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CLASS "C"

WATER AND WASTEWATER UTILITIES

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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS680-03-AR
Innerarity Island Development Corporation
4300 Bayou Blvd., Suite 21
Pensacola, FL 32503-2614

Submitted To The

STATE OF FLORIDA



RECEIVED SERVICE
FLORIDA PUBLIC SERVICE
COMMISSION
04 APR - 2 AM 10: 48
DIVISION OF
ECONOMIC REGULATION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class C**

Company:

For the Year Ended December 31, 2003

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 21061.86	\$ 21061.86	\$ -0-
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Water Operating Revenue	\$ 21061.86	\$ 21061.86	\$ -0-
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$ 21061.86	\$ 21061.86	\$ -0-

Explanations:

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DIVISION OF
ECONOMIC REGULATION
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Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class C**

Company:

For the Year Ended December 31, 2003

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 15540.00	\$ 15540.00	\$ -0-
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Wastewater Operating Revenue	\$ 15540.00	\$ 15540.00	\$ -0-
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	_____	_____	_____
Net Wastewater Operating Revenues	\$ 15540.00	\$ 15540.00	\$ -0-

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule F-3 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

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FINANCIAL

SECTION

REPORT OF

INNERARITY ISLAND DEVELOPMENT CORPORATION
(EXACT NAME OF UTILITY)

4300 BAYOU BLVD., SUITE 21 PENSACOLA, FL 32503 Mailing Address	4300 BAYOU BLVD., SUITE 21 PENSACOLA, FL ESCAMBIA Street Address County
Telephone Number (850) 476-1788	Date Utility First Organized UNKNOWN
Fax Number (850) 478-3919	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, FL 32503 (850) 476-1788

Name of subdivisions where services are provided: INNERARITY ISLAND, ESCAMBIA COUNTY FL

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>FAYETTE DENNISON</u>	<u>PRESIDENT</u>	<u>4300 BAYOU BLVD. SUITE 21 PENSACOLA FLORIDA 32503</u>	
Person who prepared this report: <u>FAYETTE DENNISON</u>	<u>PRESIDENT</u>	<u>SAME</u>	
Officers and Managers: <u>FAYETTE DENNISON</u>	<u>PRESIDENT</u>	<u>SAME</u>	\$ -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
<u>FAYETTE DENNISON</u>	<u>100</u>	<u>4300 BAYOU BLVD. SUITE 21 PENSACOLA, FL 32503</u>	\$ NONE
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2003

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 21,061.86	\$ 15,540.00	\$ _____	\$ 36,601.86
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue_____		\$ 21,061.86	\$ 15,540.00	\$ _____	\$ 36,601.86
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 40,641.52	\$ 40,848.84	\$ _____	\$ 81,490.36
Depreciation Expense_____	F-5	2,027.81	30,939.98	_____	32,967.79
CIAC Amortization Expense_____	F-8	(1,555.00)	(6,550.00)	_____	(8,105.00)
Taxes Other Than Income_____	F-7	893.43	615.15	_____	1,508.58
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 42,007.76	65,853.97	_____	\$ 107,861.73
Net Operating Income (Loss)		\$ (20,945.90)	\$ (50,313.97)	\$ _____	\$ (71,259.87)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ 1,323,822.53	\$ 1,323,822.53
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ 407,591.28	\$ 407,591.28
Interest Expense_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (20,945.90)	\$ (50,313.97)	\$ 916,231.25	\$ 844,971.38

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ <u>643,271.97</u>	\$ <u>629,336.09</u>
Accumulated Depreciation and Amortization (108)-----	F-5,W-2,S-2	<u>538,250.04</u>	<u>505,282.05</u>
Net Utility Plant-----		\$ <u>105,021.93</u>	\$ <u>124,054.04</u>
Cash-----		<u>8,593.74</u>	<u>47,721.38</u>
Customer Accounts Receivable (141)-----			
Other Assets (Specify): <u>LAND AND BLDGS</u>		<u>1,657,184.95</u>	<u>2,676,326.15</u>
<u>UTILITY DEPOSITS AND ACCRUED INT</u>		<u>513,554.21</u>	<u>299,231.41</u>
<u>RENTAL PROPERTY</u>		<u>1,140,158.32</u>	<u>322,978.99</u>
<u>ACCUM DEPRN-RENTAL PROPERTY</u>		<u>(122,285.59)</u>	<u>(106,112.23)</u>
<u>MORTGAGE RECEIVABLE</u>		<u>1,995,168.90</u>	<u>2,448,670.20</u>
Total Assets-----		\$ <u>5,297,396.46</u>	\$ <u>5,812,869.94</u>
Liabilities and Capital:			
Common Stock Issued (201)-----	F-6	<u>100,000.00</u>	<u>100,000.00</u>
Preferred Stock Issued (204)-----	F-6		
Other Paid in Capital (211)-----		<u>3,985,947.65</u>	<u>3,985,947.65</u>
Retained Earnings (215)-----	F-6	<u>(1,445,574.63)</u>	<u>(1,240,546.01)</u>
Proprietary Capital (Proprietary and partnership only) (218)-----	F-6		
Total Capital-----		\$ <u>2,640,373.02</u>	\$ <u>2,845,401.64</u>
Long Term Debt (224)-----	F-6	\$ <u>921,049.55</u>	\$ <u>921,049.55</u>
Accounts Payable (231)-----		<u>3,266.32</u>	<u>2,526.45</u>
Notes Payable (232)-----			
Customer Deposits (235)-----			
Accrued Taxes (236)-----			
Other Liabilities (Specify)-----			
<u>UNREALIZED GAIN-INSTALLMENT SALE</u>		<u>1,578,663.20</u>	<u>1,937,492.93</u>
Advances for Construction-----			
Contributions in Aid of Construction - Net (271-272)-----	F-8	<u>154,044.37</u>	<u>106,399.37</u>
Total Liabilities and Capital-----		\$ <u>5,297,396.46</u>	\$ <u>5,812,869.94</u>

