

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES  
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

WS236-04-AR  
Water Management Services, Inc.  
3848 Killlearn Court  
Tallahassee, FL 32309-3428

302

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2004

## TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
<b>EXECUTIVE SUMMARY</b>			
Certification	E-1	Business Contracts with Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers & Directors	E-8
Directory of Personnel Who Contact the FPSC	E-3	Businesses which are a Byproduct, Coproduct or Joint Product Result 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		
<b>FINANCIAL SECTION</b>			
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	F-9	Accrued Interest and Expense	F-19
Nonutility Property	F-9	Misc. Current & 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	Accumulated Amortization of CIAC	F-22
Notes Receivable from Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	F-23
Miscellaneous Current & Accrued Assets	F-12		

## TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
<b>WATER OPERATION SECTION</b>			
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 Statistics, 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
<b>WASTEWATER OPERATION SECTION</b>			
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 Utility Expense Accounts	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Operating Revenue	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**

UTILITY NAME: Water Management Services, Inc.

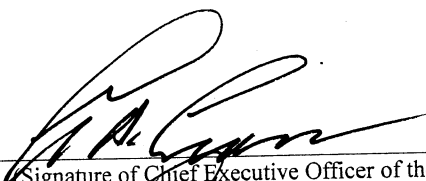
### CERTIFICATION OF ANNUAL REPORT

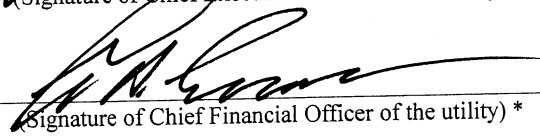
I HEREBY CERTIFY, to the best of my knowledge and belief:

- |  |                                |  |
|--|--------------------------------|--|
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.   |
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br><input checked="" type="checkbox"/> | NO<br><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 the financial statement of the utility.  |
| YES<br><input checked="" type="checkbox"/> | NO<br><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 the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified			
1.	2.	3.	4.
X	X	X	X

1.	2.	3.	4.
X	X	X	X

  
 \_\_\_\_\_  
 (Signature of Chief Executive Officer of the utility) \*

  
 \_\_\_\_\_  
 (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.

**ANNUAL REPORT OF**

<b>YEAR OF REPORT</b> December 31, 2004
--

Water Management Services, Inc.  
 (Exact Name of Utility)

County: Franklin

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

3848 Killearn Court  
Tallahassee, FL 32308

Telephone: (850)668-0440

E Mail Address: wmsi@istal.com

WEB Site: www.wmsistgeorge.com

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:

Gene D. Brown  
3848 Killearn Court  
Tallahassee, FL 32309

Telephone: (850)668-6103

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

3848 Killearn Court  
Tallahassee, FL 32309

Telephone: (850)668-0440

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

None

Date of original organization of the utility: \_\_\_\_\_ 03/03/1978

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% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	<u>St. George Island Utility Co., Ltd.</u>	<u>85%</u>
2.	<u>Sandra M. Chase</u>	<u>10%</u>
3.	<u>T. E. Bronson</u>	<u>5%</u>
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**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
Gene D. Brown	President	General Manager	General Business Legal
Sandra M. Chase		Assistant General Manager	General Business
Hank Garrett		Operations Manager	General Business
Kenneth A. Hoffman Rutledge, Ecenia, Purnell & Hoffman, P.A. P.O. Box 551 Tallahassee, FL 32303 (850)681-6788	Attorney		Regulatory Matters
Barbara S. Withers 3035 N. Meridian Rd. Tallahassee, FL 32312 (850)893-4080	CPA		Accounting and Tax
Frank Seidman Management & Regulatory Consultants, Inc. P. O. Box 13427 Tallahassee, FL 32317 (850) 877-0673	Consultant		Regulatory Matters
Les Thomas, P.E. 4049 McLeod Drive Tallahassee, FL 32302 (850)562-1810	Engineer		Engineering

(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.

**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.

St. George Island Utility Company, Ltd. was certificated on March 31, 1978 to provide water service to St. George Island, which is a barrier island located in the Gulf of Mexico in Franklin County, Florida. The island is connected to the mainland at Eastpoint, Florida by a new bridge. The company's four wells are located on the mainland. The water is piped to the island through a 12" pipe attached to the bridge. The company has a treatment system, ground storage tank and elevated storage located in the center of the island. The water is distributed to customers from that location.

The island population fluctuates widely because it is a vacation/resort area. Accordingly, there are peak demands during summer and other holiday periods, with lower demand the remainder of the year.

The company is continuing to expand and improve production capacities to accommodate peak periods and future growth. Growth is anticipated at the rate of approximately 60 new customers per year. The company has sufficient capacity to meet all current demands. The company is now looking for an acceptable site for construction of a fifth well as part of its long range planning, and to accomodate the continuing growth of St. George Island.

On May 1, 1997, St. George Island Utility Company, Ltd. was reorganized into Water Management Services, Inc., a Florida corporation. All of the operating assets were transferred as of that date and Water Management Services, Inc. has continued to provide the same level of service with the same personnel as before the reorganization.

