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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WS551-02-AR
Damon Utilities, Inc.
47 Lake Damon Drive
Avon Park, FL 33825-8902

499-W 433-S
Certificate Number(s)

Submitted To The

STATE OF FLORIDA

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
03 MAR 27 PM 1:09
DIVISION OF
ECONOMIC REGULATION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

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)

FINANCIAL SECTION

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
Other Water System Information	W-6
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
Other Wastewater System Information	S-5
VERIFICATION SECTION	PAGE
Verification	V-1

REPORT OF

DAMON UTILITIES, INC.
(EXACT NAME OF UTILITY)

47 LAKE DAMON DRIVE AVON PARK, FLORIDA 33825-8902 Mailing Address	47 LAKE DAMON DRIVE AVON PARK, FLORIDA 33825-8902 Street Address County
Telephone Number (863) 453-0773	Date Utility First Organized 01/23/86
Fax Number (863) 453-7269	E-mail Address rivgrn@strato.net
Sunshine State One-Call of Florida, Inc. Member No. DU1055	

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: Same As Above

Name of subdivisions where services are provided: River Greens Golf Course Area and Casa Del Lago Condominiums

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Judy Fusani</u>	<u>Bookkeeper</u>	<u>47 Lake Damon Drive Avon Park, FL 33825</u>	\$ <u>0</u>
Person who prepared this report: <u>Judy Fusani</u>	<u>Bookkeeper</u>	<u>47 Lake Damon Drive Avon Park, FL 33825</u>	\$ <u>0</u>
Officers and Managers: <u>J. A. Harstine</u>	<u>President</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
<u>Rodney A. Davis</u>	<u>Secretary/Treasurer</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
<u>George Davis</u>	<u>Vice President</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</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>J. A. Harstine</u>	<u>33 1/3</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
<u>Rodney A. Davis</u>	<u>33 1/3</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
<u>George Davis</u>	<u>33 1/3</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 41,366	\$ 27,738	\$ _____	\$ 69,104
Commercial_____		519	1,650	_____	2,169
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues____		_____	_____	_____	0
Other (Specify)		_____	_____	_____	450
Reconnection Fees_____		390	60	_____	_____
Total Gross Revenue____		\$ 42,275	\$ 29,448	\$ _____	\$ 71,723
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 28,209	\$ 20,696	\$ _____	\$ 48,905
Depreciation Expense_____	F-5	5,372	7,804	_____	13,176
CIAC Amortization Expense_	F-8	(2,295)	(2,212)	_____	(4,507)
Taxes Other Than Income__	F-7	3,539	1,507	_____	5,046
Income Taxes_____	F-7	0	0	_____	0
Total Operating Expense		\$ 34,825	\$ 27,795	\$ _____	\$ 62,620
Net Operating Income (Loss)		\$ 7,450	\$ 1,653	\$ _____	\$ 9,103
Other Income:					
Nonutility Income_____		\$ 0	\$ 0	\$ _____	\$ 0
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ 0	\$ 0	\$ _____	\$ 0
Interest Expense_____		_____	_____	_____	_____
Bank Loan		5,419	602	_____	6,021
_____		_____	_____	_____	0
_____		_____	_____	_____	_____
Net Income (Loss)		\$ 2,031	\$ 1,051	\$ _____	\$ 3,082

UTILITY NAME: Damon Utilities, 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 (101)_____	\$ <u>128,927</u>	\$ <u>223,171</u>	\$ <u>0</u>	\$ <u>352,098</u>
Construction Work in Progress (105)_____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant_____	\$ <u><u>128,927</u></u>	\$ <u><u>223,171</u></u>	\$ <u><u>0</u></u>	\$ <u><u>352,098</u></u>

