

CLASS "A" OR "B"
WATER and/or WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

Florida Water Services

Exact Legal Name of Respondent

Various

Certificate Numbers

Submitted To The

STATE OF FLORIDA



RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
05 JUN 29 AM 10:18
DIVISION OF
ECONOMIC REGULATION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2004

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
PAUL E. DECHARIO, C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
JEANETTE SUNG, C.P.A.
HOLLY M. TOWNER, C.P.A.
REBECCA G. VOITLAIN, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4432
(727) 791-4020
FACSIMILE
(727) 797-3602
e-Mail
cpas@cinw.net

June 28, 2005

Officers and Directors
Aqua Utilities Florida, Inc.
d/b/a Florida Water Services

We have compiled the 2004 Annual Report of Aqua Utilities Florida, Inc., d/b/a Florida Water Services in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Aqua Utilities Florida, Inc., d/b/a Florida Water Services. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class A & B**

Company: Florida Water Services

For the Year Ended December 31, 2004

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ -	\$ -	\$ -
Total Metered Sales ((461.1 - 461.5)	1,576,235	1,576,235	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	8,398	8,398	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	37,646	37,646	-
Total Water Operating Revenue	\$ 1,622,279	\$ 1,622,279	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 1,622,279	\$ 1,622,279	\$ -

Explanations:

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).

Florida Water Services
2004 Water Revenue by Company

Metered Sales

Kingswood	\$	8,487
Oakwood		28,049
Leisure Lakes		24,903
Carlton Village		46,296
East Lake Harris		65,090
Fern Terrace		21,482
Friendly Center		5,521
Grand Terrace		16,007
Hobby Hills		12,246
Holiday Haven		17,169
Imperial Mobile Terr		22,508
Morningview		10,432
Palms MMP		4,273
Picciola Island		22,121
Piney Woods		34,718
Quail Ridge		15,584
Silver Lake		184,280
Skycrest		24,065
Stone Mountain		2,292
Valencia Terrace		42,952
Venetian Village		25,032
Western Shores		36,882
Tangerine		39,376
Palm Terrace		163,058
Zephyr Shores		31,448
Gibsonia Estates		10,334
Lkae Gibson		65,176
Orange Hill		16,391
Sugar Creedk		7,695
Beecher's Point		17,665
Hermits Cove		18,750
Interlachen Park		38,008
Park Manor		16,929
Pomona Park		31,236
River Grove		16,873
Silver Lake Oaks		7,305
St. John's Highlands		6,015
Welaka		10,927
Saratoga Harbour		13,842
Wooten		2,868
Chuluota		268,974
Harmony Homes		14,953
Jungle Den		8,270
Tomoka/Twin Rivers		20,182
Sunny Hills		79,571
Total Metered Sales		<u>1,576,235</u>

Irrigation Sales

Palm Terrace	329
Lake Gibson	139
Chuluota	7,930
Total Irrigation Sales	<u>8,398</u>

Other Water Revenues

Kingswood	\$	95
Oakwood		395
Leisure Lakes		360
Carlton Village		577
East Lake Harris		215
Fern Terrace		185
Friendly Center		35
Grand Terrace		155
Hobby Hills		290
Holiday Haven		119
Imperial Mobile Terr		135
Morningview		55
Palms MMP		90
Picciola Island		335
Piney Woods		155
Quail Ridge		439
Silver Lake		1,692
Skycrest		195
Stone Mountain		85
Valencia Terrace		510
Venetian Village		124
Western Shores		935
Tangerine		372
Palm Terrace		2,025
Zephyr Shores		590
Gibsonia Estates		425
Lkae Gibson		1,520
Orange Hill		290
Sugar Creedk		90
Beecher's Point		15
Hermits Cove		687
Interlachen Park		560
Park Manor		87
Pomona Park		230
River Grove		75
Silver Lake Oaks		90
St. John's Highlands		270
Welaka		90
Saratoga Harbour		150
Wooten		30
Chuluota		19,614
Harmony Homes		110
Jungle Den		165
Tomoka/Twin Rivers		140
Sunny Hills		2,845
Total Other Water Revenues		<u>37,646</u>

Total Water Operating Revenue

\$ 1,622,279

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B**

Company: Florida Water Services

For the Year Ended December 31, 2004

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate revenues (521.1 - 521.6)	\$ -	\$ -	\$ -
Total Measured Revenues (522.1 - 522.5)	805,769	805,769	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	9,741	9,741	-
Reclaimed Water Sales (540.1 - 544)	482	482	-
Total Wastewater Operating Revenue	\$ 815,992	\$ 815,992	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 815,992	\$ 815,992	\$ -

Explanations:

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).

