CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WS571-02-AR
Service Management Systems, Inc.
235 Hammock Shore Drive
Melbourne Beach, FL 32951-3941

517W/450S
Certificate Number(s)

Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

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

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

REPORT OF

SERVICE MANAGEMENT SYSTEMS, INC.
(EXACT NAME OF UTILITY)

235 HAMMOCK SHORE DRIVE		
MELBOURNE BEACH, FL 32951		
Mailing Address	Street Address	County

Telephone Number 321-723-2522 Date Utility First Organized 1989

Fax Number 321-725-0804 E-mail Address jbates3@cfl.rr.com

Sunshine State One-Call of Florida, Inc. Member No. _____

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: Aquarina and St. Andrews Village

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: JAMES BATES	PRESIDENT	SAME AS ABOVE	
Person who prepared this report: JAMES BATES	PRESIDENT		
Officers and Managers: JAMES BATES	PRESIDENT		$ 15,000.00
			$
			$
			$
			$

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
IRD OSPREY, LLC	100%		$ 0
			$
			$
			$
			$
			$
			$

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

INCOME STATEMENT

REVISED

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential		$ 182,677	$ 86,967	$	$ 269,644
Commercial					
Industrial					
Multiple Family					
Guaranteed Revenues					
Other (Specify)					
Int. & Ammort.					
Total Gross Revenue		$ 182,677	$ 86,967	$	$ 269,644
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	$ 176,426	$ 61,150	$	$ 237,576
Depreciation Expense	F-5	59,886	86,928		146,814
CIAC Amortization Expense	F-8	(10,111)	(11,732)		(21,843)
Taxes Other Than Income	F-7	26,121	12,870		38,991
Income Taxes	F-7	0	0		0
Total Operating Expense		$ 252,322	149,216		$ 401,538
Net Operating Income (Loss)		$ (69,645)	$ (62,249)	$	$ (131,894)
Other Income:					
Nonutility Income		$ 5,086	$	$	$ 5,086
INTEREST WATER LINE		460			460
REPAIR RECONNECT CHGS.		15	15		30
Other Deductions:					
Miscellaneous Nonutility Expenses		$	$	$	$
Interest Expense					
Net Income (Loss)		$ (64,084)	$ (62,234)	$	$ (126,318)

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

COMPARATIVE BALANCE SHEET **REVISED**

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105)	F-5,W-1,S-1	$ 3,996,810	$ 3,805,779
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-2	(2,532,822)	(2,386,008)
Net Utility Plant		$ 1,463,988	$ 1,419,771
Cash		(19,418)	32,515
Customer Accounts Receivable (141)			
Other Assets (Specify):		59,534	35,017
Certificates of Deposit		45,484	40,702
Utility Deposit		3,515	3,395
Due from Shareholder		10,065	162,500
Interest Received Sub Total		0	11,460
Total Assets		$ 1,563,168	$ 1,705,360
Liabilities and Capital:			
Common Stock Issued (201)	F-6	10,000	10,000
Preferred Stock Issued (204)	F-6		
Other Paid in Capital (211)		1,456,953	1,562,342
Retained Earnings (215)	F-6	(695,075)	(568,757)
Propietary Capital (Proprietary and partnership only) (218)	F-6		
Total Capital		$ 771,878	$ 1,003,585
Long Term Debt (224)	F-6	$ 158,488	$ 165,204
Accounts Payable (231)		77,933	
Notes Payable (232)			
Customer Deposits (235)			
Accrued Taxes (236)			
Other Liabilities (Specify)			
Advances for Construction			
Contributions in Aid of Construction - Net (271-272)	F-8	554,869	536,571
Total Liabilities and Capital		$ 1,563,168	$ 1,705,360

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, 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	$ 1,863,925	$ 2,133,936	$	$ 3,996,810
Construction Work in				
Other (Specify)				
Total Utility Plant	$ 1,863,925	$ 2,133,936	$	$ 3,996,810