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

Account 108	Water	Wastewater	A/D & CIAC AM. Other Than Reporting Systems	Total
Balance First of Year_____	\$ <u>58,259</u>	\$ <u>133,698</u>	\$ _____	\$ <u>191,957</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account____	\$ <u>5,372</u>	\$ <u>7,804</u>	\$ _____	\$ <u>13,176</u>
Salvage_____	_____	_____	_____	_____
Other Credits (specify)____	_____	_____	_____	_____
_____	_____	_____	_____	0
Total Credits_____	\$ <u><u>5,372</u></u>	\$ <u><u>7,804</u></u>	\$ _____	\$ <u><u>13,176</u></u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired_____	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Cost of removal_____	_____	_____	_____	_____
Other debits (specify)	_____	_____	_____	_____
Adjustment from Yr 2001	_____	_____	_____	0
Total Debits_____	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ _____	\$ <u><u>0</u></u>
Balance End of Year_____	\$ <u><u>63,631</u></u>	\$ <u><u>141,502</u></u>	\$ _____	\$ <u><u>205,133</u></u>

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share_____	\$1.00	N/A
Shares authorized_____	600	
Shares issued and outstanding_____	600	
Total par value of stock issued_____	\$600.00	
Dividends declared per share for year_____	0	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year_____	\$ _____	\$ (23,731)
Changes during the year (Specify):		
Adjustments_____		9,965

Balance end of year_____	\$ _____	\$ (13,766)

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year_____ N/A_____	\$ _____	\$ _____
Changes during the year (Specify):		

Balance end of year_____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Highlands Independent Bank (Variable Rate)	9.75	108	\$ 71,287

Total_____			\$ 71,287

UTILITY NAME: Damon Utilities, 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_____	\$ 55,180	\$ 63,331	\$ 118,511
2) Add credits during year_____	775	465	1,240
3) Total_____	\$ 55,955	\$ 63,796	\$ 119,751
4) Deduct charges during the year_____			
5) Balance end of year_____	55,955	63,796	119,751
6) Less Accumulated Amortization_____	27,170	22,369	49,539
7) Net CIAC_____	\$ 28,785	\$ 41,427	\$ 70,212

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	
Meter Installation	5	\$ 155	
Sewer Connection	1	465	

Total Credits During Year (Must agree with line # 2 above.)_____			\$ 775
			\$ 465

ACCUMULATED AMORTIZATION OF CIAC

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Balance First of Year_____	\$ 24,875	\$ 20,157	\$ 45,032
Add Credits During Year:_____	2,295	2,212	4,507
Deduct Debits During Year:_____			
Balance End of Year (Must agree with line #6 above.)	\$ 27,170	\$ 22,369	\$ 49,539

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

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

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> %		<u>N/A</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 approving AFUDC rate:	_____

WATER
OPERATING
SECTION

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ 5,658	\$ _____	\$ _____	\$ 5,658
302	Franchises_____	_____	_____	_____	_____
303	Land and Land Rights_____	_____	_____	_____	_____
304	Structures and Improvements_	4,248	_____	_____	4,248
305	Collecting and Impounding Reservoirs_____	_____	_____	_____	_____
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	6,285	_____	_____	6,285
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	1,126	_____	_____	1,126
310	Power Generation Equipment_	10,703	_____	_____	10,703
311	Pumping Equipment_____	8,032	_____	_____	8,032
320	Water Treatment Equipment_	10,105	_____	_____	10,105
330	Distribution Reservoirs and Standpipes_____	_____	_____	_____	_____
331	Transmission and Distribution Lines_____	54,286	_____	_____	54,286
333	Services_____	_____	_____	_____	_____
334	Meters and Meter Installations_____	24,185	789	_____	24,974
335	Hydrants_____	_____	_____	_____	_____
336	Backflow Prevention Devices_	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_	_____	_____	_____	_____
340	Office Furniture and Equipment_____	850	_____	_____	850
341	Transportation Equipment_____	_____	_____	_____	_____
342	Stores Equipment_____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment_____	2,660	_____	_____	2,660
344	Laboratory Equipment_____	_____	_____	_____	_____
345	Power Operated Equipment_	_____	_____	_____	_____
346	Communication Equipment_____	_____	_____	_____	_____
347	Miscellaneous Equipment_____	_____	_____	_____	_____
348	Other Tangible Plant_____	_____	_____	_____	_____
	Total Water Plant_____	\$ 128,138	\$ 789	\$ _____	\$ 128,927

