewer service only.

(C) The Utility's goals are to provide quality sewer service and earn a fair return on its investment in Plant in Service.

(D) Sewer service only.

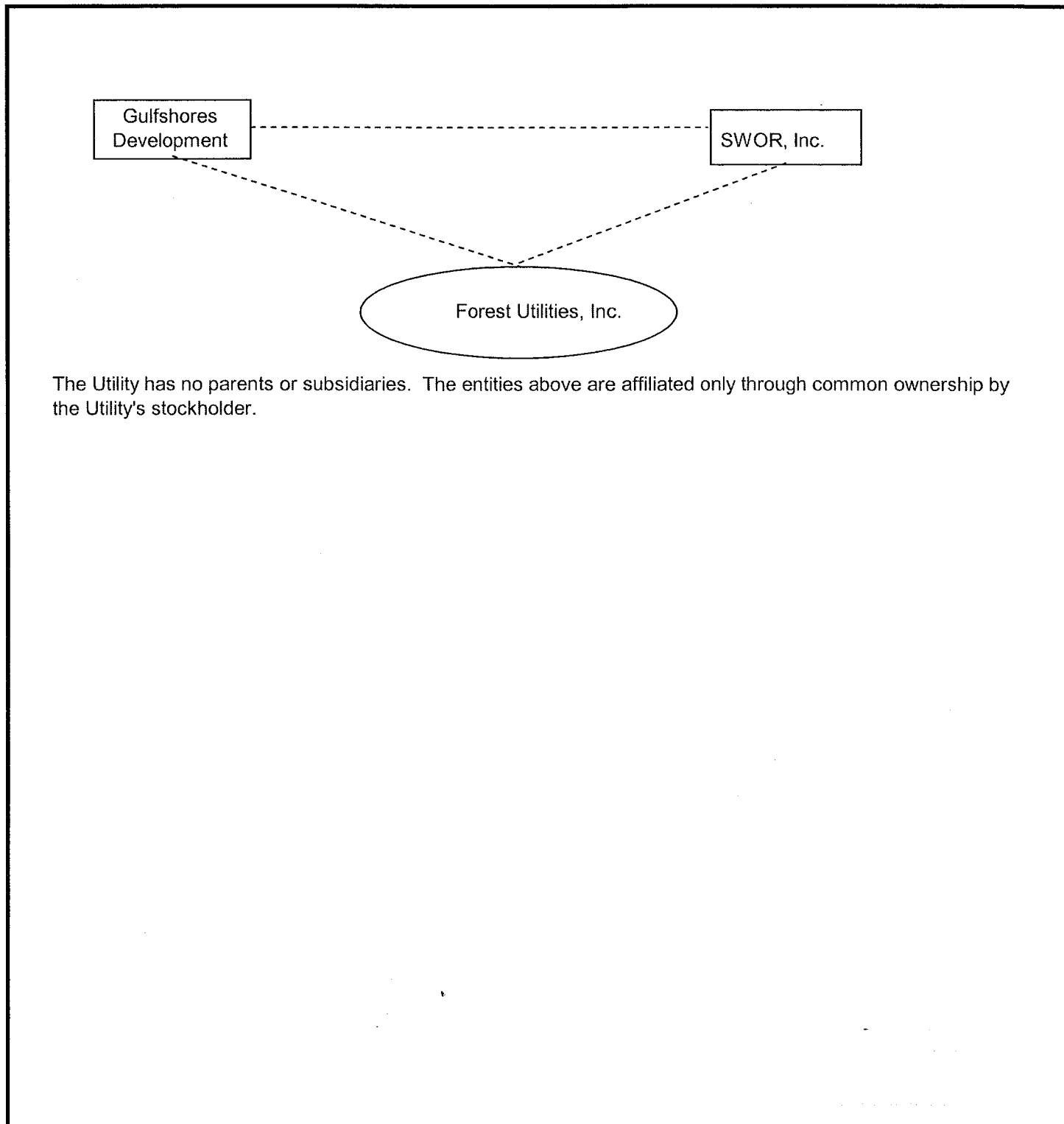
(E) The Company expects to add approximately 800 ERCs over the next 10 years, with build-out expected in 2010

(F) None

UTILITY NAME: Forest Utilities, Inc.

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/02

Complete below an organizational chart that shows all parents and subsidiaries of the utility. The chart must also show the relationship between the utility and the affiliates listed on E-7, E-10(a) and E-10(b).