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year	$ 887,367	$ 1,498,641	$	$ 2,386,008
Add Credits During Year:				
Accruals charged to depreciation account	$ 67,642	$ 86,928	$	$ 154,570
Salvage				
Other Credits (specify)				
Total Credits	$	$	$	$
Deduct Debits During Year:				
Book cost of plant retired	$	$	$	$
Cost of removal				
Other debits (specify) prior year adj.	7,756			7,756
Total Debits	$	$	$	$
Balance End of Year	$ 947,253	$ 1,585,569	$	$ 2,532,822

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

CAPITAL STOCK (201 - 204) **REVISED**

	Common Stock	Preferred Stock
Par or stated value per share	$ 1	
Shares authorized	10,000	
Shares issued and outstanding	10,000	
Total par value of stock issued	$ 10,000	
Dividends declared per share for year	0	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year	$ (568,757)	$
Changes during the year (Specify):		
Net Loss	(126,318)	
Balance end of year	$ (695,075)	$

PROPRIETARY CAPITAL (218)

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

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest Rate	Interest # of Pymts	Principal per Balance Sheet Date
Drinking Water State Revolving Fund - Construction Loan	3.12%	40	$ 158,488
DW0501010	3.12%	40	
Date of Issue = 9/15/99 Maturity = 12/15/2020			
Total			$ 158,488

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax	$ 0	$ 0	$	$ 0
State income Tax				
Taxes Other Than Income:				
State ad valorem tax				
Local property tax	18,083	9,042		27,125
Regulatory assessment fee				
Other (Specify)	8,038	3,828		11,866
Total Taxes Accrued	$ 26,121	$ 12,870	$	$ 38,991

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to $500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
Accurate Utilities	$	$	
Bray, Beck & Koetter	$	$	
Derrico Construction	$	$	
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, 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	$ 419,582	$ 453,272	$ 872,854
2) Add credits during year			
Yr. end entry to properly record	$ 27,485	$ 38,190	$ 65,675
3) Total			
4) Deduct charges during the year			
5) Balance end of year			
6) Less Accumulated Amortization	164,140	219,520	383,660
7) Net CIAC	$ 282,927	$ 271,942	$ 554,869

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
None			
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	Water	Wastewater
Water Plant Capacity	13	$ 560	$ 18,200	$
Water Main Capacity	13	365	4,035	
Waste Water Plant Capacity	13	835		37,000
Waste Water System Capacity	13	75		1,190
METER INSTALLATION	12	VAR.	5,250	0
Total Credits During Year (Must agree with line # 2 above.)			$ 27,485	$ 38,190

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year	$ 154,029	$ 207,788	$ 361,817
Add Credits During Year:	10,111	11,732	21,843
Deduct Debits During Year:			
Balance End of Year (Must agree with line #6 above.)	$ 164,140	$ 219,520	$ 383,660

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

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, 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	$ 10,000	0.07 %	%	%
Preferred Stock	0	%	%	%
Long Term Debt	158,488.38	11.08 %	%	%
Customer Deposits		%	%	%
Tax Credits - Zero Cost		%	0.00 %	%
Tax Credits - Weighted Cost		%	%	%
Deferred Income Taxes		%	%	%
Paid in Capital Less Net CIAC	1,176,386.21	87.05 %	%	%
Total	$ 1,344,874.59	100.00 %		%

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

APPROVED AFUDC RATE

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

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

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	$ 10,000	$	$	$	$ 10,000
Preferred Stock					
Long Term Debt					
Customer Deposits					
Tax Credits-Zero Cost					
Tax Credits-Weighted Cost of Capital					
Deferred Income Taxes					
Other (Explain)					
Total	$	$	$	$	$

(1) Explain below all adjustments made in Column (e):

Other is paid in capital

WATER

OPERATING

SECTION

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, 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	$ 1,050	$	$	$ 1,050
302	Franchises				
303	Land and Land Rights	62,080			62,080
304	Structures and Improvements	16,415			16,415
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	230,861			230,861
308	Infiltration Galleries and Tunnels				
309	Supply Mains	119,848	21,888		141,736
310	Power Generation Equipment				
311	Pumping Equipment	64,796	2,562		67,358
320	Water Treatment Equipment	356,506			356,506
330	Distribution Reservoirs and Standpipes	629,183			629,183
331	Transmission and Distribution Lines	140,497	67,599		208,096
333	Services	111,160	12,044		123,204
334	Meters and Meter Installations	17,572	1,253		18,825
335	Hydrants	6,300			6,300
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment	1,200			1,200
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	61			61
348	Other Tangible Plant	1,050			1,050
	Total Water Plant	$ 1,758,579	$ 105,346	$	$ 1,863,925

