

OFFICIAL COPY

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

SU644-02-AR
Harder Hall - Howard, Inc.
122 East Lake Drive Blvd.
Sebring, FL 33872-5018

349-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31 2002

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

GENERAL INSTRUCTIONS

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

Florida Public Service Commission
Division of Economic Regulation
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 Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

Harder Hall-Howard, Inc.

(EXACT NAME OF UTILITY)

3600 Golfview Drive Sebring, FL 33875	3600 Golfview Drive Sebring, FL 33875	Highlands
Mailing Address	Street Address	County
Telephone Number (863)382-0500	Date Utility First Organized	10-24-90

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

- Individual
 Sub Chapter S Corporation
 1120 Corporation
 Partnership

Name, Address and phone where records are located: 3600 Golfview Drive
Sebring, FL 33875

Name of subdivisions where services are provided: _____

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Paul E. Howard</u>	<u>President</u>	<u>3600 Golfview Drive</u> <u>Sebring, FL 338752</u>	
Person who prepared this report: <u>William R. Benton</u>	<u>CPA</u>	<u>435 South Commerce Ave.</u> <u>Sebring, FL 33870</u>	
Officers and Managers: <u>Paul E. Howard</u>	<u>President</u>	<u>Same</u>	\$ <u>607</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
<u>Paul E. Howard</u>	<u>90%</u>	<u>Same</u>	\$ <u>607</u>
<u>Evelyn N. Howard</u>	<u>10%</u>	<u>Same</u>	\$ <u>15,144</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2002

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ _____	72,082	\$ _____	\$ 72,082
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue_____		\$ _____	\$ 72,082	\$ _____	\$ 72,082
Operation Expense (Must tie to pages W-3 and S-3)					
	W-3 S-3	\$ _____	\$ 106,075	\$ _____	106,075
Depreciation Expense(Net) _	F-5	_____	5,017	_____	5,017
Amortization Expense_____	F-8	_____	(9,895)	_____	(9,895)
Taxes Other Than Income__	F-7	_____	2,945	_____	2,945
Income Taxes_____	F-7	_____	0	_____	0
Total Operating Expense		\$ _____	104,142	_____	\$ 104,142
Net Operating Income (Loss)		\$ _____	\$ (32,060)	\$ _____	\$ (32,060)
Other Income:					
_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	2,197	_____	2,197
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ _____	\$ (34,257)	\$ _____	\$ (34,257)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 403,581	\$ 398,850
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	<u>(218,356)</u>	<u>(213,771)</u>
Net Utility Plant -----		\$ 185,225	\$ 185,079
Cash -----		5,305	401
Customer Accounts Receivable (141) -----		1,165	1,162
Other Assets (Specify): -----			
Rate Case Expense (Net)		500	750
Construction in Process		0	6,798
Loan Cost, Net		526	
Prepaid Expenses		<u>6,291</u>	
Total Assets -----		\$ <u>199,012</u>	\$ <u>194,190</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	1,000	1,000
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		9,000	9,000
Retained Earnings (215) -----	F-6	<u>(180,863)</u>	<u>(146,606)</u>
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>(170,863)</u>	\$ <u>(136,606)</u>
Long Term Debt (224) -----	F-6	\$ 65,629	\$ 65,629
Accounts Payable (231) -----		0	2,101
Notes Payable (232) -----		120,000	
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify)			
Accrued Interest		3,166	3,166
Due to P.E.H.		10,724	10,724
Due to Others		3,730	74,455
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>166,626</u>	<u>174,721</u>
Total Liabilities and Capital -----		\$ <u>199,012</u>	\$ <u>194,190</u>

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2002

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ _____	\$ <u>626,504</u>	\$ _____	\$ <u>626,504</u>
Construction Work in -----	_____	_____	_____	_____
Other (Specify) _____ *Plant Held for Future Use	_____	<u>(222,923)</u>	_____	<u>(222,923)</u>
Total Utility Plant _____	\$ _____	\$ <u><u>403,581</u></u>	\$ _____	\$ <u><u>403,581</u></u>