Florida Water Services
2004 Wastewater Revenue by Company

Measured Revenues

Leisure Lakes	\$ 33,775
Holiday Haven	24,111
Morningview	10,284
Valencia Terrace	59,178
Venetian Village	23,389
Palm Terrace	193,497
Zephyr Shores	57,666
Lake Gibson	48,277
Beecher's Point	10,137
Park Manor	27,887
Palm Port	9,454
Silver Lake Oaks	9,242
Chuluota	163,414
Fl Central Comm	76,697
Jungle Den	17,279
Sunny Hills	41,482
Total Measured Revenues	<u>805,769</u>

Other Revenues

Holiday Haven	1,385
Venetian Village	541
Chuluota	7,800
Florida Central Comm	15
Total Other Revenue	<u>9,741</u>

Reclaimed Water Sales (540.1 - 544)

Florida Central Comm	482
Total Reclaimed Water Sales	<u>482</u>

Total Wastewater Operating Revenue \$ 815,992

General Instructions

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
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 should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which will create a permanent record, such as by typewriter.
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 of the page with not enough room. Such a schedule 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 statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. Water and wastewater system pages should be grouped together by system and all pages in the water and wastewater sections should be numbered consecutively at the bottom of the page where noted. For example, if the water system pages total 50 pages, they should be grouped by system and numbered from 1 to 50.
11. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
12. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
13. The report should be filled out in quadruplicate and the original and two copies returned by March 31 of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	Business Contracts With Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers and Directors	E-8
Directory of Personnel Who Contact the FPSC	E-3	Businesses Which Are A Byproduct, Coproduct or Joint Product of Providing Service	E-9
Company Profile	E-4	Business Transactions With Related Parties - Part I and II	E-10
Parent/Affiliate Organization Chart	E-5		
Compensation of Officers & Directors	E-6		
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Unamortized Debt Discount / Expense / Premium	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Extraordinary Property Losses	F-13
Comparative Operating Statement	F-3	Miscellaneous Deferred Debits	F-14
Schedule of Year End Rate Base	F-4	Capital Stock	F-15
Schedule of Year End Capital Structure	F-5	Bonds	F-15
Capital Structure Adjustments	F-6	Statement of Retained Earnings	F-16
Utility Plant	F-7	Advances From Associated Companies	F-17
Utility Plant Acquisition Adjustments	F-7	Long Term Debt	F-17
Accumulated Depreciation	F-8	Notes Payable	F-18
Accumulated Amortization	F-8	Accounts Payable to Associated Companies	F-18
Regulatory Commission Expense - Amortization of Rate Case Expense		Accrued Interest and Expense	F-19
Nonutility Property	F-9	Misc. Current and Accrued Liabilities	F-20
Special Deposits	F-9	Advances for Construction	F-21
Investments and Special Funds	F-10	Other Deferred Credits	F-21
Accounts and Notes Receivable - Net	F-11	Contributions In Aid Of Construction	F-22
Accounts Receivable From Associated Companies	F-12	Accum. Amortization of C.I.A.C.	F-23
Notes Receivable From Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income For Federal Income Taxes	F-23
Miscellaneous Current and Accrued Assets	F-12		

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
WATER OPERATION SECTION			
Listing of Water System Groups	W-1	CIAC Additions / Amortization	W-8
Schedule of Year End Water Rate Base	W-2	Water Operating Revenue	W-9
Water Operating Statement	W-3	Water Utility Expense Accounts	W-10
Water Utility Plant Accounts	W-4	Pumping and Purchased Water, Source Supply	W-11
Basis for Water Depreciation Charges	W-5	Water Treatment Plant Information	W-12
Analysis of Entries in Water Depreciation Reserve	W-6	Calculation of ERC's	W-13
Contributions in Aid of Construction	W-7	Other Water System Information	W-14
WASTEWATER OPERATION SECTION			
Listing of Wastewater System Groups	S-1	Contributions in Aid of Construction	S-7
Schedule of Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Operating Revenue	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Utility Expense Accounts	S-10
Basis for Wastewater Depreciation Charges	S-5	Wastewater Treatment Plant Information	S-11
Analysis of Entries in Wastewater Depreciation Reserve	S-6	Calculation of ERC's	S-12
		Other Wastewater System Information	S-13

EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT December 31, 2004

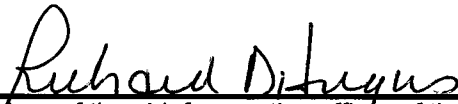
UTILITY NAME: Florida Water Services

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

- | | | |
|--------------|-------------|--|
| YES
(X) | NO
() | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES
(X) | NO
() | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
(X) | 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
(X) | 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.
(X)	(X)	(X)	(X)