The Utility has no parents or subsidiaries. The entities above are affiliated only through common ownership by the Utility's stockholder.

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
David W. Swor	President	60 %	\$ 120,000
Doris Swor	Vice President/Secretary	10 %	\$ None
Judy Mallett	Treasurer	30 %	\$ 43,000
			% \$
			% \$
			% \$
			% \$
			% \$
			% \$
			% \$

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as an director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
David W. Swor	President	4	\$ None
Judy Mallett	Treasurer	4	\$ None
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

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

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
David W. Swor	Health Insurance	\$ 6,105	Swor, Inc.
David W. Swor	Computer Services	21,588	Swor, Inc.

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

UTILITY NAME: Forest Utilities, Inc.

AFFILIATION OF OFFICERS AND DIRECTORS

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

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
David W. Swor	Development Real Estate	Shareholder Shareholder	Gulfshores Development Swor, Inc.
Judy Mallett	Treasurer	Employee	Gulfshores Development
Doris Swor	V.P./Secretary	Officer	Forest Utilities, Inc.

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

**BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT
OF PROVIDING WATER OR SEWER SERVICE**

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

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

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

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:

<ul style="list-style-type: none"> - management, legal and accounting services - computer services - engineering & construction services - repairing and servicing of equipment 	<ul style="list-style-type: none"> - material and supplies furnished - leasing of structures, land and equipment - rental transactions - sale, purchase or transfer of various products
---	---

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Swor, Inc.	Health Insurance	1985	P	\$ 6,105
Swor, Inc.	Computer Services	1999	P	21,588

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.
2. Below are examples of some types of transactions to include:
 - purchase, sale or transfer of equipment.
 - purchase, sale or transfer of land and structures.
 - purchase, sale or transfer of securities.
 - noncash transfers of assets.
 - noncash dividends other than stock dividends.
 - writeoff of bad debts or loans.

3. The columnar instructions follow:
 - (a) Enter name of related party or company.
 - (b) Describe briefly the type of assets purchased, sold or transferred.
 - (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
 - (d) Enter the net book value for each item reported.
 - (e) Enter the net profit or loss for each item (column (c) - column (d)).
 - (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

FINANCIAL

SECTION

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 3,303,382	\$ 3,302,461
108-110	Less: Accumulated Depreciation and Amortization	F-8	(1,688,369)	(1,575,062)
Net Plant			<u>1,615,013</u>	<u>1,727,399</u>
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			<u>1,615,013</u>	<u>1,727,399</u>
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10	149,997	167,868
126-127	Special Funds	F-10		
Total Other Property and Investments			<u>149,997</u>	<u>167,868</u>
CURRENT AND ACCRUED ASSETS				
131	Cash		95,698	70,722
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	3,094	2,627
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	-	
Total Current and Accrued Assets			<u>98,792</u>	<u>73,349</u>

* Not Applicable for Class B Utilities

UTILITY NAME: Forest Utilities, Inc.

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13		
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	38,962	
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes		58,462	63,147
	Total Deferred Debits		97,424	63,147
	TOTAL ASSETS AND OTHER DEBITS		\$ 1,961,226	\$ 2,031,763

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 1,950	\$ 1,950
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital		57,249	57,249
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	145,268	122,929
216	Reacquired Capital Stock		(80,000)	(80,000)
218	Proprietary Capital (Proprietorship and Partnership Only)		(9,243)	1,030
Total Equity Capital			115,224	103,158
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	268,275	292,875
Total Long Term Debt			268,275	292,875
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		75,357	66,425
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18	87,765	87,765
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits			2,345
236	Accrued Taxes		29,625	29,097
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	4,180	3,613
Total Current and Accrued Liabilities			196,927	189,245

* Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits (Contributed Taxes)	F-21	73,325	79,472
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			73,325	79,472
OPERATING RESERVES				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	2,623,111	2,597,304
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(1,421,993)	(1,326,820)
Total Net C.I.A.C.			1,201,118	1,270,484
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		100,927	89,438
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other		5,430	7,091
Total Accum. Deferred Income Taxes			106,357	96,529
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 1,961,226	\$ 2,031,763