UTILITY NAME: _____ Damon Utilities, Inc. _____

YEAR OF REPORT
DECEMBER 31, 2002

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

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 (fg+h=i) (i)
301	Organization_____	40	%	2,500 %	\$ 2,399	\$	\$ 141	\$ 2,540
304	Structures and Improvements_____	27	%	3,704 %	1,858		157	2,015
305	Collecting and Impounding Reservoirs_____		%					
306	Lake, River and Other Intakes_____		%					
307	Wells and Springs_____	27	%	3,704 %	3,306		233	3,539
308	Infiltration Galleries & Tunnels_____		%					
309	Supply Mains_____	32	%	3,125 %	286		35	321
310	Power Generating Equipment_____	17	%	5,882 %	2,457		630	3,087
311	Pumping Equipment_____	17	%	5,882 %	6,222		472	6,694
320	Water Treatment Equipment_____	17	%	5,882 %	7,211		594	7,805
330	Distribution Reservoirs & Standpipes_____		%					
331	Trans. & Dist. Mains_____	38	%	2,632 %	20,245		1,429	21,674
333	Services_____		%					
334	Meter & Meter Installations_____	17	%	5,882 %	13,021		1,446	14,467
335	Hydrants_____		%					
339	Other Plant and Miscellaneous Equipment_____		%					
340	Office Furniture and Equipment_____	15	%	6,667 %	241		57	298
341	Transportation Equipment_____		%					
342	Stores Equipment_____		%					
343	Tools, Shop and Garage Equipment_____	15	%	6,667 %	1,014		177	1,191
344	Laboratory Equipment_____		%					
345	Power Operated Equipment_____		%					
346	Communication Equipment_____		%					
347	Miscellaneous Equipment_____		%					
348	Other Tangible Plant_____		%					
	Totals_____				\$ 58,259	\$ 0	\$ 5,372	\$ 63,631

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ 9,816
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	0
604	Employee Pensions and Benefits_____	0
610	Purchased Water_____	0
615	Purchased Power_____	1,933
616	Fuel for Power Production_____	45
618	Chemicals_____	1,646
620	Materials and Supplies_____	2,800
630	Contractual Services:	
	Billing_____#630	2,580
	Professional_____#631	704
	Testing_____#635	1,720
	Other_____#636 Contract Labor	1,657
640	Rents_____	2,496
650	Transportation Expense_____	905
655	Insurance Expense_____	621
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	0
670	Bad Debt Expense_____	0
675	Miscellaneous Expenses_____	1,286
	Total Water Operation And Maintenance Expense_____	\$ 28,209 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
5/8"	D	1.0	248	5	253
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					
** D = Displacement C = Compound T = Turbine			Total		
			248	5	253

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b)	(c)	(d)	(e)	(f)
	Water Purchased For Resale (Omit 000's)	Finished Water From Wells (Omit 000's)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	Water Sold To Customers (Omit 000's)
January_____	_____	1,070	96	974	974
February_____	_____	1,072	148	924	924
March_____	_____	1,349	86	1,263	1,263
April_____	_____	1,069	81	988	988
May_____	_____	1,116	97	1,019	1,019
June_____	_____	819	60	759	759
July_____	_____	757	52	705	705
August_____	_____	789	55	734	734
September_____	_____	915	59	856	856
October_____	_____	895	88	807	807
November_____	_____	970	87	883	883
December_____	_____	1,108	168	940	940
Total for Year_____	_____	11,929	1,077	10,852	10,852

If water is purchased for resale, indicate the following:

Point of delivery _____ N/A

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

_____ N/A

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	6 IN	825 LF	-	-	825 LF
PVC	4 IN	7,782 LF	-	-	7,782 LF
PVC	2 IN	3,410 LF	-	-	3,410 LF
PVC	1 IN	160 LF	-	-	160 LF
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SYSTEM NAME: _____