 (signature of the chief executive officer of the utility) *

1.	2.	3.	4.
(X)	(X)	(X)	(X)



 (signature of the chief financial officer of the utility) *

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

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

ANNUAL REPORT OF

YEAR OF REPORT December 31, 2004

Florida Water Services
 (Exact Name of Utility)

County: Various

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

6960 Professional Parkway East
 Suite 400
 Sarasota, FL 34240

Telephone: (941) 907-7411

e-Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

Name and address of person to whom correspondence concerning this report should be addressed:

Robert C. Nixon, CPA
 Cronin, Jackson, Nixon & Wilson, CPA's, PA
 2560 Gulf-to-Bay Blvd, Suite 200
 Clearwater, Florida 34625

Telephone: (727) 791-4020

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

6960 Professional Parkway East
 Suite 400
 Sarasota, FL 34240

Telephone: (941) 907-7411

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

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: August 25, 1995

Check the appropriate business entity of the utility as filed with the Internal Revenue Service:

Individual
 Partnership
 Sub S Corporation
 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the utility:

	Name	Percent Ownership
1.	Aqua America	100.0 %
2.		%
3.		%
4.		%
5.		%
6.		%
7.		%
8.		%
9.		%
10.		%

UTILITY NAME: Florida Water Services

YEAR OF REPORT
December 31, 2004

DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Nance Guth (941) 907-7411	Assistant Regional Controller	AquaSource Utility, Inc.	All utility matters
Martin Freidman (850) 877-6555	Attorney	Rose, Sundstrom & Bentley	Legal matters
Robert Nixon (727) 791-4020	CPA	Cronin, Jackson, Nixon and Wilson, CPA's	Accounting and rate matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

UTILITY NAME: Florida Water Services

YEAR OF REPORT
December 31, 2004

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

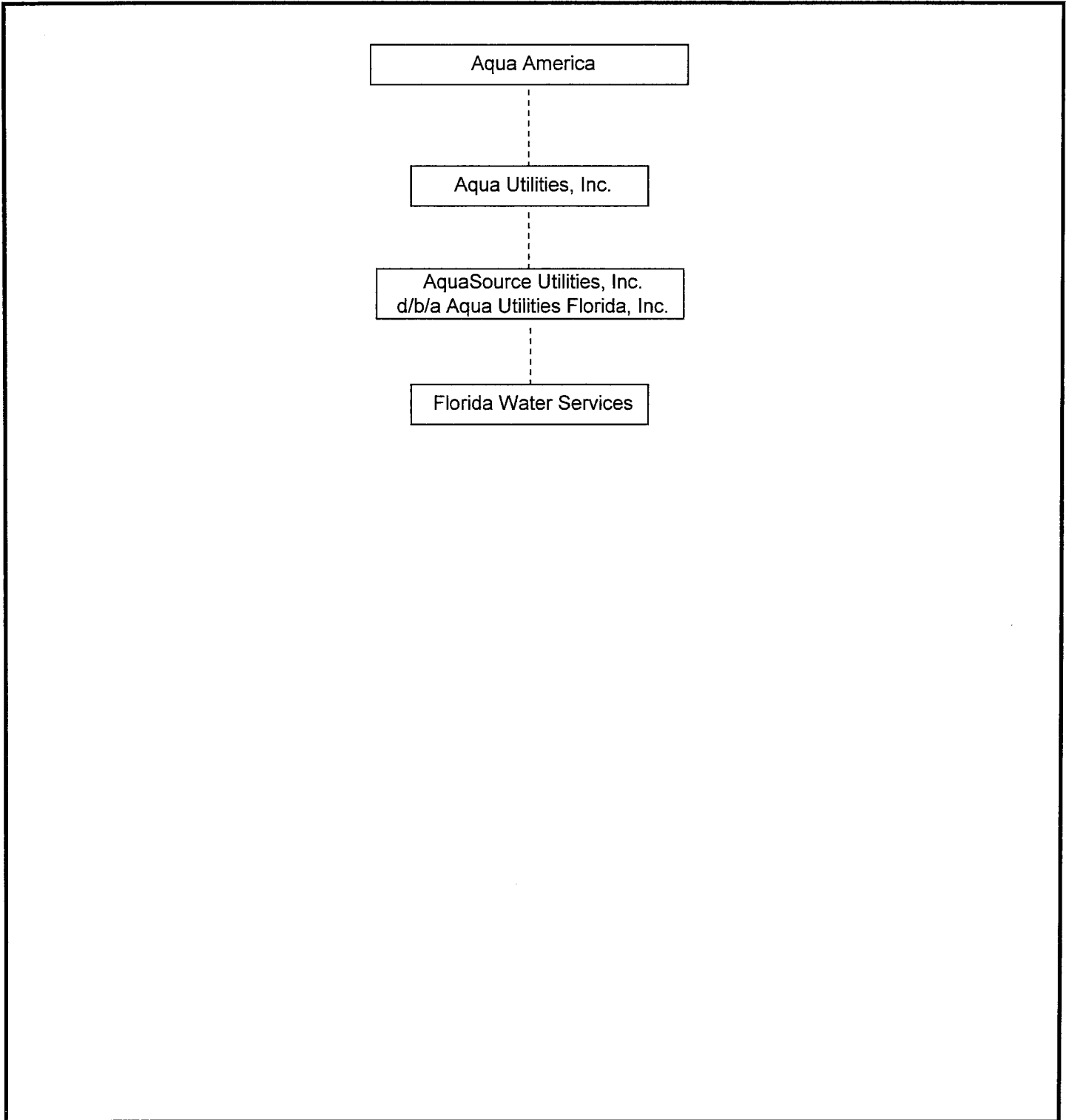
- A. Florida Water Services Corporation acquired the Utility systems included in this report over a period of several years. On June 30, 2004, these systems were acquired by AquaSource Utilities, Inc. d/b/a Aqua Utilities Florida, Inc. The certificates are in the process of transfer to Aqua Utilities Florida, Inc. by the PSC in Docket 040951-WS and Docket 040952-WS.
- B. The Company provides water and wastewater services only.
- C. The Company is dedicated to providing quality water and wastewater services to its customers while earning a fair return on investment for its shareholders.
- D. The major operating divisions, and services provided are listed on Pages W-1 and S-1.
- E. Current growth is static, and future growth patterns are uncertain.
- F. Pending certificate transfer by the PSC. The data in this report covers the period July 01, 2004 through December 31, 2004. The operating data for the first half of 2004 was previously reported by Florida Water Services Corporation when the systems were under their control and operation.