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 646,606	\$ 658,336
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			646,606	658,336
401	Operating Expenses	F-3(b)	557,294	522,713
403	Depreciation Expense	F-3(b)	113,276	113,307
	Less: Amortization of CIAC	F-22	(94,691)	(95,173)
Net Depreciation Expense			18,585	18,134
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	74,559	69,436
409	Current Income Taxes	W/S-3		249
410.10	Deferred Federal Income Taxes	W/S-3	15,306	16,174
410.11	Deferred State Income Taxes	W/S-3	5,613	
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	(6,166)	(6,147)
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			665,191	620,559
Net Utility Operating Income			(18,585)	37,777
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			(18,585)	37,777

* For each account, column e should agree with columns f, g + h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
N/A	\$ 658,336	N/A
N/A		
-	658,336	-
	522,713	
	113,307	
-	(95,173)	
-	18,134	-
	69,436	
	249	
	16,174	
	(6,147)	
	620,559	
N/A	37,777	
	37,777	N/A

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ (18,585)	\$ 37,777
OTHER INCOME AND DEDUCTIONS				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		14,190	4,451
421	Miscellaneous Nonutility Revenue			
426	Miscellaneous Nonutility Expenses		(5,175)	(8,105)
Total Other Income and Deductions			9,015	(3,654)
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income			
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes		(1,162)	(1,661)
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable to Other Income			(1,162)	(1,661)
INTEREST EXPENSE				
427	Interest Expense	F-19	24,096	13,447
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			24,096	13,447
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(32,504)	22,337

Explain Extraordinary Income:

UTILITY NAME: Forest Utilities, Inc.

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	N/A	\$ 3,303,382
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8		(1,688,369)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22		(2,623,111)
252	Advances for Construction	F-20		
Subtotal				(1,008,098)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22		1,421,993
Subtotal				413,895
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)			65,339
	Other (Specify):			
RATE BASE			\$ -	\$ 479,234
NET UTILITY OPERATING INCOME			\$ -	\$ 37,777
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	7.88 %

NOTES:

- (1) Estimated if not known.
 - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
 - (3) Calculation consistent with last rate proceeding.
- In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.

SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ 115,224	27.05 %	11.34 %	3.07 %
Preferred Stock		%	- %	%
Long Term Debt	268,275	62.98 %	4.25 %	2.6767 %
Customer Deposits		%	6.00 %	%
Tax Credits - Zero Cost		%	- %	%
Tax Credits - Weighted Cost		%	- %	%
Deferred Income Taxes	42,465	9.97 %	- %	%
Other (Explain)		%	- %	%
		%	%	%
Total	\$ <u>425,964</u>	<u>100.00 %</u>		<u>5.75 %</u>

(1) If the Utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates

APPROVED RETURN ON EQUITY

Current Commission Return on Equity: 11.34 %

Commission order approving Return on Equity: PSC-02-1239-PAA-SU

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate: None %

Commission order approving AFUDC rate: _____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (g)
Common Equity	\$ 115,224	\$ -	\$ -	\$ -	\$ -	\$ 115,224
Preferred Stock	-					-
Long Term Debt	268,275					268,275
Customer Deposits						
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Income Taxes	42,465					42,465
Other (Explain):						
Notes Payable - Assoc Co	-					-
Total	\$ 425,964	\$ -	\$ -	\$ -	\$ -	\$ 425,964

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

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A	\$ 3,303,382	N/A	\$ 3,303,382
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		N/A	\$ 3,303,382	N/A	\$ 3,303,382

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	N/A	N/A	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
Total Plant Acquisition Adjustment		\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization			\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
Total Accumulated Amortization		\$ -	\$ -	\$ -	\$ -
Total Acquisition Adjustments		\$ -	\$ -	\$ -	\$ -

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	N/A	\$ 1,575,062	N/A	\$ 1,575,062
Credits during year:				
Accruals charged:				
to Account 108.1 (1)		113,307		113,307
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				

Salvage				
Other Credits (specify) :				

Total credits		113,307		113,307
Debits during year:				
Book cost of plant retired	-	-		
Cost of removal				
Other debits (specify)				

Total debits				
Balance end of year	N/A	\$ 1,688,369	N/A	\$ 1,688,369

ACCUMULATED AMORTIZATION Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				
to Account 110.2 (2)				
Other Accounts (specify):				

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

Total debits				
Balance end of year	N/A	N/A	N/A	N/A

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

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCTS. 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

**INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123-127**

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

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): N/A	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
Total Utility Investments		\$ -
<u>OTHER INVESTMENTS (Account 125):</u>		
Salomon Smith Barney	\$ -	\$ 35,422
STI Classic Funds		114,575
Total Other Investments		\$ 149,997
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
Total Special Funds		\$ -

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ -	
Wastewater	3,094	
Other		
Total Customer Accounts Receivable		\$ 3,094
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
	\$ -	
Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		3,094
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year		
Collections of accounts previously written off		
Utility accounts		
Others		
Total Additions		
Deduct accounts written off during year:		
Utility accounts		
Others		
Total accounts written off		
Balance end of year		
Total Accounts and Notes Receivable - Net		\$ 3,094

UTILITY NAME: Forest Utilities, Inc.

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ -
Total	\$ -

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
None	\$ -
Total	\$ -

UTILITY NAME: Forest Utilities, Inc.

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
N/A	\$ -	\$ -
Total Unamortized Debt Discount and Expense	_____	_____
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
Total Unamortized Premium on Debt	\$ _____	\$ _____

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$ -
Total Extraordinary Property Losses	\$ _____

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1):	\$ -	\$ -
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
Service Availability Case - Docket 011682-SU	\$ 12,987	\$ 38,962
Total Other Deferred Debits	\$ 12,987	\$ 38,962
REGULATORY ASSETS (Class A Utilities: Account 186.3):		
None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ 12,987	\$ 38,962

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share	\$ 75.00	\$ 75.00
Shares authorized		26.00
Shares issued and outstanding		26.00
Total par value of stock issued	\$ 1,950.00	\$ 1,950.00
Dividends declared per share for year	None	None
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	None	None

* Account 204 not applicable for Class B utilities

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A			\$ -
Total			\$ -

* For variable rate obligations, provide the basis for the rate. (I.e.. Prime + 2%, etc)

UTILITY NAME: Forest Utilities, Inc.

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year	\$ 122,929.00
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: Rounding error	<u>2</u>
	Total Credits	2
	Debits:	
	Total Debits	
435	Balance transferred from Income	22,337
436	Appropriations of Retained Earnings:	
	Total appropriations of Retained Earnings	
437	Dividends declared: Preferred stock dividends declared	
438	Common stock dividends declared	
	Total Dividends Declared	
	Year end Balance	<u>145,268</u>
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
214	Total Appropriated Retained Earnings	
	Total Retained Earnings	<u>\$ 145,268</u>

Notes to Statement of Retained Earnings:

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$ -
Total	\$ -

OTHER LONG TERM DEBT
ACCOUNT 224

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
Mortgage - Bank of America- Fort Myers; Issued:6/91; Matures: 1/06 (Variable Rate is based on the Prime Rate)	4.25 %	V	\$ 268,275
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 268,275

* For variable rate obligations, provide the basis for the rate. (I.e.. Prime + 2%, etc)

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			

* For variable rate obligations, provide the basis for the rate. (i.e.. Prime +2%, etc)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Swor, Inc.	\$ 87,765
Total	\$ 87,765

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Bank of America Mortgage Note	\$ -	427.3	\$ 13,447	\$ 13,447	\$ -
_____	-				

Total Account No. 237.1	-		13,447	13,447	-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
None					-

Total Account 237.2	-				
Total Account 237 (1)	\$ -		\$ 13,447	\$ 13,447	\$ -
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 13,447		
Less Capitalized Interest Portion of AFUDC:					
None					

Net Interest Expensed to Account No. 427 (2)			\$ 13,447		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest
(2) Must agree to F-3(c), Current Year Interest Expense

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241**

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Prepaid Revenues by customers	\$ 4,180
Total Miscellaneous Current and Accrued Liabilities	\$ 4,180

**ADVANCES FOR CONSTRUCTION
ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None			\$ -	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total	\$ -		\$ -	\$ -	\$ -

* Report advances separately by reporting group, designating water or wastewater in column (a)

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1)		
Contributed Taxes	\$ 6,147	\$ 73,325
Total Regulatory Liabilities	\$ <u>6,147</u>	\$ <u>73,325</u>
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
N/A	\$ -	\$ -
Total Deferred Liabilities	\$ <u>-</u>	\$ <u>-</u>
TOTAL OTHER DEFERRED CREDITS	\$ <u>6,147</u>	\$ <u>73,325</u>

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	N/A	\$ 2,597,304	N/A	\$ 2,597,304
Add credits during year:		25,807		25,807
Less debits charged during				-
Total Contributions In Aid of Construction	\$ -	\$ 2,623,111	\$ -	\$ 2,623,111

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	N/A	\$ 1,326,820	N/A	\$ 1,326,820
Debits during year:		95,173		95,173
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction		\$ 1,421,993		\$ 1,421,993

UTILITY NAME: Forest Utilities, Inc.

