

STANDARD UNIT 1
DIVISION OF
WATER AND SEWER
Do Not CLASS "C" from the Office

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS680-01-AR
Innerarity Island Development Corporation
4300 Bayou Blvd., Suite 21
Pensacola, FL 32503-2614

Submitted To The

STATE OF FLORIDA



02 APR 23 AM 11:03
ECONOMIC REGULATION
PUBLIC SERVICE

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2001

GENERAL INSTRUCTIONS

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

Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Water and Wastewater, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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FINANCIAL SECTION

REPORT OF

INNERARITY ISLAND DEVELOPMENT CORPORATION

(EXACT NAME OF UTILITY)

4300 BAYOU BLVD., SUITE 21 PENSACOLA, FLORIDA 32503	4300 BAYOU BLVD., SUITE 21 PENSACOLA, FLORIDA ESCAMBIA
Mailing Address	Street Address County

Telephone Number (850) 476-1788 Date Utility First Organized

Fax Number (850) 478-3939 E-mail Address

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: Fayette Dennison
4300 Bayou Blvd., Suite 21 Pensacola, Florida 32503 (850) 476-1788

Name of subdivisions where services are provided: Innerarity Island, Escambia Co. FL

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Fayette Dennison	President	4300 Bayou Blvd. Ste. 21 Pensacola, FL 32503	
Person who prepared this report: Fayette Dennison	President	Same	
Officers and Managers: Fayette Dennison	President	Same	\$ -0-
			\$
			\$
			\$
			\$

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
Fayette Dennison	100	4300 Bayou Blvd. Suite 21 Pensacola, FL 32503	\$ None
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31, 2001

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 18229.60	\$ 14375.41	\$ _____	\$ 32605.01
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue_____		\$ 18229.60	\$ 14375.41	\$ _____	\$ 32605.01
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 25869.00	\$ 27848.66	\$ _____	\$ 53717.66
Depreciation Expense_____	F-5	2027.81	30816.56	_____	32844.37
CIAC Amortization Expense_____	F-8	(981.25)	(3650.00)	_____	(4631.25)
Taxes Other Than Income_____	F-7	847.89	639.00	_____	1486.89
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 27763.45	55654.22	_____	\$ 83417.67
Net Operating Income (Loss)		\$ (9533.85)	\$ (41279.01)	\$ _____	\$ (50812.66)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ 934523.53	\$ 934523.53
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ 196288.58	\$ 196288.58
Interest Expense_____		_____	_____	10037.47	10037.47
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (9533.85)	\$ (41279.01)	\$ 728197.48	\$ 677384.82

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 628461.09	\$ 628461.09
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>472437.68</u>	<u>439593.31</u>
Net Utility Plant -----		\$ <u>156023.41</u>	\$ <u>188867.78</u>
Cash -----		7610.06	14777.86
Customer Accounts Receivable (141) -----		2910723.85	2949511.02
Other Assets (Specify): Land & Bldgs -----		62380.00	550.00
Utility Deposits & Accrued Interest -----		322978.99	322978.99
Rental Property -----		(89918.46)	(73724.69)
Accum. Depr - Rental Property -----		<u>2556612.30</u>	<u>3000000.00</u>
MTG Receivable -----			
Total Assets -----		\$ <u>5926410.15</u>	\$ <u>6402960.96</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	100000.00	100000.00
Preferred Stock Issued (204) -----	F-6	3985947.65	3985947.65
Other Paid in Capital (211) -----		(1832293.30)	(1722718.38)
Retained Earnings (215) -----	F-6		
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>2253654.35</u>	\$ <u>2363229.27</u>
Long Term Debt (224) -----	F-6	\$ 921049.55	\$ 921049.55
Accounts Payable (231) -----		3537.27	3254.50
Notes Payable (232) -----		637269.50	683269.50
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
Unrealized Gain - Installment Sale -----		2022901.36	2373728.77
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>87998.12</u>	<u>58429.37</u>
Total Liabilities and Capital -----		\$ <u>5926410.15</u>	\$ <u>6402960.96</u>