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

Account 108	Water	Wastewater	A/D & CIAC AM. Other Than Reporting Systems	Total
Balance First of Year _____	\$ _____	\$ <u>213,771</u>	\$ _____	\$ <u>213,771</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ _____	\$ <u>13,271</u>	\$ _____	\$ <u>13,271</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Amortization Expense _____	_____	<u>733</u>	_____	<u>733</u>
Total Credits _____	\$ _____	\$ <u>14,004</u>	\$ _____	\$ <u>14,004</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	<u>433</u>	_____	<u>433</u>
Other debits (specify) _____	_____	_____	_____	_____
*Plant Held for Future Use _____	_____	<u>8,986</u>	_____	<u>8,986</u>
Total Debits _____	\$ _____	\$ <u>9,419</u>	\$ _____	\$ <u>9,419</u>
Balance End of Year _____	\$ _____	\$ <u><u>218,356</u></u>	\$ _____	\$ <u><u>218,356</u></u>

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2002

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1.00	_____
Shares authorized _____	50,000	_____
Shares issued and outstanding _____	1000	_____
Total par value of stock issued _____	1000	_____
Dividends declared per share for year _____	0.00	_____

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ (146,606)
Changes during the year (Specify):		
Net Loss for Year _____	_____	(34,257)
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ (180,863)

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year ___ N/A _____	\$ _____	\$ _____
Changes during the year (Specify):		
N/A _____	_____	_____
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Note Due to PEH Enterprises _____	5%	45	\$ 65,629
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 65,629

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2002
--

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	_____	_____	_____	_____
Regulatory assessment fee _____	_____	2,518	_____	2,518
Other (Specify) FI Int _____	_____	67	_____	67
Licenses and taxes _____	_____	360	_____	360
Total Taxes Accrued _____	\$ _____	\$ 2,945	\$ _____	\$ 2,945

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside 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
The NCT Group CPA's, L.L.P.	\$ _____	\$ 2,545	Accounting and Consulting
Ted Long	\$ _____	\$ 8,605	Operation and Maintenance
Short Environmental Labs	\$ _____	\$ 1,789	Water Analysis Services
Harder Hall Country Club	\$ _____	\$ 19,483	Operations and Maintenance
Polston Engineering	\$ _____	\$ 6,798	Engineering Study
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2002

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ _____	\$ 466,245	\$ 466,245
2) Add credits during year_____	\$ _____	\$ 1,800	\$ 1,800
3) Total_____	_____	468,045	468,045
4) Deduct charges during the year_____	_____	_____	_____
5) Balance end of year_____	_____	468,045	468,045
6) Less Accumulated Amortization_____	_____	301,419	301,419
7) Net CIAC_____	\$ _____	\$ 166,626	\$ 166,626

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
N/A	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total_____	_____	\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
Tap Fees	6	\$ 300	\$ 1,800
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.)_____		\$ _____	\$ 1,800

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year_____	\$ _____	\$ 291,524	\$ 291,524
Add Credits During Year:_____	_____	13,485	13,485
Deduct Debits During Year: Plant held for future use	_____	(3,590)	(3,590)
Balance End of Year (Must agree with line #6 above.)	\$ _____	\$ 301,419	\$ 301,419

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

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2002

N/A

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	\$ _____	<u>100.00</u> %		_____ %

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

APPROVED AFUDC RATE

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

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

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2002

N/A

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 (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 below 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 NAME: Harder Hall-Howard, Inc.

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 _____	\$ 18,776	\$ _____	\$ 433	\$ 18,343
352	Franchises _____				
353	Land and Land Rights _____	5,000			5,000
354	Structures and Improvements _____	56,160			56,160
355	Power Generation Equipment _____	46,672			46,672
360	Collection Sewers - Force _____	331,255			331,255
361	Collection Sewers - Gravity _____				
362	Special Collecting Structures _____	6,956			6,956
363	Services to Customers _____				
364	Flow Measuring Devices _____				
365	Flow Measuring Installations _____				
370	Receiving Wells _____				
371	Pumping Equipment _____	0	5,015		5,015
380	Treatment and Disposal Equipment _____	155,463			155,463
381	Plant Sewers _____				
382	Outfall Sewer Lines _____				
389	Other Plant and Miscellaneous Equipment _____				
390	Office Furniture and Equipment _____				
391	Transportation Equipment _____				
392	Stores Equipment _____				
393	Tools, Shop and Garage Equipment _____				
394	Laboratory Equipment _____				
395	Power Operated Equipment _____				
396	Communication Equipment _____				
397	Miscellaneous Equipment _____				
398	Other Tangible Plant _____	1,491			1,640
	Total Wastewater Plant _____	\$ 621,773	\$ 5,164	\$ 433	\$ 626,504 *

* This amount should tie to sheet F-5.