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, 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 (f-g+h=i) (i)
304	Structures and Improvements	28	3.57 %	%	$ 12,066	$	$ 586	$ 12,652
305	Collecting and Impounding Reservoirs	40	2.47 %	%	7,695	7,695		0
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	28	3.57 %	%	137,650		8,928	146,578
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains 33521/55409	32	3.13 %	%	32,398		4,436	36,834
310	Power Generating Equipment		%	%				
311	Pumping Equipment 64796	17	5.88 %	%	23,186		3,962	27,148
320	Water Treatment Equipment	21	4.76 %	%	290,268		17,682	307,950
330	Distribution Reservoirs & Standpipes	33	3.30 %	%	315,683		21,469	337,152
331	Trans. & Dist. Mains	36	2.78 %	%	21,792		5,785	27,577
333	Services	36	2.78 %	%	39,092		3,425	42,517
334	Meter & Meter Installations	17	5.88 %	%	5,539		1,107	6,646
335	Hydrants	40	2.50 %	%	901		158	1,059
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment	20	5.00 %	%	450		60	510
340	Office Furniture and Equipment		%	%				
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%	61	61		0
348	Other Tangible Plant	24	4.17 %	%	586		44	630
	Totals				$ 887,367	$ 7,756	$ 67,642	$ 947,253 *

* This amount should tie to Sheet F-5.

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	$ 36,137
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	3,103
610	Purchased Water	0
615	Purchased Power	19,702
616	Fuel for Power Production	251
618	Chemicals	6,731
620	Materials and Supplies	4,938
630	Contractual Services:	
	Billing Management	18,559
	Professional	21,008
	Testing	0
	Other	
640	Rents	0
650	Transportation Expense	1,119
655	Insurance Expense	6,241
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	0
670	Bad Debt Expense	
675	Miscellaneous Expenses Repairs & Maintenance	58,638
	Total Water Operation And Maintenance Expense	$ 176,426 *
	* This amount should tie to Sheet F-3.	

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers Start of Year (d)	Number of Active Customers End of Year (e)	Total Number of Meter Equivalents (c x e) (f)
Residential Service					
5/8"	D	1.0	181	199	199.0
3/4"	D	1.5	3	3	5.0
1"	D	2.5	5	5	13.0
1 1/2"	D,T	5.0	2	2	10.0
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0	4	4	32.0
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers		1.0	13	1	1.0
Other (Specify)	Irrigation	Various	49	55	55
** D = Displacement		Total	257	269.0	315.0
C = Compound					
T = Turbine					

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

SYSTEM NAME: Aquarina

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January	0	9,071	0	9,071	9,071
February	0	8,133	0	8,133	8,133
March	0	16,456	0	16,456	16,456
April	0	18,825	0	18,825	18,825
May	0	19,933	0	19,933	19,933
June	0	8,621	0	8,621	8,621
July	0	12,449	0	12,449	12,449
August	0	12,709	0	12,709	12,709
September	0	16,245	0	16,245	16,245
October	0	15,994	0	15,994	15,994
November	0	11,417	0	11,417	11,417
December	0	8,933	0	8,933	8,933
Total for Year	0	158,786	0	158,786	158,786

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

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

_____

_____

_____

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 Potable	8"	600			600
PVC Non Potable	8"	6,976			6,976
PVC Potable	6"	10,190	2,100		12,290
PVC Non Potable	6"	1,500			1,500
DIP Potable	6"	60			60
PVC Potable	4"	5,430			5,430
PVC Potable	16"	600			600
PVC Non Potable	12"	7,610	2,100		9,710
PVC Potable	2"	620			620

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

SYSTEM NAME: Aquarina

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed	1981	1981		
Types of Well Construction and Casing				
Depth of Wells	600'	600'		
Diameters of Wells	12"	12"		
Pump - GPM				
Motor - HP	10 HP			
Motor Type *				
Yields of Wells in GPD	1,000,000	1,000,000		
Auxiliary Power				
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Concrete	Concrete		
Capacity of Tank	.15 MG	1.2 MG		
Ground or Elevated	Ground	Ground		