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2001

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ 43088.34	\$ 585372.75	\$ _____	\$ 628461.09
Construction Work in -----	_____	_____	_____	_____
Other (Specify) _____ _____ _____	_____	_____	_____	_____
Total Utility Plant _____	\$ 43088.34	\$ 585372.75	\$ _____	\$ 628461.09

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 22934.08	\$ 416659.23	\$ _____	\$ 439593.31
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 2027.81	\$ 30816.56	\$ _____	\$ 32844.37
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____ _____	_____	_____	_____	_____
Total Credits _____	\$ 2027.81	\$ 30816.56	\$ _____	\$ 32844.37
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____ _____	_____	_____	_____	_____
Total Debits _____	\$ -0-	\$ -0-	\$ _____	\$ -0-
Balance End of Year _____	\$ 24961.89	\$ 447475.79	\$ _____	\$ 472437.68

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31, 2001

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1.00	_____
Shares authorized _____	100000	_____
Shares issued and outstanding _____	100000	_____
Total par value of stock issued _____	100000.00	_____
Dividends declared per share for year _____	-0-	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$(1722718.38)
Changes during the year (Specify):		
Net Income for 2001 _____	_____	677384.82
Distributions to Shareholder _____	_____	(786959.74)
_____	_____	_____
Balance end of year _____	\$ _____	\$(1832293.30)

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		Principal per Balance Sheet Date
	Rate	# of Pymts	
Mortgage Payable - F. Dennison _____	Variable	_____	\$ 921049.55
_____	_____	_____	_____
Total _____			\$ 921049.55

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31, 2001

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	_____	_____	80208.49	80208.49
Regulatory assessment fee _____	847.89	639.00	_____	1486.89
Other (Specify) _____	_____	_____	_____	_____
FL Intangible Tax _____	_____	_____	2374.00	2374.00
Capital Stock Tax _____	_____	_____	150.00	150.00
Total Tax Expense _____	\$ <u>847.89</u>	\$ <u>639.00</u>	\$ <u>82732.49</u>	\$ <u>84219.38</u>

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
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORP.

YEAR OF REPORT DECEMBER 31 2001

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ 17525.00	\$ 58000.00	\$ 75525.00
2) Add credits during year_____	\$ 4200.00	\$ 30000.00	\$ 34200.00
3) Total_____	21725.00	88000.00	109725.00
4) Deduct charges during the year_____			
5) Balance end of year_____	21725.00	88000.00	109725.00
6) Less Accumulated Amortization_____	4826.88	16900.00	21726.88
7) Net CIAC_____	\$ 16898.12	\$ 71100.00	\$ 87988.12

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
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
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		
Connection Fees	7	\$ 500.00	\$ 3500.00	\$ _____
Connection Fee	1	700.00	700.00	_____
Connection Fees	15	2000.00		30000.00
Total Credits During Year (Must agree with line # 2 above.)_____			\$ 4200.00	\$ 30000.00

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year_____	\$ 3845.63	\$ 13250.00	\$ 17095.63
Add Debits During Year:_____	981.25	3650.00	4631.25
Deduct Credits During Year:_____			
Balance End of Year (Must agree with line #6 above.)	\$ 4826.88	\$ 16900.00	\$ 21726.88

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

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31 2001

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	\$ _____	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: INNERARITY ISLAND DEVELOPMENT CORP.