YEAR OF REPORT
December 31, 2002

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year	F-3 (c)	\$ 22,337
Reconciling items for the year:		
Taxable income not reported on the books:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deductions recorded on books not deducted for return:		
Deferred Income Taxes	F-3 a, c	14,513
Unrealized Loss on Investment	F-3 c	8,105
State Income tax	F-3 a	249
_____	_____	_____
Income recorded on books not included in return:		
Contributed Tax Amortization	F-3 a	6,147
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
Book-Tax timing difference		71,514
_____	_____	_____
_____	_____	_____
Federal tax net income (loss)		\$ (32,457)
Computation of tax:		
A taxable loss is estimated; therefore, there is no tax.		

WATER OPERATION SECTION

Note: Forest Utilities, Inc., provides wastewater only service; therefore, Pages W-1 through W-14 have been omitted from this report.

**WASTEWATER
OPERATION
SECTION**

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 3,303,382
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	1,688,369
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	2,623,111
252	Advances for Construction	F-20	
	Subtotal		(1,008,098)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	1,421,993
	Subtotal		413,895
114	Plus or Minus: Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		65,339
	Other (Specify): Completed Construction not Classified		-
	WASTEWATER RATE BASE		\$ 479,234
	UTILITY OPERATING INCOME	S-3	\$ 37,777
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		7.88 %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	S-9	\$ 658,336
530	Less: Guaranteed Revenue and AFPI	S-9	
	Net Operating Revenues		658,336
401	Operating Expenses	S-10(a)	522,713
403	Depreciation Expense	S-6(a)	113,307
	Less: Amortization of CIAC	S-8(a)	(95,173)
	Net Depreciation Expense		18,134
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		29,625
408.11	Property Taxes		15,099
408.12	Payroll Taxes		24,951
408.13	Other Taxes & Licenses		(239)
408	Total Taxes Other Than Income		69,436
409.1	Income Taxes	F-16	249
410.10	Deferred Federal Income Taxes		16,174
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		(6,147)
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		620,559
	Utility Operating Income		37,777
530	Add Back: Guaranteed Revenue (and AFPI)		
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 37,777

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
 December 31, 2002

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization		\$ -	\$ -	\$ -
352	Franchises	17,331			17,331
353	Land and Land Rights	26,690			26,690
354	Structure and Improvements	386,532			386,532
355	Power Generation Equipment				
360	Collection Sewers - Force	171,112			171,112
361	Collection Sewers - Gravity	1,482,015			1,482,015
362	Special Collecting Structures	122,728			122,728
363	Services to Customers	12,628			12,628
364	Flow Measuring Devices	3,334			3,334
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment				
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	1,002,136			1,002,136
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment				
390	Office Furniture & Equipment	23,048			23,048
391	Transportation Equipment	32,129	(1)		32,128
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment	22,778	922		23,700
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Total Wastewater Plant	\$ 3,302,461	\$ 921	\$ -	\$ 3,303,382

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

Note (1): Rounding

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 RECLAIMED TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ -						
352	Franchises	17,331						
353	Land and Land Rights				\$ 26,690			
354	Structure and Improvements			386,532				
355	Power Generation Equipment							
360	Collection Sewers - Force		171,112					
361	Collection Sewers - Gravity		1,482,015					
362	Special Collecting Structures		122,728					
363	Services to Customers		12,628					
364	Flow Measuring Devices		3,334					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells							
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System				1,002,136			
380	Treatment & Disposal Equipment							
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant / Miscellaneous Equipment							23,048
390	Office Furniture & Equipment							32,128
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							23,700
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 17,331	\$ 1,791,817	\$ 386,532	\$ 1,028,826	\$ -	\$ -	\$ 78,876