On May 5, 1999, WMSI was formally notified by the Florida Department of Transportation (FDOT) of its intent to abandon the existing bridge from the mainland to St. George Island and replace it with a new bridge. WMSI was required to abandon its existing water mains that were attached to the old bridge and construct a new main on the new bridge as well as the mains and appurtenances necessary to connect the main to the wells on the mainland and to the treatment and storage facilities on the island. In this regard, WMSI filed a Petition for Limited Proceeding on June 6, 2000 to increase its rates to recover the cost of financing the approximately \$6 million in new investment. In an effort to reduce the revenue impact of this major project, WMSI obtained low cost financing through the State's Revolving Trust Fund. Also, WMSI filed a lawsuit against FDOT seeking compensation from FDOT via inverse condemnation for the taking of its exiting water main. Trial of that inverse condemnation case was held August 8 & 9, 2002, resulting in a judgment in favor of FDOT on all counts. This judgment was affirmed on appeal. The new water line was placed in service in early 2004. In April, 2004, WMSI completed the construction of approximately 34,000 feet of new 6" and 8" distribution lines and various plant improvements designed to provide fire protection for the company's customers on St. George Island.



**PARENT / AFFILIATE ORGANIZATION CHART**

Current as of \_\_\_\_\_

December 31, 2004

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

<p>St. George Island Utility Company, Ltd. Stockholder</p> <p>Gene D. Brown, P.A. Legal Counsel</p>
---

**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 THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Gene D. Brown	President	95%	\$ 102,010

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
Gene D. Brown	President	0	\$ 0

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

List all contracts, agreements, or 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)
Gene D. Brown	Legal, Expensed	\$ 44,000	Gene D. Brown, P.A. 3848 Killearn Ct. Tallahassee, FL 32309

\* 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.

**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, list the principle occupation or business 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)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Gene D. Brown	Officer/Director	Legal Services	Gene D. Brown, P.A.
Gene D. Brown	Officer/Director of General Partner	President of Corporate General Partners of General Partner	St. George Isl. Utility Co, Ltd
Gene D. Brown	Officer/Director of General Partner	President of Corporate General Partners	Leisure Properties, Ltd.
Gene D. Brown	Officer/Director	President	St. George's Plantation, Inc.
Gene D. Brown	Officer/Director	President	Leisure Development Services, Inc.
Gene D. Brown	Officer/Director	President	Land in Fla., Inc.
Gene D. Brown	Officer/Director	President	Buyers Power, Inc.
			All above located at 3848 Killearn Ct. Tallahassee, FL 32309



**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any on 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, and 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:
  - management, legal and accounting services
  - computer services
  - engineering & construction services
  - repairing and servicing of equipment
  - 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 (S)old (d)	AMOUNT (e)
Gene D. Brown, P.A.	Legal Services	January 1, 2004 through December 31, 2004		\$ 44,000

**UTILITY NAME:** Water Management Services, Inc.

**BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)**

**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
  - write-off 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 reported. (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)
NOT APPLICABLE		\$	\$	\$	\$

**FINANCIAL  
SECTION**



**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 9,653,128	\$ 9,586,108
108-110	Less: Accumulated Depreciation and Amortization	F-8	2,014,885	2,098,085
Net Plant			\$ 7,638,243	\$ 7,488,023
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 7,638,243	\$ 7,488,023
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9	\$ 477,400	\$ 858,173
122	Less: Accumulated Depreciation and Amortization		(47,155)	(47,155)
Net Nonutility Property			\$ 430,245	\$ 811,018
123	Investment In Associated Companies	F-10		110,532
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$ 430,245	\$ 921,551
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		\$ (12,900)	\$ (13,839)
132	Special Deposits	F-9	194,700	198,184
133	Other Special Deposits	F-9	0	
134	Working Funds			200
135	Temporary Cash Investments		259,443	264,042
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	103,859	114,949
145	Accounts Receivable from Associated Companies	F-12	240,306	
146	Notes Receivable from Associated Companies	F-12	0	
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments		23,965	33,431
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			\$ 809,374	\$ 596,968

\* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$ 202,084	\$ 201,681
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185 *	Temporary Facilities			
186	Misc. Deferred Debits	F-14	52,516	201,458
187 *	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits			\$ 254,601	\$ 403,138
<b>TOTAL ASSETS AND OTHER DEBITS</b>			<b>\$ 9,132,461</b>	<b>\$ 9,409,681</b>

\* 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)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 10,000	\$ 10,000
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		(488,548)	(488,548)
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(845,621)	(770,649)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ (1,324,169)	\$ (1,249,197)
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	0	0
224	Other Long Term Debt	F-17	7,393,261	7,766,099
Total Long Term Debt			\$ 7,393,261	\$ 7,766,099
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		448,547	194,732
232	Notes Payable	F-18	378,542	428,542
233	Accounts Payable to Associated Companies	F-18	0	0
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		35,535	38,020
236	Accrued Taxes		65,265	68,509
237	Accrued Interest	F-19	25,796	38,046
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	340	1,900
Total Current & Accrued Liabilities			\$ 954,023	\$ 769,748

\* Not Applicable for Class B Utilities

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	29,587	26,287
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		_____	_____
Total Deferred Credits			\$ <u>29,587</u>	\$ <u>26,287</u>
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____	\$ _____
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	\$ 2,941,251	\$ 3,040,601
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(861,492)	(943,858)
Total Net C.I.A.C.			\$ <u>2,079,758</u>	\$ <u>2,096,743</u>
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		_____	_____
Total Accumulated Deferred Income Tax			\$ _____	\$ _____
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			\$ <u>9,132,462</u>	\$ <u>9,409,681</u>