YEAR OF REPORT
DECEMBER 31, 2001

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

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

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

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**WATER
OPERATING
SECTION**

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31 2001

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	_____	_____	_____	_____
303	Land and Land Rights _____	_____	_____	_____	_____
304	Structures and Improvements _____	_____	_____	_____	_____
305	Collecting and Impounding Reservoirs _____	_____	_____	_____	_____
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	_____	_____	_____	_____
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	_____	_____	_____	_____
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	_____	_____	_____	_____
320	Water Treatment Equipment _____	_____	_____	_____	_____
330	Distribution Reservoirs and Standpipes _____	_____	_____	_____	_____
331	Transmission and Distribution Lines _____	_____	_____	_____	_____
333	Services _____	_____	_____	_____	_____
334	Meters and Meter Installations _____	_____	_____	_____	_____
335	Hydrants _____	_____	_____	_____	_____
336	Backflow Prevention Devices _____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment _____	_____	_____	_____	_____
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 _____	_____	_____	_____	_____
348	Other Tangible Plant _____	_____	_____	_____	_____
	Total Water Plant _____	\$ <u>43088.34</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>43088.34</u>

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2001

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		%		\$	\$		\$
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs		%					
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment		%					
320	Water Treatment Equipment		%					
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains		%					
333	Services		%					
334	Meter & Meter Installations		%					
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment		%					
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		%					
348	Other Tangible Plant		%					
	Totals				\$ 22934.08	\$	\$ 2027.81	\$ 24961.89*

* This amount should tie to Sheet F-5.

W-2

DETAIL NOT AVAILABLE

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____
604	Employee Pensions and Benefits	_____
610	Purchased Water	20936.65
615	Purchased Power	_____
616	Fuel for Power Production	_____
618	Chemicals	_____
620	Materials and Supplies	_____
630	Contractual Services:	
	Billing	682.14
	Professional	_____
	Testing	1719.00
	Other <u>Repairs</u>	1773.15
640	Rents	_____
650	Transportation Expense	_____
655	Insurance Expense	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
670	Bad Debt Expense	_____
675	Miscellaneous Expenses <u>Meter Reading 750.00; Telephone 8.06</u>	758.06
	Total Water Operation And Maintenance Expense	\$ 25869.00 *
	* 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)	
Residential Service					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
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	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	<u>99</u>	<u>103</u>

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2001

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

	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)
(a)	(b)	(c)	(d)	(e)	(f)
January_____	825	_____	_____	_____	714
February_____	825	_____	_____	_____	555
March_____	900	_____	_____	_____	790
April_____	975	_____	_____	_____	732
May_____	1275	_____	_____	_____	1107
June_____	1500	_____	_____	_____	456
July_____	1425	_____	_____	_____	925
August_____	1398	_____	_____	_____	907
September_____	1048	_____	_____	_____	868
October_____	1346	_____	_____	_____	1000
November_____	946	_____	_____	_____	811
December_____	1119	_____	_____	_____	800
Total for Year_____	13582	_____	_____	_____	9665

If water is purchased for resale, indicate the following:
 Vendor Escambia County Utility Authority
 Point of delivery Meter at EAST END of Causeway entrance to Innerarity Island

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_____	4"	3592	_____	_____	3592
PVC_____	6"	17650	_____	_____	17650
PVC_____	3"	8320	_____	_____	8320
PVC_____	2"	1680	_____	_____	1680
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31, 2001

SYSTEM NAME: _____

WELLS AND WELL PUMPS

NONE

(a)	(b)	(c)	(d)	(e)
Year Constructed _____ Types of Well Construction and Casing _____ _____ _____ Depth of Wells _____ Diameters of Wells _____ Pump - GPM _____ Motor - HP _____ Motor Type * _____ Yields of Wells in GPD _____ Auxiliary Power _____ _____ * Submersible, centrifugal, etc.	_____	_____	_____	_____

RESERVOIRS

NONE

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) Capacity of Tank _____ Ground or Elevated _____	_____	_____	_____	_____

HIGH SERVICE PUMPING

NONE

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

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT

YEAR OF REPORT DECEMBER 31, 2001

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	_____	_____	PURCHASED WATER
Type of Source_____	_____	_____	

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	_____	_____	_____
Make_____	_____	_____	_____
Permitted Capacity (GPD)_____	_____	_____	_____
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: INNERARITY ISLAND DEVELOPMENT YEAR OF REPORT DECEMBER 31, 2001
 SYSTEM NAME: _____