UTILITY NAME: Florida Water Services

YEAR OF REPORT
December 31, 2004

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/99

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



UTILITY NAME: Florida Water Services

YEAR OF REPORT December 31, 2004
--

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
Nicholas DeBenedictis	Chairman	1 %	\$ None
Richard D Hugus	President	1 %	\$ None
Glenn P LaBrecque	Vice President-Operations	10 %	\$ None
Roy H Stahl	Vice President/Secretary	1 %	\$ None
Kathy L Pape	Vice President/Treasurer	1 %	\$ None
James Chukinas	Controller	1 %	\$ None
Robert A Rubin	Assistant Treasurer	1 %	\$ None
Maria Gordiany	Assistant Secretary	1 %	\$ None
Nance Guth	Assistant Secretary	10 %	\$ None

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as an director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Nicholas DeBenedictis	Director	1	\$ None \$ \$ \$ \$ \$ \$ \$ \$

UTILITY NAME: Florida Water Services

YEAR OF REPORT
December 31, 2004

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, and other business arrangements entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on Page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
None		\$	

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principal occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Nicholas DeBenedictis Richard D Hugus Roy H Stahl Kathy L Pape James Chukinas Robert A Rubin Maria Gordiany	Utility Executive Utility Executive Utility Executive Utility Executive Utility Executive Utility Executive Utility Executive	Chairman President Vice President/Secretary Vice President/Treasurer Controller Assistant Treasurer Assistant Secretary	Aqua America Aqua Utilities Florida, Inc. 762 W. Lancaster Avenue Bryn Mawr, PA 19010 Same Same Same
Glenn P LaBrecque Nance Guth	Utility Executive Utility Executive	Vice President-Operations Assistant Secretary	Aqua Utilities Florida, Inc. 6960 Professional Pkwy East #400 Sarasota, FL

UTILITY NAME: Florida Water Services

YEAR OF REPORT December 31, 2004
--

BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water and/or sewer service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Florida Water Services

YEAR OF REPORT December 31, 2004
--

BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6 identifying the parties, amounts, dates and product, asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

- Enter in this part all transactions involving services and products received or provided.
- Below are some types of transactions to include:
 - management, legal and accounting services
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land and equipment
 - rental transactions
 - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Aqua America	Management, accounting, supervision, labor	Open	P	\$ 124,764

UTILITY NAME: Florida Water Services

YEAR OF REPORT December 31, 2004
--

BUSINESS TRANSACTIONS WITH RELATED PARTIES

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

- | | |
|--|---|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> - purchase, sale or transfer of equipment. - purchase, sale or transfer of land and structures. - purchase, sale or transfer of securities. - noncash transfers of assets. - noncash dividends other than stock dividends. - writeoff of bad debts or loans. | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (a) Enter name of related party or company. (b) Describe briefly the type of assets purchased, sold or transferred. (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S". (d) Enter the net book value for each item reported. (e) Enter the net profit or loss for each item (column (c) - column (d)). (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value. |
|--|---|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