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 1,057,043	\$ 1,419,587
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	(3,438)	(1,964)
Net Operating Revenues			\$ 1,053,605	\$ 1,417,623
401	Operating Expenses	F-3(b)	\$ 742,696	\$ 791,065
403	Depreciation Expense:	F-3(b)	\$ 158,563	\$ 304,608
	Less: Amortization of CIAC	F-22	80,717	82,365
Net Depreciation Expense			\$ 77,846	\$ 222,243
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)	507	18,261
408	Taxes Other Than Income	W/S-3	87,153	112,397
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
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			\$ 908,202	\$ 1,143,966
Net Utility Operating Income			\$ 145,403	\$ 273,656
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	3,438	1,964
413	Income From Utility Plant Leased to Others			
414	Gains (losses) From Disposition of Utility Property			(6,330)
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 148,841	\$ 269,290

\* For each account,  
Column e should  
agree with Columns  
f, g and h  
on F-3(b)

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
1,419,587 <u>(1,964)</u>	\$ _____	\$ _____
\$ 1,417,623	\$ _____	\$ _____
\$ 791,065	\$ _____	\$ _____
304,608 <u>82,365</u>	_____	_____
\$ 222,243	\$ _____	\$ _____
18,261 <u>112,397</u> _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____
\$ 1,143,966	\$ _____	\$ _____
\$ 273,656	\$ _____	\$ _____
1,964 <u>(6,330)</u>	_____ _____ _____	_____ _____ _____
\$ 269,290	\$ _____	\$ _____

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

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 148,841	\$ 269,290
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ 566,830	\$ 396,947
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		(470,083)	(265,579)
419	Interest and Dividend Income		5,462	7,079
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses		(499)	(3,104)
Total Other Income and Deductions			\$ 101,710	\$ 135,344
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income		\$ _____	\$ _____
409.20	Income Taxes		_____	_____
410.20	Provision for Deferred Income Taxes		_____	_____
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			\$ _____	\$ _____
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	\$ 0	\$ 310,516
428	Amortization of Debt Discount & Expense	F-13	267,391	15,080
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 267,391	\$ 325,597
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ _____	\$ _____
<b>NET INCOME</b>			<u>\$ (16,840)</u>	<u>\$ 79,037</u>

Explain Extraordinary Income:

---



---



---



---

**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 (incl. CWIP - see Note (4))	F-7	\$ 9,586,108	\$
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	2,098,085	
110	Accumulated Amortization	F-8		
271	Contributions In Aid of Construction	F-22	3,040,601	
252	Advances for Construction	F-20	26,287	
Subtotal			\$ 4,421,135	\$
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	943,858	
Subtotal			\$ 5,364,993	\$
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		98,883	
	Other (Specify):			
	_____			
	_____			
	_____			
RATE BASE			\$ 5,463,876	\$
NET UTILITY OPERATING INCOME			\$ 273,656	\$
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			5.01%	

**NOTES :**

- (1) Estimate based on the methodology used in the last rate proceeding.
- (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.
- (4) \$4.307 million in CWIP, which is costs related to bridge construction, is included in rate base. It was placed in service in early 2004. It was included because the 3.95% average cost of capital for 2003, against which the achieved rate of return is measured, already includes the low cost DEP loans used to finance the construction. If the CWIP is not included, but the capital costs of financing it is included, the achieved rate of return would be overstated.



**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	\$ 0		11.34%	
Preferred Stock				
Long & Short Term Debt	5,425,856	99.30%	4.15%	4.12%
Customer Deposits	38,020	0.70%	8.00%	0.06%
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
<b>Total</b>	\$ <u>5,463,876</u>	<u>100.00%</u>		<u>4.18%</u>

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

NOTE: Debt cost calculated based on EOY interest exp. applied to EOY balances

(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**

Equity:	<u>11.34%</u>
Equity:	<u>PSC-94-1383-FOF-WU</u>

**APPROVED AFUDC RATE**

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

DC rate:	<u>                    %</u>
DC rate:	<u>                    </u>

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.

UTILITY NAME: Water Management Services, Inc.

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (I) ADJUSTMENTS SPECIFIC (e)	OTHER (I) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE (g)
Common Equity	\$ (1,249,197)	\$	\$	\$ 1,249,197	\$	\$
Preferred Stock						
Long & Short Term Debt	8,194,641				(2,768,785)	5,425,856
Customer Deposits	38,020					38,020
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Inc. Taxes						
Other (Explain)						
<b>Total</b>	<b>\$ 6,983,463</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,249,197</b>	<b>\$ (2,768,785)</b>	<b>\$ 5,463,876</b>

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

Column (b) - Year end balances

Column (e) - Equity is negative, set to zero.