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. 564
2. Maximum number of ERCs * which can be served. 780
3. Present system connection capacity (in ERCs *) using existing lines. 564
4. Future connection capacity (in ERCs *) upon service area buildout. 780
5. Estimated annual increase in ERCs *. 10
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. The water system has fire hydrants strategically placed throughout the system.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
124 unit subdivision will be coming on line in 2002. Plans have been approved & permitted by FL DEP.
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? NO
11. Department of Environmental Protection ID # 117-0908
12. Water Management District Consumptive Use Permit # None
 - 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:
 $ERC = (Total\ SFR\ gallons\ sold\ (omit\ 000/365\ days/350\ gallons\ per\ day)).$

Utility is a reseller of water purchased from Escambia County Utilities Authority. Each platted lot has been considered and ER C based upon discussion with Mr. Bob Crouch, PSC, Chief Engineer.

**WASTEWATER
OPERATING
SECTION**

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises _____	_____	_____	_____	_____
353	Land and Land Rights _____	_____	_____	_____	_____
354	Structures and Improvements _____	_____	_____	_____	_____
355	Power Generation Equipment _____	_____	_____	_____	_____
360	Collection Sewers - Force _____	_____	_____	_____	_____
361	Collection Sewers - Gravity _____	_____	_____	_____	_____
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	_____	_____	_____	_____
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	_____	_____	_____	_____
380	Treatment and Disposal Equipment _____	_____	_____	_____	_____
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment _____	_____	_____	_____	_____
390	Office Furniture and Equipment _____	_____	_____	_____	_____
391	Transportation Equipment _____	_____	_____	_____	_____
392	Stores Equipment _____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
394	Laboratory Equipment _____	_____	_____	_____	_____
395	Power Operated Equipment _____	_____	_____	_____	_____
396	Communication Equipment _____	_____	_____	_____	_____
397	Miscellaneous Equipment _____	_____	_____	_____	_____
398	Other Tangible Plant _____	_____	_____	_____	_____
	Total Wastewater Plant _____	\$ <u>585372.75</u>	\$ _____	\$ _____	\$ <u>585372.75</u> *

* This amount should tie to sheet F-5.

DETAIL NOT AVAILABLE

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		%	%	\$	\$		\$
355	Power Generation Equipment		%	%				
360	Collection Sewers - Force		%	%				
361	Collection Sewers - Gravity		%	%				
362	Special Collecting Structures		%	%				
363	Services to Customers		%	%				
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%				
371	Pumping Equipment		%	%				
380	Treatment and Disposal Equipment		%	%				
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment		%	%				
390	Office Furniture and Equipment		%	%				
391	Transportation Equipment		%	%				
392	Stores Equipment		%	%				
393	Tools, Shop and Garage Equipment		%	%				
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment		%	%				
398	Other Tangible Plant		%	%				
	Totals				\$ 416659.23	\$	\$ 30816.56	\$ 447475.79*

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ _____
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____
704	Employee Pensions and Benefits	_____
710	Purchased Wastewater Treatment	_____
711	Sludge Removal Expense	_____
715	Purchased Power	5118.09
716	Fuel for Power Production	_____
718	Chemicals	607.76
720	Materials and Supplies	_____
730	Contractual Services:	_____
	Billing	_____
	Professional <u>Plant Operator</u>	5810.00
	Testing	2044.00
	Other <u>Repairs</u>	14268.81
740	Rents	_____
750	Transportation Expense	_____
755	Insurance Expense	_____
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
770	Bad Debt Expense	_____
775	Miscellaneous Expenses	_____
	Total Wastewater Operation And Maintenance Expense	\$ <u>27848.66</u>

* 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 Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	_____	_____	_____
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	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	60	58	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	60	58