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2003

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>43,088.34</u>	\$ <u>586,247.75</u>	\$ _____	\$ <u>629,336.09</u>
Construction Work in Progress (105) _____	_____	<u>13,935.88</u>	_____	<u>13,935.88</u>
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>43,088.34</u>	\$ <u>600,183.63</u>	\$ _____	\$ <u>643,271.97</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>26,989.70</u>	\$ <u>478,292.55</u>	\$ _____	\$ <u>505,282.25</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ <u>2,027.81</u>	\$ <u>30,939.98</u>	\$ _____	\$ <u>32,967.79</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ <u>2,027.81</u>	\$ <u>30,939.98</u>	\$ _____	\$ <u>32,967.79</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ <u>29,017.51</u>	\$ <u>509,232.53</u>	\$ _____	\$ <u>538,250.04</u>
Balance End of Year _____	\$ <u>29,017.51</u>	\$ <u>509,232.53</u>	\$ _____	\$ <u>538,250.04</u>

UTILITY NAME:

INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31, 2003

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1.00	_____
Shares authorized _____	100,000.00	_____
Shares issued and outstanding _____	100,000.00	_____
Total par value of stock issued _____	100,000.00	_____
Dividends declared per share for year _____	_____	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$(1,240,546.01)
Changes during the year (Specify):		
NET INCOME - 2003 _____		844,971.38
DISTRIBUTION TO SHAREHOLDER _____		(1,050,000.00)
Balance end of year _____	\$ _____	\$(1,445,574.63)

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 - FAYETTE DENNISON	VARIABLE		\$ 921,049.55
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 921,049.55

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>26,225.00</u>	\$ <u>108,000.00</u>	\$ <u>134,225.00</u>
2) Add credits during year _____			
3) Total _____	\$ <u>9,750.00</u>	\$ <u>46,000.00</u>	\$ <u>55,750.00</u>
4) Deduct charges during the year _____	<u>35,975.00</u>	<u>154,000.00</u>	<u>189,975.00</u>
5) Balance end of year _____	<u>35,075.00</u>	<u>154,000.00</u>	<u>189,975.00</u>
6) Less Accumulated Amortization <input checked="" type="checkbox"/> _____	<u>7,580.63</u>	<u>28,350.00</u>	<u>35,930.63</u>
7) Net CIAC _____	\$ <u>28,394.37</u>	\$ <u>125,650.00</u>	\$ <u>154,044.37</u>

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	
WATER CONNECTIONS	19	\$ 500.00	
SEWER CONNECTIONS		2000.00	

Total Credits During Year (Must agree with line # 2 above.) _____			
		\$ <u>9,750.00</u>	\$ <u>46,000.00</u>

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>6,025.63</u>	\$ <u>21,800.00</u>	\$ <u>27,825.63</u>
Add Debits During Year: _____	<u>1,555.00</u>	<u>6,550.00</u>	<u>8,105.00</u>
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above.) _____	\$ <u>7,580.63</u>	\$ <u>28,350.00</u>	\$ <u>35,930.63</u>

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

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

<p>YEAR OF REPORT DECEMBER 31 2003</p>

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

<p>Current Commission approved AFUDC rate: _____ %</p> <p>Commission Order Number approving AFUDC rate: _____</p>

**WATER
OPERATING
SECTION**

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31 2003

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>43,088.34</u>	\$ _____	\$ _____	\$ <u>43,088.34</u>

DETAIL ACCOUNT DATA NOT AVAILABLE

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				\$ 26,989.70	\$	\$ 2,027.81	\$ 29,017.51*

* This amount should tie to Sheet F-5.