Column (f) - Hold customer deposits constant and reconcile to rate base as shown on Schedule F-4

**UTILITY PLANT  
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 9,586,108	\$ _____	\$ _____	\$ 9,586,108
102	Utility Plant Leased to Other	_____	_____	_____	_____
103	Property Held for Future Use	_____	_____	_____	_____
104	Utility Plant Purchased or Sold	_____	_____	_____	_____
105	Construction Work in Progress	0	_____	_____	_____
106	Completed Construction Not Classified	_____	_____	_____	_____
	Total Utility Plant	\$ <u>9,586,108</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>9,586,108</u>

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

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Plant Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Net Acquisition Adjustments	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>N/A</u>

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b>				
Account 108				
Balance first of year	\$ 2,014,885	\$	\$	\$ 2,014,885
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 304,608	\$	\$	\$ 304,608
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify): Corrections Adj. accrued depr. See Sch W-6(b)	4,066			4,066
<b>Total Credits</b>	\$ 308,673	\$	\$	\$ 308,673
Debits during year:				
Book cost of plant retired	(225,474)			(225,474)
Cost of Removal ( disposal by sale, net)	0			
Other Debits (specify):				
<b>Total Debits</b>	\$ (225,474)	\$	\$	\$ (225,474)
Balance end of year	\$ <u>2,098,085</u>	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>2,098,085</u>
<b>ACCUMULATED AMORTIZATION</b>				
Account 110				
Balance first of year	\$	\$	\$	\$
Credit during year:				
Accruals charged to:				
Account 110.2 (2)				
Other Accounts (specify):				
<b>Total credits</b>	\$	\$	\$	\$
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
<b>Total Debits</b>	\$	\$	\$	\$
Balance end of year	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>

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

UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
December 31, 2004

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
N/A	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
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)
Disallowed Investment in Plant	\$ 430,245	\$ 427,928	\$ _____	\$ 858,173
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Nonutility Property	\$ 430,245	\$ 427,928	\$ _____	\$ 858,173

**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): Cash in Reserve - DEP (Special)	\$ 198,184
_____	_____
_____	_____
Total Special Deposits	\$ 198,184
OTHER SPECIAL DEPOSITS (Account 133): _____	\$ _____
_____	_____
_____	_____
Total Other Special Deposits	\$ _____

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**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): <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ <u>110,532</u> _____ _____ _____ _____
Total Investment in Associated Companies		\$ <u>110,532</u>
UTILITY INVESTMENTS (Account 124): N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	_____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Special Funds		\$ _____

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**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  
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 129,142	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 129,142
OTHER ACCOUNTS RECEIVABLE ( Account 142):		
_____	\$ 2,907	
_____		
_____		
Total Other Accounts Receivable		\$ 2,907
NOTES RECEIVABLE (Account 144 ):		
Notes Receivable	\$ _____	
_____		
_____		
Total Notes Receivable		\$ _____
Total Accounts and Notes Receivable		\$ 132,049
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS ( Account 143 )		
Balance first of year	\$ 14,370	
Add: Provision for uncollectibles for current year	\$ 2,730	
Collection of accounts previously written off		
Utility Accounts		
Others		
Total Additions	\$ 2,730	
Deduct accounts written off during year:		
Utility Accounts		
Others		
Total accounts written off	\$ 0	
Balance end of year		\$ 17,100
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET</b>		<b>\$ 114,949</b>

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 145**

Report each account receivable from associated companies separately.

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

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
N/A	%	\$ _____
	%	
	%	
	%	
	%	
	%	
	%	
	%	
Total		\$ _____

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS  
ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
N/A	\$ _____
Total Miscellaneous Current and Accrued Liabilities	\$ _____



**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT  
ACCOUNTS 181 AND 251**

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):		
DEP SRF Loan	\$ 5,904	\$ 100,364
SRF Associated Fees	1,143	19,429
GSB - Construction Loan	(1,674)	5,708
GSB - Working Capital	3,477	38
FMB - Mortgage Loan	33	50
Citizen's Bank of Perry	4,809	75,744
GSB - GMC Truck	29	16
FMB - GMC Truck	35	38
FMB - Backhoe	240	292.84
Total Unamortized Debt Discount and Expense	\$ <u>13,996</u>	\$ <u>201,681</u>
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)
N/A	\$ _____
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ _____

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**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)		
186.05 Deferred Limited Proceeding	\$ _____	\$ 74,423
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Deferred Rate Case Expense	\$ _____	\$ 74,423
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
186.10 Deferred loss on property disposal	\$ _____	\$ 507
186.20 Deferred loss on Bridge Supply Main		126,527
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Debits	\$ _____	\$ 127,034
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Assets	\$ _____	\$ _____
<b>TOTAL MISCELLANEOUS DEFERRED DEBITS</b>	\$ _____	\$ 201,458

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
<b>COMMON STOCK</b>		
Par or stated value per share	%\$	\$0.10
Shares authorized		100,000
Shares issued and outstanding		100,000
Total par value of stock issued	%\$	10,000
Dividends declared per share for year	%\$	0
<b>PREFERRED STOCK</b>		
Par or stated value per share	%\$	
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	%\$	
Dividends declared per share for year	%\$	

\* 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.)

**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	\$ (845,621)
439	Changes to Account: Adjustments to Retained Earnings ( requires Commission approval prior to use): Credits: _____	\$ _____
	Total Credits:	\$ _____
	Debits: Corrections to Accum. Depreciation associated with reclassifications	\$ (4,066)
	Total Debits:	\$ (4,066)
435	Balance Transferred from Income	\$ 79,037
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	\$ _____
215	Year end Balance	\$ _____
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____	_____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ <u>(770,649)</u>
Notes to Statement of Retained Earnings:		

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**ADVANCES FROM ASSOCIATED COMPANIES  
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$ 0
Total	\$ 0