**WELLS AND WELL PUMPS
(If Available)**

(a)	(b)	(c)	(d)	(e)
Year Constructed_____	1986	1987	_____	_____
Types of Well Construction and Casing_____	Steel & Concrete	Steel & Concrete	_____	_____
_____	_____	_____	_____	_____
Depth of Wells_____	500 FT	500 FT	_____	_____
Diameters of Wells_____	4 IN	4 IN	_____	_____
Pump - GPM_____	100	100	_____	_____
Motor - HP_____	5 HP	5 HP	_____	_____
Motor Type *_____	Submersible	Submersible	_____	_____
Yields of Wells in GPD_____	130,000	130,000	_____	_____
Auxiliary Power_____	N/A	N/A	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Steel	Steel	_____	_____
Capacity of Tank_____	2,000	2,000	_____	_____
Ground or Elevated_____	Ground	Ground	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer_____	Sta-Rite	Sta-Rite	_____	_____
Type_____	Submersible	Submersible	_____	_____
Rated Horsepower_____	5 HP	5 HP	_____	_____
Pumps				
Manufacturer_____	Sta-Rite	Sta-Rite	_____	_____
Type_____	Submersible	Submersible	_____	_____
Capacity in GPM_____	100	100	_____	_____
Average Number of Hours Operated Per Day_____	2 1/2	2 1/2	_____	_____
Auxiliary Power_____	N/A	N/A	_____	_____

UTILITY NAME: _____ Damon Utilities, Inc. _____

YEAR OF REPORT DECEMBER 31, 2002

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Gals. per day of source_ _ _	14,560 Each	_____	_____
Type of Source_ _ _ _ _	2 Deep Wells	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_ _ _ _ _	Wallace & Tierman	_____	_____
Make_ _ _ _ _	V-100	_____	_____
Gals. per day capacity_ _ _	130,000	_____	_____
High service pumping	N/A	_____	_____
Gallons per minute_ _ _	N/A	_____	_____
Reverse Osmosis_ _ _ _ _	N/A	_____	_____
Lime Treatment		_____	_____
Unit Rating_ _ _ _ _	N/A	_____	_____
Filtration		_____	_____
Pressure Sq. Ft._ _ _ _ _	N/A	_____	_____
Gravity GPD/Sq.Ft._ _ _	N/A	_____	_____
Disinfection		_____	_____
Chlorinator_ _ _ _ _	Gas	_____	_____
Ozone_ _ _ _ _	N/A	_____	_____
Other_ _ _ _ _	N/A	_____	_____
Auxiliary Power_ _ _ _ _	Generator (Portable)	_____	_____

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERCs * now being served 84.95
2. Maximum ERCs ** that system can efficiently serve 371
3. Present system connection capacity (in ERC's) using existing lines _____
4. Future connection capacity (in ERC's) upon service area buildout _____
5. Estimated annual increase in ERCs: * 5.44
6. Is the utility required to have fire flow capacity? _____
 If so, how much capacity is required? 2 @ 150 GPM
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
None at this time
9. When did the company last file a capacity analysis report with the DEP? _____
10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet 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 # 6284078
12. Water Management District Consumptive Use Permit # _____
 - a. Is the system in compliance with the requirements of the CUP? _____
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:

- (a) If actual flow data are available from the preceding 12 months:
 Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available use:
 $ERC = (\text{Total SRF Gallons Sold(omit 000} / 365 \text{ days} / 350 \text{ Gallons Per Day})$.

WASTEWATER
OPERATING
SECTION

UTILITY NAME: Damon Utilities, 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_____	\$ 17,504	\$ _____	\$ _____	\$ 17,504
352	Franchises_____	_____	_____	_____	_____
353	Land and Land Rights_____	_____	_____	_____	_____
354	Structures and Improvements_	1,958	_____	_____	1,958
360	Collection Sewers - Force_____	17,912	_____	_____	17,912
361	Collection Sewers - Gravity_____	59,454	_____	_____	59,454
362	Special Collecting Structures_	_____	_____	_____	_____
363	Services to Customers_____	_____	_____	_____	_____
364	Flow Measuring Devices_____	_____	_____	_____	_____
365	Flow Measuring Installations_	_____	_____	_____	_____
370	Receiving Wells_____	1,642	_____	_____	1,642
371	Pumping Equipment_____	_____	_____	_____	_____
380	Treatment and Disposal Equipment_____	93,875	_____	_____	93,875
381	Plant Sewers_____	7,750	_____	_____	7,750
382	Outfall Sewer Lines_____	21,652	_____	_____	21,652
389	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
390	Office Furniture and Equipment_____	850	_____	_____	850
391	Transportation Equipment_____	_____	_____	_____	_____
392	Stores Equipment_____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment_____	574	_____	_____	574
394	Laboratory Equipment_____	_____	_____	_____	_____
395	Power Operated Equipment_____	_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____	_____
397	Miscellaneous Equipment_____	_____	_____	_____	_____
398	Other Tangible Plant_____	_____	_____	_____	_____
	Total Wastewater Plant_____	\$ 223,171	\$ _____	\$ _____	\$ 223,171 *

* This amount should tie to sheet F-5.