●

FINANCIAL

●

SECTION

●

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 28,263,453	\$ 28,049,013
108-110	Less: Accumulated Depreciation and Amortization	F-8	(7,746,430)	(7,280,470)
Net Plant			20,517,023	20,768,543
114-115	Utility Plant Acquisition Adjustments (Net)	F-7	(2,061,918)	169,155
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			18,455,105	20,937,698
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments				
CURRENT AND ACCRUED ASSETS				
131	Cash			
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	491,599	(14)
145	Accounts Receivable from Associated Companies	F-12	151,764	
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies		14,693	
161	Stores Expense			
162	Prepayments		53,321	
171	Accrued Interest and Dividends Receivable		(7,789)	
172*	Rents Receivable			
173*	Accrued Utility Revenues		223,011	
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			926,599	(14)

* Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13		
182	Extraordinary Property Losses	F-13		128,235
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts		3,151	
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	12,532	1,860
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits			15,683	130,095
TOTAL ASSETS AND OTHER DEBITS			\$ 19,397,387	\$ 21,067,779

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ -	\$ -
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital		14,816,698	
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(375,176)	17,382,706
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			14,441,522	17,382,706
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17		
Total Long Term Debt				
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		4,492	
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18		
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits		124,669	
236	Accrued Taxes		136,162	(616,602)
237	Accrued Interest	F-19	4,848	
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	114,331	(4)
Total Current and Accrued Liabilities			384,502	(616,606)

* Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits (Contributed Taxes)	F-21	97,355	
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			97,355	
OPERATING RESERVES				
261	Property Insurance Reserve		48,080	
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve		15,367	
265	Miscellaneous Operating Reserves			
Total Operating Reserves			63,447	
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	6,790,922	6,604,573
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(2,380,361)	(2,302,894)
Total Net C.I.A.C.			4,410,561	4,301,679
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes				
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 19,397,387	\$ 21,067,779

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 2,990,257	\$ 2,438,271
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)	(141,662)	(30,323)
Net Operating Revenues			2,848,595	2,407,948
401	Operating Expenses	F-3(b)	4,493,861	2,261,767
403	Depreciation Expense	F-3(b)	968,823	451,249
	Less: Amortization of CIAC	F-22	(115,375)	(77,466)
Net Depreciation Expense			853,448	373,783
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	1,632	
407	Amortization Expense (Other than CIAC)	F-3(b)	9,580	
408	Taxes Other Than Income	W/S-3	602,035	314,915
409	Current Income Taxes	W/S-3	(1,568,032)	(124,095)
410.10	Deferred Federal Income Taxes	W/S-3	4,209	
410.11	Deferred State Income Taxes	W/S-3	993	
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			4,397,726	2,826,370
Net Utility Operating Income			(1,549,131)	(418,422)
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	141,662	30,323
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property		(3,942,869)	
420	Allowance for Funds Used During Construction		19,138	
Total Utility Operating Income [Enter here and on Page F-3(c)]			(5,331,200)	(388,099)

* For each account, column e should agree with columns f, g + h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 1,622,279 (20,597)	\$ 815,992 (9,726)	N/A
1,601,682	806,266	-
1,812,631	449,136	
241,476 (38,419)	209,773 (39,047)	
203,057	170,726	-
252,046 (201,072)	62,869 76,977	
2,066,662	759,708	
(464,980)	46,558	
20,597	9,726	
(444,383)	56,284	N/A

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ (5,331,200)	\$ (388,099)
OTHER INCOME AND DEDUCTIONS				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income			
421	Miscellaneous Nonutility Revenue			
426	Miscellaneous Nonutility Expenses			22,043
Total Other Income and Deductions				22,043
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income			
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable to Other Income				
INTEREST EXPENSE				
427	Interest Expense	F-19		9,120
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense				9,120
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(5,331,200)	(375,176)

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 16,005,637	\$ 11,409,509
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(4,308,373)	(3,438,057)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(3,559,539)	(3,231,383)
252	Advances for Construction	F-20		
Subtotal			8,137,725	4,740,069
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	1,097,915	1,282,446
Subtotal			9,235,640	6,022,515
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		226,580	56,144
	Other (Specify): Completed Construction not Classified		-	-
RATE BASE			\$ 9,462,220	\$ 6,078,659
NET UTILITY OPERATING INCOME			\$ (464,980)	\$ 46,558
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	0.77 %