**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)	
N/P - Wachovia (GMC)	8.50%	Fixed	\$ 0
N/P - GSB (GMC)	8.90%	Fixed	0
N/P - Envision GMC Loan	5.25%	Fixed	32,597
N/P - FMB (GMC)	8.75%	Fixed	1,364
N/P - GSB Construction Loan	7.25/7.75%	Fixed	330,560
N/P - DEP [2 part loan]	2.93/3.05%	Fixed	5,645,883
N/P - Bank of Perry	5.00/5.50/6.25%	Prime + 1%	1,628,787
N/P - FMB Backhoe	8.00%	Fixed	41,700
N/P - FMB Mortgage	4.50/4.75/5.00%	WSJ Prime +.5%	85,208
Total			\$ 7,766,099

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

UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
December 31, 2004

**NOTES PAYABLE  
ACCOUNTS 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/P - Wachovia (GMC)	8.50%	Fixed	0
N/P - GSB (GMC)	8.90%	Fixed	3,978
N/P - Envision GMC Loan	5.25%	Fixed	5,889
N/P - FMB (GMC)	8.75%	Fixed	7,578
N/P - GSB Construction Loan	7.25/7.75%	Fixed	60,944
N/P - DEP [2 part loan]	2.93/3.05%	Fixed	251,976
N/P - Bank of Perry	5.00/5.50/6.25%	Prime + 1%	60,537
N/P - GSB RAF Working Cap.	8.00%	Fixed	8,338
N/P - FMB Backhoe	8.00%	Fixed	23,580
N/P - FMB Mortgage	4.50/4.75/5.00%	WSJ Prime +.5%	5,722
Total Account 232			\$ <u>428,542</u>
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
N/A	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ <u>0</u>

\* 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)
N/A	\$
Total	\$ <u>0</u>

UTILITY NAME: Water Management Services, Inc.

ACCRUED INTEREST AND EXPENSE  
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (c)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (e)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Bank of Perry (237.15)	\$ 2,675	427.2,3	89,432	\$ 81,138	\$ 10,969
Envision CU - GMC (237.34)	0	427.2,3	793	703	90
GSB - Working Capital (237.35)	0	427.2,3	1,550	1,494	56
GSB (GMC) (237.36)	66	427.2,3	639	680	26
Wachovia (GMC) (237.37)	84	427.2,3	523	607	0
FMB (GMC) (237.39)	102	427.2,3	1,098	1,143	57
FMB - Mortgage (237.40)	316	427.2,3	4,661	4,605	373
DEP - SRF (237.6)	20,622	427.0	175,234	173,630	22,225
FMB - Backhoe (237.41)	0	427.2,3	4,441	4,066	375
GSB - Construction (237.65)	1931.85	427.2,3	23,485	21,540	3,877
Total Account 237.1	\$ 25,796		\$ 301,856	\$ 289,606	\$ 38,046
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits	0	427.4	1,963 *	1,963	0
Vendors	0	427.5	6,882 *	6,882	0
Amortization of Loan Fees	0	428.4	15,080 *	15,080	0
Adjustment - Refund on GSB Constr. Loan		427.3			
Note: Items marked with an * were expensed but not accrued. They are included only to show the total interest expensed in Acct. 427.					
Total Account 237.2	\$ 0		\$ 23,926	\$ 23,926	\$ 0
Total Account 237 (1)	\$ 25,796		\$ 325,782	\$ 313,532	\$ 38,046
INTEREST EXPENSED:					
Total accrual Account 237.1		237.1	301,856		(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.
Less Capitalized Interest Portion of AFUDC:			0		
Adjustment - Refund on GSB Constr. Loan		427.3	(185)		(2) Must agree to F-3 (c), Current Year Interest Expense
Net Interest Expensed to Account No. 427 (2)			\$ 325,597		

**UTILITY NAME:** Water Management Services, Inc.

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES  
ACCOUNT 241**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
A/P - 401K	\$ 0
Unearned Income - Nextel Lease Payment	1,900
Total Miscellaneous Current and Accrued Liabilities	1,900

**ADVANCES FOR CONSTRUCTION  
ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
Fla. Dept. of Environmental Protection	\$ 29,587	\$		3,300	\$ 26,287
Total	\$ 29,587	\$		3,300	\$ 26,287

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



UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**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):		
N/A	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
N/A	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____	\$ _____
<b>TOTAL OTHER DEFERRED CREDITS</b>	\$ _____	\$ _____

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 2,941,250	\$ _____	\$ _____	\$ 2,941,250
Add credits during year:	\$ 99,351	\$ _____	\$ _____	\$ 99,351
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ 3,040,601	\$ _____	\$ _____	\$ 3,040,601

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

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 861,493	\$ _____	\$ _____	\$ 861,493
Debits during the year:	\$ 82,365	\$ _____	\$ _____	\$ 82,365
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 943,858	\$ _____	\$ _____	\$ 943,858

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

**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 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 computations 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, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 79,037
Reconciling items for the year:		
Taxable income not reported on books:		
<u>Net additions to CIAC</u>	F-22	<u>16,986</u>
Deductions recorded on books not deducted for return:		
<u>Penalties and Interest</u>	F-3(c)	<u>3,104</u>
<u>Life Insurance, key man</u>	W-10	<u>12,376</u>
Income recorded on books not included in return:		
<u>Interest Income</u>	F-3(c)	
Deduction on return not charged against book income:		
_____		
_____		
_____		
Federal tax net income		\$ <u>111,503</u>

Computation of tax : No Tax Due because of Net Operating Loss Carry Forwards from prior years.