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2003

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	_____
615	Purchased Power	<u>23,961.86</u>
616	Fuel for Power Production	_____
618	Chemicals	_____
620	Materials and Supplies	_____
630	Contractual Services:	
	Billing	_____
	Professional	_____
	Testing	_____
	Other <u>REPAIRS</u>	<u>1,560.00</u>
640	Rents	<u>13,637.38</u>
650	Transportation Expense	_____
655	Insurance Expense	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
670	Bad Debt Expense	_____
675	Miscellaneous Expenses <u>METER READING 1000.00; POSTAGE 430.68;</u> <u>OFFICE 51.60</u>	<u>1,482.28</u>
	Total Water Operation And Maintenance Expense	\$ <u>40,641.52</u> *
	* 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>113</u>	<u>128</u>

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31, 2003

SYSTEM NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

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_____	1125				799
February_____	1050				737
March_____	1050				1103
April_____	1425				1218
May_____	1650				512
June_____	1500				1054
July_____	1275				953
August_____	2960				1055
September_____	1500				1275
October_____	1575				1251
November_____	1650				861
December_____	1425				1086
Total for Year_____	18185				11904

If water is purchased for resale, indicate the following:

Vendor ESCAMBIA COUNTY UTILITY AUTHORITY

Point of delivery METER AT EAST END OF CAUSEWAY

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, 2003

SOURCE OF SUPPLY

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

WATER TREATMENT FACILITIES NONE

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 CORPORATION

YEAR OF REPORT
DECEMBER 31, 2003

SYSTEM NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

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.

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^{W7} HAS BEEN CONSIDERED AN ERC BASED UPON DISCUSSION WITH MR. BOB CROUCH, PSC CHIEF ENGINEER.

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31, 2003

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	\$ 586,247.75	\$ 13,935.88	\$ _____	\$ 600,183.63 *

* This amount should tie to sheet F-5.

DETAIL NOT AVAILABLE

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2003

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				\$ 478,292.35	\$	\$ 40,848.84	\$ 519,141.19*

* This amount should tie to Sheet F-5.

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2003

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	5,597.82
716	Fuel for Power Production	_____
718	Chemicals	851.05
720	Materials and Supplies	1,673.48
730	Contractual Services:	
	Billing	_____
	Professional <u>PLANT OPERATOR</u>	7,060.00
	Testing	2,396.00
	Other <u>REPAIRS</u>	23,270.49
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>40,848.84</u> *

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		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	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	66	68

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2003

PUMPING EQUIPMENT

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

SERVICE CONNECTIONS

Size (inches) _____	4"					
Type (PVC, VCP, etc.) _____	PVC					
Average length _____	UNKNOWN					
Number of active service connections _____						
Beginning of year _____	66					
Added during year _____	2					
Retired during year _____						
End of year _____	68					
Give full particulars concerning inactive connections _____						

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains		
Size (inches) _____	8"			2½	3	6
Type of main _____	PVC			PVC	PVC	PVC
Length of main (nearest foot) _____						
Beginning of year _____	19306			880	430	3980
Added during year _____						
Retired during year _____						
End of year _____	19306			880	430	3980

MANHOLES

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

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

SYSTEM NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT DECEMBER 31 2003

TREATMENT PLANT

Manufacturer _____ Type _____ "Steel" or "Concrete" _____ Total Permitted Capacity _____ Average Daily Flow _____ Method of Effluent Disposal _____ Permitted Capacity of Disposal _____ Total Gallons of Wastewater treated _____	DAVCO _____ STEEL _____ 90000 GPD _____ SETTLING POND _____	_____ _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____ _____
---	--	---	---

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 _____	186000	_____	186000
February _____	168000	_____	168000
March _____	248000	_____	248000
April _____	180000	_____	180000
May _____	186000	_____	186000
June _____	270000	_____	270000
July _____	496000	_____	496000
August _____	434000	_____	434000
September _____	240000	_____	240000
October _____	217000	_____	217000
November _____	210000	_____	210000
December _____	310000	_____	310000
Total for year _____	3145000	_____	3145000

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

YEAR OF REPORT
DECEMBER 31, 2003

SYSTEM NAME: INNERARITY ISLAND DEVELOPMENT CORPORATION

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. 68

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

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 JANUARY 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, MINIMUM AVERAGE FLOW. 2003 CONNECTION LOADING WAS 3,145,000 ANNUAL FLOW EQUATING TO 125 GALLONS PER DAY, PER CONNECTION. I HAVE USED 100 GALLONS AS AN ERC ABOVE. A REVIEW OF PUMPING STATISTICS WOULD INDICATE FLOW METER PROBLEM.

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 type="checkbox"/> | NO
<input checked="" 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"/>
---	---	---	---

Joytte Dennis _____ *

(signature of chief executive officer of the utility)

Date: _____

1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>	4. <input type="checkbox"/>
--------------------------------	--------------------------------	--------------------------------	--------------------------------

_____ *

(signature of chief financial officer of the utility)

Date: _____

* 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.