PUMPING EQUIPMENT

Lift Station Number _____	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	_____
Make or Type and nameplate data on pump _____	<u>TORAN</u>	<u>HYDRO-MATIC</u>	<u>HYDRO-MATIC</u>	<u>HYDRO-MATIC</u>	<u>HYDRO-MATIC</u>	_____
Year installed _____	_____	_____	_____	_____	_____	_____
Rated capacity _____	<u>36</u>	<u>32.2</u>	<u>N/A</u>	<u>20.7</u>	<u>N/A</u>	_____
Size _____	<u>HP3</u>	<u>HP3</u>	<u>HP2</u>	<u>HP3</u>	<u>N/A</u>	_____
Power:						
Electric _____ VOLTS _____	<u>208</u>	<u>230</u>	<u>230</u>	<u>230</u>	<u>208</u>	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	<u>4"</u>	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	<u>PVC</u>	_____	_____	_____	_____	_____
Average length _____	<u>UNKNOWN</u>	_____	_____	_____	_____	_____
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) _____	<u>8"</u>	_____	_____	_____	<u>2½</u>	<u>3</u>	<u>6</u>
Type of main _____	<u>PVC</u>	_____	_____	_____	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>
Length of main (nearest foot) _____	_____	_____	_____	_____	_____	_____	_____
Beginning of year _____	<u>19306</u>	_____	_____	_____	<u>880</u>	<u>430</u>	<u>3980</u>
Added during year _____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____
End of year _____	<u>19306</u>	_____	_____	_____	<u>880</u>	<u>430</u>	<u>3980</u>

MANHOLES

Size (inches) _____	_____	_____	_____	_____
Type of Manhole _____	_____	_____	_____	_____
Number of Manholes:				
Beginning of year _____	<u>83</u>	_____	_____	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of Year _____	<u>83</u>	_____	_____	_____

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

SYSTEM NAME: _____

YEAR OF REPORT DECEMBER 31 2001

TREATMENT PLANT

Manufacturer_____	<u>DAVCO</u>	_____	_____
Type_____	<u>STEEL</u>	_____	_____
"Steel" or "Concrete"_____	_____	_____	_____
Total Permitted Capacity_____	<u>90000 GPD</u>	_____	_____
Average Daily Flow_____	_____	_____	_____
Method of Effluent Disposal_____	<u>SOTTILING POND</u>	_____	_____
Permitted Capacity of Disposal_____	_____	_____	_____
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_____	<u>124000</u>	_____	<u>124000</u>
February_____	<u>112000</u>	_____	<u>112000</u>
March_____	<u>186000</u>	_____	<u>186000</u>
April_____	<u>150000</u>	_____	<u>150000</u>
May_____	<u>124000</u>	_____	<u>124000</u>
June_____	<u>210000</u>	_____	<u>210000</u>
July_____	<u>186000</u>	_____	<u>186000</u>
August_____	<u>248000</u>	_____	<u>248000</u>
September_____	<u>150000</u>	_____	<u>150000</u>
October_____	<u>155000</u>	_____	<u>155000</u>
November_____	<u>180000</u>	_____	<u>180000</u>
December_____	<u>217000</u>	_____	<u>217000</u>
Total for year_____	<u>2042000</u>	_____	<u>2042000</u>

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT

YEAR OF REPORT
DECEMBER 31, 2001

SYSTEM NAME: _____

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. 58
2. Maximum number of ERCs* which can be served. 900
3. Present system connection capacity (in ERCs*) using existing lines. 487
4. Future connection capacity (in ERCs*) upon service area buildout. 716
5. Estimated annual increase in ERCs*. 10
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
124 unit subdivision will be coming on line in 2002.
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? Treatment Plant Repermitted for five years, expiring Jan 31, 2006.
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? No
12. Department of Environmental Protection ID # FLA010058-001

- * 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).

Data submitted based upon telephone conversation with Mr. Bob Crouch, PSC, Chief Engineer. Our treatment plant is permitted for 90,000 gallons per day, maximum average flow. Present connection loading is 1,737,000 annual flow equating to less than 100 gallons per day, per connection. I have used 100 gallons as an ERC above.

CERTIFICATION OF ANNUAL REPORT

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

YES NO

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 NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES NO

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES NO

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

Items Certified

1. 2. 3. 4.

Fayette Dennis

(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.