**WATER  
OPERATION  
SECTION**



UTILITY NAME:

Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

SYSTEM NAME / COUNTY :

Franklin

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service (incl. CWIP - see Note (4))	W-4(b)	\$ 9,586,108
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	2,098,085
110	Accumulated Amortization		
271	Contributions In Aid of Construction	W-7	3,040,601
252	Advances for Construction	F-20	26,287
Subtotal			\$ 4,421,135
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 943,858
Subtotal			\$ 5,364,993
114	Plus or Minus: Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		98,883
	Other (Specify):		
WATER RATE BASE			\$ 5,463,876
WATER OPERATING INCOME		W-3	\$ 273,656
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			<u>5.01%</u>

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (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.
- (4) \$4.307 million in CWIP, which is costs related to bridge construction, is included in rate base. It was placed in service in early 2004. It was included because the 3.95% average cost of capital for 2003, against which the achieved rate of return is measured already includes the low cost DEP loans used to finance the construction. If the CWIP is not included, but the capital costs of financing it is included, the achieved rate of return would be overstated.

UTILITY NAME:

Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

SYSTEM NAME / COUNTY :

Franklin

**WATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
<b>UTILITY OPERATING INCOME</b>			
400	Operating Revenues	W-9	\$ 1,419,587
469	Less: Guaranteed Revenue and AFPI	W-9	(1,964)
Net Operating Revenues			\$ 1,417,623
401	Operating Expenses	W-10(a)	\$ 791,065
403	Depreciation Expense	W-6(a)	304,608
	Less: Amortization of CIAC	W-8(a)	82,365
Net Depreciation Expense			\$ 222,243
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Def. Prop. loss, Acct. 186.1)		18,261
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		63,882
408.11	Property Taxes		21,561
408.12	Payroll Taxes		26,394
408.13	Other Taxes and Licenses		560
408	Total Taxes Other Than Income		\$ 112,397
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ 1,143,966
Utility Operating Income			\$ 273,656
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$ 1,964
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		6,330
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 281,951

YEAR OF REPORT  
December 31, 2004

UTILITY NAME: Water Management Services, Inc.

SYSTEM NAME / COUNTY :

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	ADJ/RECLASS (d1)	RETIREMENTS (e)
301	Organization	\$	\$		\$
302	Franchises				
303	Land and Land Rights	109,581			
304	Structures and Improvements	572,493		(107,943) A,R	
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	406,926	30,275	(32,180) A	
308	Infiltration Galleries and Tunnels				
309	Supply Mains	240,878	4,648,388	129,288 A	(314,709)
310	Power Generation Equipment	111,238		(111) A	
311	Pumping Equipment	157,783	1,650	65,256 A,R	
320	Water Treatment Equipment	64,069	16,419	(9,619) A	
330	Distribution Reservoirs and Standpipes	344,624	18,018	(569) A,R	
331	Transmission and Distribution Mains	2,562,110	165,128	(430,289) A	
333	Services	209,103	5,198	(961) A	
334	Meters and Meter Installations	191,612	2,924	(649) A	
335	Hydrants	119,483	1,839	2,237 A	
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment	0			
340	Office Furniture and Equipment	88,465	11,928	4,767 A	(49,233)
341	Transportation Equipment	120,781	40,407		
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	20,020	4,931		
344	Laboratory Equipment				
345	Power Operated Equipment	26,728	54,323		(16,500)
346	Communication Equipment				
347	Miscellaneous Equipment	0			
348	Other Tangible Plant				
	TOTAL WATER PLANT	\$ 5,345,895	\$ 5,001,428	\$ (380,773)	\$ (380,442)

**NOTE:** Any adjustments made to reclassify property from one account to another must be footnoted.  
 R - Reclass \$118,610 pumps from Acct 304 to Acct 311, \$869,611 and Acct 330, \$48,999.  
 A - PSC Adjustments from Order No. PSC-94-1383-FOF-WU.

W-4(a)  
GROUP \_\_\_\_\_



**YEAR OF REPORT**  
December 31, 2004

**UTILITY NAME:** Water Management Services, Inc.

**SYSTEM NAME / COUNTY :** Franklin

**WATER UTILITY PLANT MATRIX**

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
301	Organization	0					
302	Franchises						
303	Land and Land Rights	109,581		89,430		20,151	
304	Structures and Improvements	464,550		59,926	148,340		256,283
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	405,021		405,021			
308	Infiltration Galleries and Tunnels						
309	Supply Mains	4,703,845		4,703,845			
310	Power Generation Equipment	111,128		111,128			
311	Pumping Equipment	224,689		224,689			
320	Water Treatment Equipment	70,869			70,869		
330	Distribution Reservoirs and Standpipes	362,073				362,073	
331	Transmission and Distribution Mains	2,296,949				2,296,949	
333	Services	213,341				213,341	
334	Meters and Meter Installations	193,888				193,888	
335	Hydrants	123,559				123,559	
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment	0				0	
340	Office Furniture and Equipment	105,160					105,160
341	Transportation Equipment	111,955					111,955
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	24,951					24,951
344	Laboratory Equipment						
345	Power Operated Equipment	64,551					64,551
346	Communication Equipment						
347	Miscellaneous Equipment	0					0
348	Other Tangible Plant						
<b>TOTAL WATER PLANT</b>		<b>9,586,108</b>		<b>5,594,038</b>	<b>219,209</b>	<b>3,209,960</b>	<b>562,900</b>

W-4(b)  
GROUP \_\_\_\_\_

UTILITY NAME: Water Management Services, Inc.