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements	22	%	4.55 %	\$ 38,046	\$	\$ 1,606	\$ 39,652
355	Power Generation Equipment	27	%	3.70 %	31,298		1,729	33,027
360	Collection Sewers - Force	40	%	2.50 %	157,818		8,282	166,100
361	Collection Sewers - Gravity		%					
362	Special Collecting Structures	35	%	2.86 %	4,073		198	4,271
363	Services to Customers		%					
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment	15	%	6.67 %	0		56	56
380	Treatment and Disposal Equipment	Various	%	Various %	146,523		1,264	147,787
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%					
391	Transportation Equipment		%					
392	Stores Equipment		%					
393	Tools, Shop and Garage Equipment		%					
394	Laboratory Equipment		%					
395	Power Operated Equipment		%					
396	Communication Equipment		%					
251	Miscellaneous Equipment **	Various	%	Various %	(172,451)	8,986		(181,437)
398	Other Tangible Plant	10	%	10.00 %	754		136	890
303	Organization	25	%	4.00 %	7,710	433	733	8,010
	Totals				\$ 213,771	\$ 9,419	\$ 14,004	\$ 218,356 *

* This amount should tie to Sheet F-5.

**Amounts represent accumulated amortization of plant held for future use.

UTILITY NAME: Harder hall-Howard, Inc.

YEAR OF REPORT DECEMBER 31, 2002

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees _____	\$ 19,483
703	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	15,751
704	Employee Pensions and Benefits _____	
710	Purchased Wastewater Treatment _____	
711	Sludge Removal Expense _____	2,450
715	Purchased Power _____	7,530
716	Fuel for Power Production _____	
718	Chemicals _____	5,124
720	Materials and Supplies _____	
730	Contractual Services:	
	Billing _____	
	Professional _____	2,545
	Testing _____	1,789
	Other (Operations and Management) _____	15,402
740	Rents _____	4,300
750	Transportation Expense _____	2,845
755	Insurance Expense _____	600
765	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	250
770	Bad Debt Expense _____	
775	Misc. Expenses (Repair and Maintenance, Office Exp and Misc) _____	28,006
	Total Wastewater Operation And Maintenance Expense _____	\$ 106,075 *

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify): Unmetered Customers			89	95	95
Comm 1"					
** D = Displacement C = Compound T = Turbine			Total	89	95

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT December 31, 2002

PUMPING EQUIPMENT

Lift Station Number _____	<u>1</u>	<u>2</u>	<u>3</u>	_____	_____	_____
Make or Type and nameplate data on pump _____ <u>Gorman Rupp 13a 25</u>	<u>Flyght</u>	<u>Flyght</u>	<u>Flyght</u>	_____	_____	_____
Year installed _____	<u>1982</u>	<u>1982</u>	<u>1982</u>	_____	_____	_____
Rated capacity _____	<u>5HP</u>	<u>3HP</u>	<u>2.5HP</u>	_____	_____	_____
Size _____	<u>4"</u>	<u>4"</u>	<u>4"</u>	_____	_____	_____
Power:						
Electric _____	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor - U.S. Electric _____	<u>5HP</u>	<u>3HP</u>	<u>2.5HP</u>	_____	_____	_____
_____	<u>Flyght</u>	<u>Flyght</u>	<u>Flyght</u>	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	<u>4"</u>	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	<u>PVC</u>	_____	_____	_____	_____	_____
Average length _____	_____	_____	_____	_____	_____	_____
Number of active service connections _____	_____	_____	_____	_____	_____	_____
Beginning of year _____	<u>89</u>	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	_____	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches) _____	<u>8"</u>	_____	_____	_____	_____	<u>4"</u>	<u>6"</u>	_____
Type of main _____	<u>PVC</u>	_____	_____	_____	_____	<u>PVC</u>	<u>PVC</u>	_____
Length of main (nearest foot) _____	<u>16,183</u>	_____	_____	_____	_____	<u>734</u>	<u>4,244</u>	_____
Beginning of year _____	_____	_____	_____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____	_____
End of year _____	_____	_____	_____	_____	_____	_____	_____	_____

MANHOLES

Size (inches) _____	<u>24"</u>	_____	_____	_____
Type of Manhole _____	<u>Brick</u>	_____	_____	_____
Number of Manholes: _____	<u>& Precast</u>	_____	_____	_____
Beginning of year _____	<u>63</u>	_____	_____	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of Year _____	_____	_____	_____	_____

UTILITY NAME: Harder Hall-Howard, Inc.