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer				
Type				
Rated Horsepower	10	60	60	
Pumps				
Manufacturer				
Type				
Capacity in GPM				
Average Number of Hours Operated Per Day				
Auxiliary Power				

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day	AVG. 72,603	Avg. 472,000	
Type of Source	ground-drinking water well	ground irrigation well	

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type	Reverse Osmosis		
Make	Basic Technologies		
Permitted Capacity (GPD)	.11 MGD		
High service pumping			
Gallons per minute			
Reverse Osmosis			
Lime Treatment			
Unit Rating			
Filtration			
Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection			
Chlorinator			
Ozone			
Other			
Auxiliary Power			

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

SYSTEM NAME: Aquarina

GENERAL 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. 475
2. Maximum number of ERCs * which can be served. 475
3. Present system connection capacity (in ERCs *) using existing lines. 475
4. Future connection capacity (in ERCs *) upon service area buildout. 643
5. Estimated annual increase in ERCs *. 35
6. Is the utility required to have fire flow capacity? yes
   If so, how much capacity is required? 20,000 GPM, 1,000 GPM at each hydrant
7. Attach a description of the fire fighting facilities. 33 Hydrants,4 Buildings w/ sprinkler systems
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.

   A new high service pumping station is being installed in Apri 2003, Extention of Collection+ Distribution Lines to serve last 168 Residential Customers to be installed in one year.
9. When did the company last file a capacity analysis report with the DEP? unknown
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 # 3005P00330
12. Water Management District Consumptive Use Permit # 1719
    a. Is the system in compliance with the requirements of the CUP? No
    b. If not, what are the utility's plans to gain compliance? This utility exceeded approved irrigation allowances during past two years due to drout conditions.

* An ERC is determined based on one of the following methods:
(a) If actual flow data are available from the proceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

WASTEWATER

OPERATING

SECTION

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, 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	$ 1,050	$	$	$ 1,050
352	Franchises				
353	Land and Land Rights	33,680			33,680
354	Structures and Improvements	18,769			18,769
355	Power Generation Equipment				
360	Collection Sewers - Force	182,835	23,313		206,148
361	Collection Sewers - Gravity	280,669			280,669
362	Special Collecting Structures				
363	Services to Customers	151,076	14,325		165,401
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells				
371	Pumping Equipment	2,094	48,162		50,256
380	Treatment and Disposal Equipment	1,193,560			1,193,560
381	Plant Sewers				
382	Outfall Sewer Lines	157,892			157,892
389	Other Plant and Miscellaneous Equipment	698			698
390	Office Furniture and Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	22,154		146	22,008
398	Other Tangible Plant	3,660	145		3,805
	Total Wastewater Plant	$ 2,048,137	$ 85,945	$ 146	$ 2,133,936 *

* This amount should tie to sheet F-5.

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements	18	%	5.56 %	$ 15,083	$	$ 1,043	$ 16,126
355	Power Generation Equipment		%	%				
360	Collection Sewers - Force	36	%	2.78 %	77,985		5,082	83,067
361	Collection Sewers - Gravity	40	%	2.5 %	48,999		7,017	56,016
362	Special Collecting Structures		%	%				
363	Services to Customers	36	%	2.78 %	65,066		4,200	69,266
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%				
371	Pumping Equipment	18	%	5.56 %	761		116	877
380	Treatment and Disposal Equipment	18	%	5.56 %	1,149,069		59,111	1,208,180
381	Plant Sewers		%	%				
382	Outfall Sewer Lines	18	%	5.56 %	138,383		8,779	147,162
389	Other Plant and Miscellaneous Equipment	17	%	5.88 %	308		41	349
390	Office Furniture and Equipment		%	%				
391	Transportation Equipment		%	%				
392	Stores Equipment		%	%				
393	Tools, Shop and Garage Equipment		%	%				
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment	19	%	5.26 %	1,275		1,158	2,433
398	Other Tangible Plant	10	%	10 %	1,712		381	2,093
	Totals				$ 1,498,641	$ 0	$ 86,928	$ 1,585,569 *

* This amount should tie to Sheet F-5.