NOTES:

- (1) Estimated if not known.
 - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
 - (3) Calculation consistent with last rate proceeding.
- In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (2) (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ 14,441,522	99.14 %	11.88 %	11.78 %
Preferred Stock		%	-	%
Long Term Debt		%	-	%
Customer Deposits	124,669	0.86 %	6.00 %	0.0516 %
Tax Credits - Zero Cost		%	-	%
Tax Credits - Weighted Cost		%	-	%
Deferred Income Taxes		%	-	%
Other (Explain)		%	-	%
Notes Payable - Assoc Co		%	8.00 %	%
Total	\$ <u>14,566,191</u>	<u>100.00 %</u>		<u>11.83 %</u>

- (1) Should equal amounts on Schedule F-6, Column (g).
- (2) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.
The current leverage formula is being used pending receipt of the transfer order
Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	<u>11.88 %</u>
Commission order approving Return on Equity:	<u>PSC-96-1320-FOF-WS</u>

APPROVED AFUDC RATE
COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate:	<u>0.835516 %</u>
Commission order approving AFUDC rate:	<u>PSC-96-1320-FOF-WS</u>

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 16,005,637	\$ 11,409,509	N/A	\$ 27,415,146
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	776,548	71,759		848,307
106	Completed Construction Not Classified				
Total Utility Plant		\$ 16,782,185	\$ 11,481,268	N/A	\$ 28,263,453

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

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment				
	Kingswood	\$ (483)	\$ -	\$ -	\$ (483)
	Oakwood	(511)	-	-	(511)
	Leisure Lakes	(17,755)	(6,717)	-	(24,472)
	Carlton Village	(31,920)	-	-	(31,920)
	East Lake HarrisEst	(46,941)	-	-	(46,941)
	Fern Terrace (Park)	(8,471)	-	-	(8,471)
	Friendly Center	(371)	-	-	(371)
115	Accumulated Amortization				
	Kingswood	\$ 5	\$ -	\$ -	\$ 5
	Oakwood	6	-	-	6
	Leisure Lakes	200	76	-	276
	Carlton Village	359	-	-	359
	East Lake HarrisEst	528	-	-	528
	Fern Terrace (Park)	95	-	-	95
	Friendly Center	4	-	-	4

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A	N/A	N/A	N/A
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		N/A		N/A	

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

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment				
	Grand Terrace	\$ (7,841)	\$ -	\$ -	\$ (7,841)
	Hobby Hills	\$ (3,997)	\$ -		(3,997)
	Holiday Haven	\$ (1,775)	(56,065)		(57,840)
	Imperial MobileTerr	\$ (17,669)	-		(17,669)
	Morningview	\$ (6,460)	(7,439)		(13,899)
	Palms Mobile HomePk	\$ (7,871)	-		(7,871)
	Picciola Island	\$ (5,986)	-		(5,986)
115	Accumulated Amortization				
	Grand Terrace	\$ 88	\$ -	\$ -	\$ 88
	Hobby Hills	45	-		45
	Holiday Haven	20	630		650
	Imperial MobileTerr	199	-		199
	Morningview	73	84		157
	Palms Mobile HomePk	88	-		88
	Picciola Island	67	-		67

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A	N/A	N/A	N/A
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		N/A		N/A	

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

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment				
	Piney None	\$ (30,305)	\$ -	\$ -	\$ (30,305)
	Quail Ridge	(6,746)	-		(6,746)
	Silver Lake Estates	(98,874)	-		(98,874)
	Skycrest	(15,808)	-		(15,808)
	Stone Mountain	(982)	-		(982)
	Oakwood	(16,994)	(25,982)		(42,976)
	Venetian Village	(6,973)	(15,081)		(22,054)
115	Accumulated Amortization				
	Piney Woods	\$ 341	\$ -	\$ -	\$ 341
	Quail Ridge	76	-		76
	Silver Lake Estates	1,112	-		1,112
	Skycrest	178	-		178
	Stone Mountain	11	-		11
	Valencia Terrace	191	292		483
	Venetian Village	78	170		248

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A	N/A	N/A	N/A
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		N/A		N/A	

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

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment				
	Western Shores	\$ (17,282)	\$ -	\$ -	\$ (17,282)
	Venetian Village	(15,141)	-		(15,141)
	Palm Terrace	(14,649)	(36,165)		(50,814)
	Zephyr Shores	(26,759)	(27,236)		(53,995)
	Gibsonia Estates	(32,154)	-		(32,154)
	Lake Gibson Estates	(54,050)	(287,254)		(341,304)
	OrangeHill	(9,701)	-		(9,701)
115	Accumulated Amortization				
	Western Shores	\$ 194	\$ -	\$ -	\$ 194
	Tangerine	170	-		170
	Palm Terrace	165	407		572
	Zephyr Shores	301	306		607
	Gibsonia Estates	362	-		362
	Lake Gibson Estates	608	3,230		3,838
	OrangeHill	109	-		109