UTILITY NAME: Damon Utilities, 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)
351	Organization_	40	%	2.500 %	\$ 6,620	\$	\$ 438	\$ 7,058
354	Structures and Improvements_	27	%	3.704 %	1,124		73	1,197
360	Collection Sewers - Force_	27	%	3.704 %	6,464		663	7,127
361	Collection Sewers - Gravity_	34	%	2.941 %	22,419		1,749	24,168
362	Special Collecting Structures_		%					
363	Services to Customers_		%					
364	Flow Measuring Devices_		%					
365	Flow Measuring Installations_		%					
370	Receiving Wells_	25	%	4.000 %	987		66	1,053
371	Pumping Equipment_		%					
380	Treatment and Disposal Equipment_		%					
381	Plant Sewers_	25	%	4.000 %	80,966		3,755	84,721
382	Outfall Sewer Lines_	32	%	3.125 %	3,693		242	3,935
389	Other Plant and Miscellaneous Equipment_	30	%	3.333 %	10,935		722	11,657
390	Office Furniture and Equipment_		%					
391	Transportation Equipment_	15	%	6.667 %	242		57	299
392	Stores Equipment_		%					
393	Tools, Shop and Garage Equipment_	15	%	6.667 %	248		38	286
394	Laboratory Equipment_		%					
395	Power Operated Equipment_		%					
396	Communication Equipment_		%					
397	Miscellaneous Equipment_		%					
398	Other Tangible Plant_		%					
	Totals_				\$ 133,698	\$	\$ 7,804	\$ 141,502

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees_____	\$ 4,207
703	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	0
704	Employee Pensions and Benefits_____	0
710	Purchased Wastewater Treatment_____	0
711	Sludge Removal Expense_____	2,075
715	Purchased Power_____	2,123
716	Fuel for Power Production_____	0
718	Chemicals_____	3,176
720	Materials and Supplies_____	1,094
730	Contractual Services:	
	Billing - #730_____	2,580
	Professional - #731_____	56
	Testing - #735_____	2,554
	Contract Labor - #736_____	289
740	Rents_____	1,644
750	Transportation Expense_____	603
755	Insurance Expense_____	242
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	0
770	Bad Debt Expense_____	0
775	Miscellaneous Expenses_____	54
	Total Wastewater Operation And Maintenance Expense_____	\$ 20,696 *

* 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	85	1	86
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					
Total			85	1	86

** D = Displacement
C = Compound
T = Turbine

PUMPING EQUIPMENT

Lift Station Number _____	<u>1</u>	<u>2</u>	<u>3</u>	_____	_____	_____
Make or Type and nameplate data on pump _____	<u>2</u>	<u>2</u>	<u>2</u>	_____	_____	_____
Year installed _____	<u>1986</u>	<u>1994</u>	<u>1989</u>	_____	_____	_____
Rated capacity _____	<u>190 GPM</u>	<u>117 GPM</u>	<u>117 GPM</u>	_____	_____	_____
Size _____	<u>2-3 HP</u>	<u>3 HP</u>	<u>3 HP</u>	_____	_____	_____
Power:						
Electric _____	<u>X</u>	<u>X</u>	<u>X</u>	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	<u>6 IN</u>	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	<u>PVC</u>	_____	_____	_____	_____	_____
Average length _____	<u>30 FT</u>	_____	_____	_____	_____	_____
Number of active service connections _____	_____	_____	_____	_____	_____	_____
Beginning of year _____	<u>85</u>	_____	_____	_____	_____	_____
Added during year _____	<u>1</u>	_____	_____	_____	_____	_____
Retired during year _____	<u>0</u>	_____	_____	_____	_____	_____
End of year _____	<u>86</u>	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	<u>0</u>	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains			
Size (inches) _____	<u>8 IN</u>	<u>4 IN</u>	<u>8 IN</u>	_____	_____	_____	_____
Type of main _____	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	_____	_____	_____	_____
Length of main (nearest foot) _____	<u>2,814</u>	<u>30</u>	<u>1,100</u>	_____	_____	_____	_____
Beginning of year _____	<u>2,814</u>	<u>30</u>	<u>1,100</u>	_____	_____	_____	_____
Added during year _____	<u>0</u>	<u>0</u>	<u>0</u>	_____	_____	_____	_____
Retired during year _____	<u>0</u>	<u>0</u>	<u>0</u>	_____	_____	_____	_____
End of year _____	<u>2,814</u>	<u>30</u>	<u>1,100</u>	_____	_____	_____	_____