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

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
351	Organization		%	%
352	Franchises	40.00	%	2.50 %
354	Structure and Improvements	35.00	%	2.86 %
355	Power Generation Equipment		%	%
360	Collection Sewers - Force	30.00	%	3.33 %
361	Collection Sewers - Gravity	35.00	%	2.86 %
362	Special Collecting Structures	25.00	%	4.00 %
363	Services to Customers	38.00	%	2.63 %
364	Flow Measuring Devices	5.00	%	20.00 %
365	Flow Measuring Installations		%	%
366	Reuse Services		%	%
367	Reuse Meters and Meter Installations		%	%
370	Receiving Wells		%	%
371	Pumping Equipment		%	%
374	Reuse Distribution Reservoirs		%	%
375	Reuse Transmission and Distribution System		%	%
380	Treatment & Disposal Equipment	27.00	%	3.70 %
381	Plant Sewers		%	%
382	Outfall Sewer Lines		%	%
389	Other Plant / Miscellaneous Equipment		%	%
390	Office Furniture & Equipment	6.00	%	16.67 %
391	Transportation Equipment	6.00	%	16.67 %
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment		%	%
394	Laboratory Equipment	15.00	%	6.67 %
395	Power Operated Equipment		%	%
396	Communication Equipment		%	%
397	Miscellaneous Equipment		%	%
398	Other Tangible Plant		%	%
Wastewater Plant Composite Depreciation Rate *			%	%

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ -	\$ -	\$ -	\$ -
352	Franchises	2,815	433		433
354	Structure and Improvements	102,277	11,055		11,055
355	Power Generation Equipment				
360	Collection Sewers - Force	23,425	5,698		5,698
361	Collection Sewers - Gravity	760,636	42,386		42,386
362	Special Collecting Structures	30,368	4,909		4,909
363	Services to Customers	2,686	332		332
364	Flow Measuring Devices	1,667	667		667
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment				
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	556,724	37,079		37,079
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment				
390	Office Furniture & Equipment	37,060	3,842		3,842
391	Transportation Equipment	37,849	5,356		5,356
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment	19,555	1,550		1,550
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
Total Depreciable Wastewater Plant in Service		\$ 1,575,062	\$ 113,307	\$ -	\$ 113,307

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

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	
352	Franchises					3,248
354	Structure and Improvements					113,332
355	Power Generation Equipment					
360	Collection Sewers - Force					29,123
361	Collection Sewers - Gravity					803,022
362	Special Collecting Structures					35,277
363	Services to Customers					3,018
364	Flow Measuring Devices					2,334
365	Flow Measuring Installations					
366	Reuse Services*					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					
374	Reuse Distribution Reservoirs					
375	Reuse Transmission and Distribution System					
380	Treatment & Disposal Equipment					593,803
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant / Miscellaneous Equipment					
390	Office Furniture & Equipment					40,902
391	Transportation Equipment					43,205
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					
394	Laboratory Equipment					21,105
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					
398	Other Tangible Plant					
Total Depreciable Wastewater Plant in Service						\$ 1,688,369

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
December 31, 2002

**CONTRIBUTIONS IN AID OF CONSTRUCTION
 ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (b)
Balance First of Year		\$ 2,597,304
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	S-8(a)	25,807
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	
Total Credits		25,807
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 2,623,111

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

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

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
December 31, 2002

WASTEWATER CIAC SCHEDULE "A"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY, MAIN
EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Capacity charges	6	\$ 625	\$ 3,750
Capacity charges	6	933	5,598
Main Extension Charge	6	1,043	6,258
Commercial based on 877 gallons		11,623	10,201
Total Credits			\$ 25,807

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 1,326,820
Debits during year:	
Accruals charged to Account	95,173
Other Debits (specify):	
Total debits	95,173
Credits during year (specify):	
Total credits	
Balance end of year	\$ 1,421,993

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
WASTEWATER SALES				
	Flat Rate Revenues:			
521.1	Residential Revenues	599	620	\$ 180,516
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues	1,031	1,015	303,950
521.6	Other Revenues			
521	Total Flat Rate Revenues	1,630	1,635	484,466
	Measured Revenues:			
522.1	Residential Revenues			
522.2	Commercial Revenues	33	33	94,308
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	396	400	71,562
522	Total Measured Revenues	429	433	165,870
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	2,059	2,068	\$ 650,336
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ -
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			8,000
	Total Other Wastewater Revenues			\$ 8,000