SYSTEM NAME / COUNTY : Franklin

**BASIS FOR WATER 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)
304	Structures and Improvements	33		3.03%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains	35		2.86%
310	Power Generation Equipment	20		5.00%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	22		4.55%
330	Distribution Reservoirs and Standpipes	37		2.70%
331	Transmission and Distribution Mains	43		2.33%
333	Services	40		2.50%
334	Meters and Meter Installations	20		5.00%
335	Hydrants	45		2.22%
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment	25		4.00%
340	Office Furniture and Equipment	15		6.67%
341	Transportation Equipment	6		16.67%
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	16		6.25%
344	Laboratory Equipment			
345	Power Operated Equipment	12		8.33%
346	Communication Equipment			
347	Miscellaneous Equipment	15		6.67%
348	Other Tangible Plant			
Water 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.

**YEAR OF REPORT**  
December 31, 2004

**UTILITY NAME:** Water Management Services, Inc.

**SYSTEM NAME / COUNTY:** Franklin

**ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION**

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 67,496	\$ 18,509		\$ 18,509
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	110,999	19,551		19,551
308	Infiltration Galleries and Tunnels				
309	Supply Mains	155,117	128,572	31,339 A	159,910
310	Power Generation Equipment	44,416	6,561		6,561
311	Pumping Equipment	96,295	11,634		11,634
320	Water Treatment Equipment	27,312	3,300		3,300
330	Distribution Reservoirs and Standpipes	181,604	9,320		9,320
331	Transmission and Distribution Mains	933,767	53,502	(27,273) A	26,229
333	Services	108,030	5,811		5,811
334	Meters and Meter Installations	118,975	10,458		10,458
335	Hydrants	52,824	2,948		2,948
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	34,228	6,298		6,298
341	Transportation Equipment	68,352	20,491		20,491
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	6,572	1,340		1,340
344	Laboratory Equipment				
345	Power Operated Equipment	8,898	6,314		6,314
346	Communication Equipment				
347	Miscellaneous Equipment	0			0
348	Other Tangible Plant				
<b>TOTAL WATER ACCUMULATED DEPRECIATION</b>		\$ 2,014,885	\$ 304,608	\$ 4,066	\$ 308,673

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

A - Corrections associated with reclassifications of plant.  
W-6(a)  
GROUP \_\_\_\_\_

UTILITY NAME: Water Management Services, Inc.

SYSTEM NAME / COUNTY : \_\_\_\_\_

**ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)**

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$	\$ 86,006
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					130,550
307	Wells and Springs					
308	Infiltration Galleries and Tunnels					
309	Supply Mains	(176,001)			(176,001)	139,026
310	Power Generation Equipment					50,976
311	Pumping Equipment					107,929
320	Water Treatment Equipment					30,611
330	Distribution Reservoirs and Standpipes					190,923
331	Transmission and Distribution Mains					959,996
333	Services					113,842
334	Meters and Meter Installations					129,433
335	Hydrants					55,772
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment					40,526
340	Office Furniture and Equipment					49,540
341	Transportation Equipment	(39,303)			(39,303)	
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					7,912
344	Laboratory Equipment					
345	Power Operated Equipment	(10,170)			(10,170)	5,042
346	Communication Equipment					
347	Miscellaneous Equipment					
348	Other Tangible Plant					
<b>TOTAL WATER ACCUMULATED DEPRECIATION</b>		\$ (225,474)	\$	\$	\$ (225,474)	\$ 2,098,085

W-6(b)  
GROUP \_\_\_\_\_







UTILITY NAME:

Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

SYSTEM NAME / COUNTY : \_\_\_\_\_

**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue	0	0	\$
461.1	Metered Water Revenue: Sales to Residential Customers	1,658	1,692	1,219,168
461.2	Sales to Commercial Customers	70	82	119,706
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities	2	2	66,958
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		1,730	1,776	\$ 1,405,832
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
Total Fire Protection Revenue				\$
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		1,730	1,776	\$ 1,405,832
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ 1,964
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			4,936
472	Rents From Water Property			6,855
473	Interdepartmental Rents			
474	Other Water Revenues			
Total Other Water Revenues				\$ 13,755
Total Water Operating Revenues				\$ 1,419,587

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.  
 Classification of Y/E 2000 restated to be consistent with Y/E 2001 classifications



UTILITY NAME:

Water Management Services, Inc.

SYSTEM NAME / COUNTY :

Franklin

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 253,257	\$ 10,421	\$ 7,084
603	Salaries and Wages - Officers, Directors and Majority Stockholders	99,126	0	
604	Employee Pensions and Benefits	42,301	1,226	1,019
610	Purchased Water			
615	Purchased Power	45,480	22,939	
616	Fuel for Power Purchased	1,119	1,119	
618	Chemicals	8,949		
620	Materials and Supplies	15,197	234	2,339
631	Contractual Services-Engineering	38,870	23,322	
632	Contractual Services - Accounting	12,511		
633	Contractual Services - Legal	44,000		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	2,303	1,152	
636	Contractual Services - Other	22,341		
641	Rental of Building/Real Property	1,213		
642	Rental of Equipment	17,515		
650	Transportation Expenses	34,219	3,563	3,563
656	Insurance - Vehicle			
657	Insurance - General Liability	28,300		
658	Insurance - Workman's Comp.	8,550	352	239
659	Insurance - Other	15,873		
660	Advertising Expense	204		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	2,730		
675	Miscellaneous Expenses	97,005	2,748	1,586
Total Water Utility Expenses		\$ 791,065	\$ 67,075	\$ 15,830