MANHOLES

Size (inches) _____	<u>36 IN</u>	_____	<u>36 IN</u>	_____
Type of Manhole _____	<u>Concrete</u>	_____	<u>Concrete</u>	_____
Number of Manholes:				
Beginning of year _____	<u>10</u>	_____	<u>4</u>	_____
Added during year _____	<u>0</u>	_____	<u>0</u>	_____
Retired during year _____	<u>0</u>	_____	<u>0</u>	_____
End of Year _____	<u>10</u>	_____	<u>4</u>	_____

UTILITY NAME: _____ Damon Utilities, Inc.

SYSTEM NAME: _____

YEAR OF REPORT DECEMBER 31, 2002

TREATMENT PLANT

Manufacturer_____	Davco Defiance_____	_____	_____
Type_____	6131.73_____	_____	_____
"Steel" or "Concrete"_____	Concrete_____	_____	_____
Total Capacity_____	50,000 Gallons_____	_____	_____
Average Daily Flow_____	7,285 Gallons_____	_____	_____
Effluent Disposal_____	Drainfield_____	_____	_____
Total Gallons of Wastewater treated_____	2,541,000_____	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer_____	N/A _____	_____	_____	_____	_____	_____
Capacity (GPM's)_____	_____	_____	_____	_____	_____	_____
Motor:						
Manufacturer_____	_____	_____	_____	_____	_____	_____
Horsepower_____	_____	_____	_____	_____	_____	_____
Power (Electric or Mechanical)_____	_____	_____	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	240,530_____	0_____	240,530_____
February_____	239,170_____	0_____	239,170_____
March_____	295,280_____	0_____	295,280_____
April_____	243,600_____	0_____	243,600_____
May_____	193,200_____	0_____	193,200_____
June_____	174,200_____	0_____	174,200_____
July_____	162,160_____	0_____	162,160_____
August_____	160,000_____	0_____	160,000_____
September_____	184,210_____	0_____	184,210_____
October_____	178,260_____	0_____	178,260_____
November_____	220,830_____	0_____	220,830_____
December_____	249,560_____	0_____	249,560_____
Total for year_____	2,541,000_____	0_____	2,541,000_____

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME: _____

OTHER 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 number ERCs * now being served. 24.86
2. Maximum number of ERCs * which can be served. 178.57
3. Present system connection capacity (in ERC's) using existing lines. _____
4. Future connection capacity (in ERC's) upon service area buildout _____
5. Estimated annual increase in ERCs * 1.16
6. Describe any plans and estimated completion dates for any enlargements of this system.
None at this time
7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known.
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No
If so, when? _____
9. Has the utility been required by the DEP or water management district to implement reuse? No
If so, what are the utility's plans to comply with this requirement? _____
10. When did the company last file a capacity analysis report with the DEP? _____
11. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
12. Department of Environmental Protection ID# _____

* An ERC is determined based on one of the following methods:

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

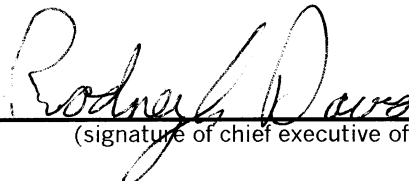
CERTIFICATION OF ANNUAL REPORT

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"/> |
|--|--|--|--|


 Rodney A. Davis *
 (signature of chief executive officer of the utility)

- | | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 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.