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

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
December 31, 2002

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
Flat Rate Reuse Revenues:				
540.1	Residential Reuse Revenues			\$ -
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
Measured Reuse Revenues:				
541.1	Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 658,336

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

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
 December 31, 2002

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 143,091	\$ -	\$ -	\$ -	\$ -	\$ 143,091	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	163,000						
704	Employee Pensions and Benefits	42,986						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense	2,884					2,884	
715	Purchased Power	36,413						
716	Fuel for Power Production							
718	Chemicals	6,015					6,015	
720	Materials and Supplies	53,534				5,718		47,816
731	Contractual Services - Engineering	2,834						
732	Contractual Services - Accounting	2,329						
733	Contractual Services - Legal	(5,590)						
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing	14,478					14,478	
736	Contractual Services - Other							
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	7,385		7,385				
756	Insurance - Vehicle	4,997		4,997				
757	Insurance - General Liability	8,133					8,133	
758	Insurance - Workmens Comp.	4,742						
759	Insurance - Other							
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other	12,987						
770	Bad Debt Expense	687						
775	Miscellaneous Expenses	21,808						
	Total Wastewater Utility Expenses	\$ 522,713	\$ -	\$ 12,382	\$ -	\$ 5,718	\$ 174,601	\$ 47,816

S-10(a)
 GROUP 1

UTILITY NAME: Forest Utilities, Inc.

SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
December 31, 2002

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES - OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salaries and Wages - Employees	\$ -	\$ -	-	-	-	-
703	Salaries and Wages - Officers, Directors and Majority Stockholders		163,000				
704	Employee Pensions and Benefits		42,986				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power		36,413				
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services - Engineering		2,834				
732	Contractual Services - Accounting		2,329				
733	Contractual Services - Legal		(5,590)				
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing						
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense						
756	Insurance - Vehicle						
757	Insurance - General Liability						
758	Insurance - Workmens Comp.		4,742				
759	Insurance - Other						
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other		12,987				
770	Bad Debt Expense	687					
775	Miscellaneous Expenses		21,808				
	Total Wastewater Utility Expenses	\$ 687	\$ 281,509	\$ -	\$ -	\$ -	\$ -

S-10(b)
GROUP 1

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
December 31, 2002

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	621	621
5/8"	Displacement	1.0		
3/4"	Displacement	1.5	1,006	1,509
1"	Displacement	2.5	75	188
1 1/2"	Displacement or Turbine	5.0	18	90
2"	Displacement, Compound or Turbine	8.0	5	40
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				2,448

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non-residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment

ERC Calculation:	(85,729,000	/ 365 days) / 280 gpd =	1,382
		(total gallons treated)		
Note: Forest Utilities ERC is 170gpd				

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
December 31, 2002

WASTEWATER TREATMENT PLANT INFORMATION
 Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	500,000		
Basis of Permit Capacity (1)	AADF		
Manufacturer	Custom		
Type (2)	Complete Mix		
Hydraulic Capacity	500,000		
Average Daily Flow	234,874		
Total Gallons of Wastewater Treated	85,729,000		
Method of Effluent Disposal	Golf Course Irrigation		

- (1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc)
- (2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Forest Utilities, Inc.
 SYSTEM NAME / COUNTY: Forest Utilities / Marion

YEAR OF REPORT
December 31, 2002

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.	<u>2,448</u>
2. Maximum number of ERC's * which can be served.	<u>2,941</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>2,427</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>2,941</u>
5. Estimated annual increase in ERC's	<u>Approximately 20</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	
<u>New emergency generator and sludge drying beds in 2003</u>	
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.	
<u>Forest Country Club - 85,729 mg</u>	
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? <u>No</u>	
If so, when? <u>N/A</u>	
9. Has the utility been required by the DEP or water management district to implement reuse? <u>No</u>	
If so, what are the utility's plans to comply with the DE <u>N/A</u>	
10. When did the company last file a capacity analysis report with the DEP?	<u>3/31/00</u>
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?	<u>N/A</u>
c. When will construction begin?	<u>N/A</u>
d. Attach plans for funding the required upgrading.	<u>N/A</u>
e. Is this system under any Consent Order of the DEP?	<u>N/A</u>
11. Department of Environmental Protection ID #	<u>FLA 014478</u>

* An ERC is determined based on the calculation on the bottom of Page S-11