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A	N/A	N/A	N/A
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		N/A		N/A	

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

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment				
	SugarCrk	\$ (11,380)	\$ -	\$ -	\$ (11,380)
	Beecher's Pt	(16,183)	(57,793)		(73,976)
	Hermts Cove	(66,384)	-		(66,384)
	Interlachen/Park Manor	(9,336)	-		(9,336)
	Palm Port	(8,873)	(13,945)		(22,818)
	Park Manor	-	(3,580)		(3,580)
	Pomona Park	(39,597)	-		(39,597)
115	Accumulated Amortization				
	SugarCrk	\$ 128	\$ -	\$ -	\$ 128
	Beecher's Pt	182	650		832
	Hermts Cove	746	-		746
	Interlachen/Park Manor	105	-		105
	Palm Port	100	157		257
	Park Manor	-	40		40
	Pomona Park	445	-		445

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A	N/A	N/A	
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		N/A		N/A	

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

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment				
	River Grove	\$ (6,646)	\$ -	\$ -	\$ (6,646)
	Saratoga Harbor	(10,543)	-		(10,543)
	Silver Lake Oaks	(9,344)	(3,651)		(12,995)
	St Johns Highlands	(6,795)	-		(6,795)
	Welaka	(5,786)	-		(5,786)
	Wooten	(6,439)	-		(6,439)
	Chuluota	(337,675)	(82,386)		(420,061)
115	Accumulated Amortization				
	River Grove	\$ 75	\$ -	\$ -	\$ 75
	Saratoga Harbor	119	-		119
	Silver Lake Oaks	105	41		146
	St Johns Highlands	76	-		76
	Welaka	65	-		65
	Wooten	72	-		72
	Chuluota	3,796	926		4,722

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	N/A		N/A	
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		N/A		N/A	

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

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment				
	Florida Cntrl ComPk	\$ -	\$ (55,007)	\$ -	\$ (55,007)
	Harmony Homes	(7,936)	-		(7,936)
	Jungle Den	(1,883)	(35,956)		(37,839)
	Tomoka	(15,181)	-		(15,181)
	Sunny Hills	(145,542)	(159,483)		(305,025)
			-		-
			-		-
Total Plant Acquisition Adjustment		\$ (1,209,992)	\$ (873,740)	\$ -	\$ (2,083,732)
115	Accumulated Amortization				
	Florida Cntrl ComPk	\$ -	\$ 618	\$ -	\$ 618
	Harmony Homes	89	-		89
	Jungle Den	21	404		425
	Tomoka	171	-		171
	Sunny Hills	1,636	179		1,815
			-		-
			-		-
Total Accumulated Amortization		\$ 13,604	\$ 8,210	\$ -	\$ 21,814
Total Acquisition Adjustments		\$ (1,196,388)	\$ (865,530)	\$ -	\$ (2,061,918)

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 4,052,189	\$ 3,228,281	N/A	\$ 7,280,470
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	241,476	209,773		451,249
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				

Salvage				
Other Credits (specify) :				

Total credits	241,476	209,773		451,249
Debits during year:				
Book cost of plant retired				
Cost of removal				
Other debits (specify)				
Rounding corrections	19	3		22
Prior owner balance trans in	14,689			14,689
Total debits	14,708	3		14,711
Balance end of year	\$ 4,308,373	\$ 3,438,057	N/A	\$ 7,746,430

ACCUMULATED AMORTIZATION Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				

to Account 110.2 (2)				
Other Accounts (specify):				

Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				

Total debits				
Balance end of year	N/A	N/A	N/A	N/A

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

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123-127

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123): N/A	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (ACCT. 124): N/A	\$ -	\$ -
Total Utility Investments		\$ -
OTHER INVESTMENTS (ACCT. 125): N/A	\$ -	\$ -
Total Other Investments		\$ -
SPECIAL FUNDS (ACCTS. 126 & 127) N/A	\$ -	\$ -
Total Special Funds		\$ -

ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 542,912	
Wastewater	15,769	
Other		
Total Customer Accounts Receivable		\$ 558,681
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
	\$ -	
Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		558,681
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year	248,585	
Collections of accounts previously written off	-	
Utility accounts	-	
Others		
Total Additions	248,585	
Deduct accounts written off during year:		
Utility accounts	181,503	
Others		
Total accounts written off	181,503	
Balance end of year		67,082
Total Accounts and Notes Receivable - Net		\$ 491,599