UTILITY NAME: Water Management Services, Inc.  
SYSTEM NAME / COUNTY : \_\_\_\_\_

**WATER EXPENSE ACCOUNT MATRIX**

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ 7,816	\$ 4,809	\$ 33,867	\$ 23,830	\$ 76,989	\$ 88,443
919	789	3,983	4,264	10,866	99,126
		22,541			19,236
8,949					
234	702	234	5,613	2,629	3,214
7,774		7,774			12,511
					44,000
1,152			1,740		20,601
			2,125		1,213
3,563	3,563	3,563	3,563	6,419	15,390
					6,419
264	162	1,143	805	2,599	28,300
					2,986
					15,873
					204
				2,730	
2,061	4,007	8,930	32,963	7,945	36,764
\$ 32,731	\$ 14,032	\$ 82,036	\$ 74,903	\$ 110,178	\$ 394,280

UTILITY NAME:

Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

SYSTEM NAME / COUNTY :

Franklin

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE ( Omit 000's ) (b)	FINISHED WATER PUMPED FROM WELLS ( Omit 000's ) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED ( Omit 000's ) [ (b)+(c)-(d) ] (e)	WATER SOLD TO CUSTOMERS ( Omit 000's ) (f)
January	0	14,034	842	13,192	10,961
February	0	11,969	861	11,108	9,144
March	0	16,388	819	15,569	11,021
April	0	18,745	843	17,902	19,819
May	0	21,150	867	20,283	15,443
June	0	25,472	467	25,005	21,949
July	0	27,770	971	26,799	26,288
August	0	21,561	819	20,742	17,981
September	0	17,806	730	17,076	13,398
October	0	18,279	786	17,493	18,293
November	0	16,282	830	15,452	10,837
December	0	14,927	731	14,196	15,206
<b>Total for Year</b>	<b>0</b>	<b>224,383</b>	<b>9,566</b>	<b>214,817</b>	<b>190,340</b>

If water is purchased for resale, indicate the following:

Vendor N/A

Point of delivery \_\_\_\_\_

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

N/A

List for each source of supply:	24 Hour CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well No. 1 (1975)	360,000 gpd	360,000	Floridan Aquifer
Well No. 2 (1985)	360,000 gpd	360,000	Floridan Aquifer
Well No. 3 (1993)	720,000 gpd	720,000	Floridan Aquifer
Well No. 4 (2000)	720,000 gpd	720,000	Floridan Aquifer
		<b>2,160,000</b>	

UTILITY NAME: Water Management Services, Inc.

SYSTEM NAME / COUNTY : Franklin

**WATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>1,100,000</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Storage Tank</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>Aeration and Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon):	Manufacturer: _____
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet):	Manufacturer: _____
Gravity (in GPM/square feet):	Manufacturer: _____

UTILITY NAME:

Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2004
--

SYSTEM NAME / COUNTY :

Franklin

**CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS**

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	1,718	1,718
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5	42	105
1 1/2"	Displacement or Turbine	5.0	3	15
2"	Displacement, Compound or Turbine	8.0	8	64
3"	Displacement	15.0		
3"	Compound	16.0	2	32
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	1	25
4"	Turbine	30.0		
6"	Displacement or Compound	50.0	2	100
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
			1,776	
Total Water System Meter Equivalents				<u>2,059</u>

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one water 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:  
 $ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$

ERC Calculation:

$$190,339,740 \text{ total gallons} / 365/350 \text{ GPD/ERC} = 1,490 \text{ ERCs}$$

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's \* the system can efficiently serve. \_\_\_\_\_ 4,111 \*\*

2. Maximum number of ERCs \* which can be served. \_\_\_\_\_ 4,111 \*\*

3. Present system connection capacity (in ERCs \*) using existing lines. \_\_\_\_\_ 4,111 \*\*

4. Future connection capacity (in ERCs \*) upon service area buildout. \_\_\_\_\_ 6,000 (est.)

5. Estimated annual increase in ERCs \*. \_\_\_\_\_ 70

6. Is the utility required to have fire flow capacity? \_\_\_\_\_ No  
If so, how much capacity is required? \_\_\_\_\_

7. Attach a description of the fire fighting facilities - Storage, pumping, looped mains.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. \_\_\_\_\_  
Construction of new well no. 5; installation of high pressure in-line pumps on east and west extremities of distribution system. Estimated in service date: 12/31/05.

---

9. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_ September 24, 1999

10. 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? \_\_\_\_\_

c. When will construction begin? \_\_\_\_\_

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? \_\_\_\_\_

11. Department of Environmental Protection ID # \_\_\_\_\_ 1190789

12. Water Management District Consumptive Use Permit # \_\_\_\_\_ 830074

a. Is the system in compliance with the requirements of the CUP? \_\_\_\_\_ Yes

b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_ Not applicable

---



---

\* An ERC is determined based on the calculation on the bottom of Page W-13.

\*\* - based on engineer's analysis of physical components of system.

# **WASTEWATER OPERATION SECTION**

This is a water only utility.