SYSTEM NAME: N/A

YEAR OF REPORT DECEMBER 31, 2002

TREATMENT PLANT

Manufacturer _____	<u>Davco</u>	_____	_____
Type _____	<u>Steel</u>	_____	_____
"Steel" or "Concrete" _____	_____	_____	_____
Total Capacity _____	<u>60,000 GPD</u>	_____	_____
Average Daily Flow _____	<u>35,000 GPD</u>	_____	_____
Effluent Disposal _____	<u>Spray irrigation</u>	_____	_____
Total Gallons of Wastewater treated _____	_____	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>Davco</u>	_____	_____	_____	_____
Capacity (GPM's) _____	<u>125GPM</u>	_____	_____	_____	_____
Motor:					
Manufacturer _____	<u>FMV</u>	_____	_____	_____	_____
Horsepower _____	<u>3</u>	_____	_____	_____	_____
Power (Electric or Mechanical) _____	<u>Electric</u>	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	<u>1,126,000</u>	_____	<u>1,126,000</u>
February _____	<u>888,000</u>	_____	<u>888,000</u>
March _____	<u>685,000</u>	_____	<u>685,000</u>
April _____	<u>751,000</u>	_____	<u>751,000</u>
May _____	<u>490,000</u>	_____	<u>490,000</u>
June _____	<u>460,000</u>	_____	<u>460,000</u>
July _____	<u>912,000</u>	_____	<u>912,000</u>
August _____	<u>842,000</u>	_____	<u>842,000</u>
September _____	<u>1,506,000</u>	_____	<u>1,506,000</u>
October _____	<u>1,293,000</u>	_____	<u>1,293,000</u>
November _____	<u>840,000</u>	_____	<u>840,000</u>
December _____	<u>667,000</u>	_____	<u>667,000</u>
Total for year _____	<u>10,460,000</u>	_____	<u>10,460,000</u>

If Wastewater Treatment is purchased, indicate the vendor: N/A

UTILITY NAME: Harder Hall-Howard, Inc.

YEAR OF REPORT
December 31, 2001

SYSTEM NAME: N/A

GENERAL WASTEWATER SYSTEM INFORMATION

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

1. Present ERCs * now being served **102 [(10,460,000/365)/280 = 102]**
2. Maximum ERCs ** that system can efficiently serve **214 (60,000/280 = 214)**
3. Present system connection capacity (in ERC's) using existing lines **214**
4. Future connection capacity (in ERC's) upon service area buildout **214**
5. Estimated annual increase in ERCs * **5**
6. Describe any plans and estimated completion dates for any improvements of this syst **None**
7. List percent of certificated area where service connections are installed (total for each county)
N/A
8. If present systems do not meet the requirements of DEP Rule 62-4, Florida Administrative Code, submit the following: **N/A**
 - a. Evaluation of the present plant or plants in regard to meeting the DEP's rules.
 - b. Plans for funding and construction of the required upgrading.
 - c. Have these plans been coordinated with the DEP?
 - d. Do they concur?
 - e. When will construction begin?
9. Do you discharge effluent to surface waters? **No**
10. Department of Environmental Protection ID # **D028192714**
Water Management District ID # **None**

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

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


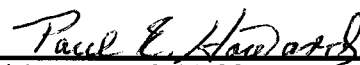
** Total Plant Capacity / 280 gallons

CERTIFICATION OF ANNUAL REPORT

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

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

Items Certified

1. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>	 _____ (signature of chief executive officer of the utility) Paul E. Howard, President	*
1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>	4. <input type="checkbox"/>	 _____ (signature of chief financial officer of the utility)	*

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

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