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
Due from Aqua America	\$ 151,764
Total	\$ 151,764

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
	\$ -
Total	\$ -

UTILITY NAME: Florida Water Services

YEAR OF REPORT December 31, 2004

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
 Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
N/A	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	_____	_____
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ -	\$ -

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$ -
_____	_____
_____	_____
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ -

UTILITY NAME: Florida Water Services

YEAR OF REPORT
December 31, 2004

MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): Accrued bonus	\$ -	\$ 12,532
Total Other Deferred Debits	NONE	\$ 12,532
REGULATORY ASSETS (Class A Utilities: Account 186.3): None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	<u>NONE</u>	<u>\$ 12,532</u>

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share		
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None
PREFERRED STOCK		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

* Account 204 not applicable for Class B utilities

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

* For variable rate obligations, provide the basis for the rate. (I.e., Prime + 2%, etc)

STATEMENT OF RETAINED EARNINGS

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year	\$ 17,382,706
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits:	
	<u>Remove prior owner accumulated deficit</u>	<u>-</u>
	Total Credits	
	Debits:	
	<u>Remove prior owner accumulated earnings</u>	<u>17,382,706</u>
	Total Debits	17,382,706
435	Balance transferred from Income	(375,176)
436	Appropriations of Retained Earnings:	
	_____	_____
	_____	_____
	Total appropriations of Retained Earnings	
437	Dividends declared: Preferred stock dividends declared	_____
438	<u>Common stock dividends declared</u>	_____
	_____	_____
	Total Dividends Declared	
	Year end Balance	<u>(375,176)</u>
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	_____	_____
	_____	_____
	_____	_____
214	Total Appropriated Retained Earnings	
	Total Retained Earnings (Deficit)	\$ <u>(375,176)</u>

Notes to Statement of Retained Earnings:

UTILITY NAME: Florida Water Services

YEAR OF REPORT December 31, 2004

ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223

Report each advance separately.

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

OTHER LONG TERM DEBT
ACCOUNT 224

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			NONE

* For variable rate obligations, provide the basis for the rate. (I.e.. Prime + 2%, etc)

UTILITY NAME: Florida Water Services

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232):			
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			

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

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

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

UTILITY NAME: Florida Water Services

ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
None	\$ -		\$ -	\$ -	\$ -
	-				
Total Account No. 237.1	-				-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
Customer Deposits	-	427.4	9,120	4,272	4,848
Total Account 237.2	-		9,120	4,272	4,848
Total Account 237 (1)	\$ -		\$ 9,120	\$ 4,272	\$ 4,848
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 9,120		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 9,120		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest
(2) Must agree to F-3(c), Current Year Interest Expense

UTILITY NAME: Florida Water Services

YEAR OF REPORT
December 31, 2004

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241**

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Accrued audit fees	\$ 114,331
Total Miscellaneous Current and Accrued Liabilities	\$ 114,331

**ADVANCES FOR CONSTRUCTION
ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None			\$ -	\$ -	\$ -
Total	\$ -		\$ -	\$ -	\$ -

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

**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1) Prepaid CIAC _____ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ - _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ 97,355 _____ _____ _____ _____ _____ _____ _____ _____
Total Regulatory Liabilities	\$ _____ -	\$ _____ 97,355
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2) N/A _____ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ - _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ - _____ _____ _____ _____ _____ _____ _____ _____
Total Deferred Liabilities	\$ _____ -	\$ _____ -
TOTAL OTHER DEFERRED CREDITS	\$ _____ -	\$ _____ 97,355

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 3,382,939	\$ 3,221,634	N/A	\$ 6,604,573
Add credits during year:	178,023	9,750		187,773
Less debits charged during (refund \$1,424; rounding corrections)	1,423	1		1,424
Total Contributions In Aid of Construction	\$ 3,559,539	\$ 3,231,383		\$ 6,790,922

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	\$ 1,059,496	\$ 1,243,398	N/A	\$ 2,302,894
Debits during year:	38,419	39,047		77,466
Credits during year (specify):		(1)		
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 1,097,915	\$ 1,282,446		\$ 2,380,361

Note: Credits (net) to correct rounding

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year (loss)	<u>F-3 (c)</u>	\$ <u>(375,176)</u>
Reconciling items for the year:		
Taxable income not reported on the books:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deductions recorded on books not deducted for return:		-
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Income recorded on books not included in return:		
Income Tax benefit		124,095
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal tax net income (loss)		\$ <u>(499,271)</u>
Computation of tax:		
The tax return has not been prepared. The Company expects to report a loss.		