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	$ 17,914
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	0
715	Purchased Power	9,921
716	Fuel for Power Production	125
718	Chemicals	2,747
720	Materials and Supplies	2,580
730	Contractual Services:	
	Billing	
	Professional	3,618
	Testing	
	Other Operation	12,546
740	Rents	
750	Transportation Expense	550
755	Insurance Expense	3,120
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	0
770	Bad Debt Expense	15
775	Miscellaneous Expenses	8,014
	Total Wastewater Operation And Maintenance Expense	$ 61,150 *
	* This amount should tie to Sheet F-3.	

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers Start of Year (d)	Number of Active Customers End of Year (e)	Total Number of Meter Equivalents (c x e) (f)
Residential Service					
All meter sizes	D	1.0	191	205	205
General Service					
5/8"	D	1.0			
3/4"	D	1.5	1	1	2
1"	D	2.5	5	5	13
1 1/2"	D,T	5.0	3	3	15
2"	D,C,T	8.0	4	4	32
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
		Total	204	218	267

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

PUMPING EQUIPMENT

Lift Station Number	1	2	3			
Make or Type and nameplate data on pump						
Year installed	1984	1992	2002			
Rated capacity						
Size						
Power:						
Electric	Elec	Elec	Elec			
Mechanical						
Nameplate data of motor						

SERVICE CONNECTIONS

Size (inches)	4"	5"	6"			
Type (PVC, VCP, etc.)	PVC	PVC	PVC			
Average length						
Number of active service connections						
Beginning of year						
Added during year						
Retired during year						
End of year						
Give full particulars concerning inactive connections						

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches)	6"	8"	10"		6"			
Type of main	PVC	PVC	PVC		DIP			
Length of main (nearest foot)								
Begining of year	1,720	18,989	2,000		600			
Added during year								
Retired during year								
End of year	1720	18989	2000		600			

MANHOLES

Size (inches)	36			
Type of Manhole				
Number of Manholes:				
Beginning of year	94			
Added during year				
Retired during year				
End of Year	94			

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

SYSTEM NAME: Aquarina

YEAR OF REPORT
DECEMBER 31, 2002

TREATMENT PLANT

Manufacturer	Schriber		
Type	Activated Sludge		
"Steel" or "Concrete"	Concrete		
Total Permitted Capacity	99,000 GPD		
Average Daily Flow			
Method of Effluent Disposal	Drain Field		
Permitted Capacity of Disposal	99,000 GPD		
Total Gallons of Wastewater treated			

MASTER LIFT STATION PUMPS

Manufacturer						
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	1,279,200	0	1,279,200
February	1,205,940	0	1,205,940
March	1,337,280	0	1,337,280
April	1,226,330	0	1,226,330
May	889,370	0	889,370
June	655,920	0	655,920
July	847,660	0	847,660
August	753,380	0	753,380
September	755,860	0	755,860
October	1,154,700	0	1,154,700
November	1,034,440	0	1,034,440
December	933,650	0	933,650
Total for year	12,073,730	0	12,073,730

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

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

SYSTEM NAME: Aquarina

GENERAL WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served. 270
2. Maximum number of ERCs* which can be served. 354
3. Present system connection capacity (in ERCs*) using existing lines. 354
4. Future connection capacity (in ERCs*) upon service area buildout. 663
5. Estimated annual increase in ERCs*. 35
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system

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? yes

   If so, when? When wastewater flows reach 99,000 GPD
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? See above #8
10. When did the company last file a capacity analysis report with the DEP? Unkown
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 # 3005P00330

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

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

(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

UTILITY NAME: SERVICE MANAGEMENT SYSTEMS, INC.

YEAR OF REPORT
DECEMBER 31, 2002

CERTIFICATION OF ANNUAL REPORT

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

YES	NO		
X		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.
X		2.	The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
X		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.
X		4.	The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

Items Certified

1.	2.	3.	4.	
X	X	X	X	James H. Bates President *
				(signature of chief executive officer of the utility)
1.	2.	3.	4.	
				*
				(signature of chief financial officer of the utility)

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

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