

DO NOT REMOVE FROM THIS OFFICE

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WU532-03-AR
Mr. James T. Aherron
Quail Meadow Utilities, Inc.
P. O. Box 771268
Ocala, FL 34477-1268

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

RECEIVED
PUBLIC SERVICE
COMMISSION
MAY 25 11 31 AM '04
ECONOMIC REGULATION

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

Company: Quail Meadow Utilities, Inc.

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	\$ 114,142	\$ 114,142	\$ 0
Commercial	538	538	0
Industrial			
Multiple Family			
Guaranteed Revenues			
Other	240	240	0
Total Wastewater Operating Revenue	\$ 114,920	\$ 114,920	\$ 0
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility			
Net Wastewater Operating Revenues	\$ 114,920	\$ 114,920	\$ 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

Quail Meadow Utilities, Inc.

(EXACT NAME OF UTILITY)

P.O. Box 771268 Ocala, FL 34477-1268	1765 S.E. 73rd Place Ocala, FL 34480	Marion
Mailing Address	Street Address	County

Telephone Number 352-237-3604 Date Utility First Organized 11/13/86
 Fax Number 352-237-6867 E-mail Address mockingbirdfarm@worldnet.att.net

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: 1765 S.E. 73rd Place
Ocala, FL 34480 352-237-3604

Name of subdivisions where services are provided: Quail Meadows

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>James Aherron</u>	<u>President/Director</u>	<u>1765 S.E. 73rd Place</u> <u>Ocala, FL 34480</u>	
Person who prepared this report: <u>Crippen Trice & Hornby LLP</u>	<u>CPA Firm</u>	<u>40 S.E. 11th Avenue</u> <u>Ocala, FL 34471</u>	
Officers and Managers: <u>James Aherron</u>	<u>President/Director</u>	<u>7963 S.E. 12th Circle</u>	\$ <u>63,495</u>
<u>Tracy Aherron</u>	<u>VP/Director</u>	<u>Ocala, FL 34474</u>	\$ <u>6,511</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
<u>Tracy Aherron</u>	<u>100%</u>	<u>7963 S.E. 12th Circle</u> <u>Ocala, FL 34474</u>	\$ <u>0</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2003

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 114,142	\$ _____	\$ _____	\$ 114,142
Commercial_____		538	_____	_____	538
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify) <u>Other</u>		240	_____	_____	240
<u>water revenue</u> _____		_____	_____	_____	_____
Total Gross Revenue_____		\$ 114,920	\$ _____	\$ _____	\$ 114,920
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 102,591	\$ _____	\$ _____	\$ 102,591
Depreciation Expense_____	F-5	15,997	_____	_____	15,997
CIAC Amortization Expense_____	F-8	(9,769)	_____	_____	(9,769)
Taxes Other Than Income_____	F-7	6,843	_____	_____	6,843
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 13,071	_____	_____	\$ 13,071
Net Operating Income (Loss)		\$ (742)	\$ _____	\$ _____	\$ (742)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		403	_____	_____	403
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (1,145)	\$ _____	\$ _____	\$ (1,145)

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2003

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 391,180	\$ 391,180
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	(155,502)	(139,505)
Net Utility Plant -----		\$ 235,678	\$ 251,675
Cash -----		23,010	13,703
Customer Accounts Receivable (141) -----		3,420	4,947
Other Assets (Specify): <u>Utility deposits</u>		0	0

Total Assets -----		\$ 262,108	\$ 270,325
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	100,000	100,000
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----			
Retained Earnings (215) -----	F-6	(17,726)	(16,581)
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ 82,274	\$ 83,419
Long Term Debt (224) -----	F-6		
Accounts Payable (231) -----			
Notes Payable (232) -----		5,039	11,551
Customer Deposits (235) -----			
Accrued Taxes (236) -----		11,009	7,675
Other Liabilities (Specify) <u>Accrued Prof Fees</u>		1,006	1,006
<u>N/P - Stockholder</u>		11,624	11,624
<u>Director's fee payable</u>		12,000	12,000

Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	139,156	143,050
Total Liabilities and Capital -----		\$ 262,108	\$ 270,325

UTILITY NAME: Quail Meadow Utilities, Inc.

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)	\$ 391,180	\$ _____	\$ _____	\$ 391,180
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 391,180	\$ _____	\$ _____	\$ 391,180

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 139,505	\$ _____	\$ _____	\$ 139,505
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 15,997	\$ _____	\$ _____	\$ 15,997
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ 15,997	\$ _____	\$ _____	\$ 15,997
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 155,502	\$ _____	\$ _____	\$ 155,502

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2003

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	100,000	_____
Shares issued and outstanding _____	100,000	_____
Total par value of stock issued _____	100,000	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ (16,581)
Changes during the year (Specify): _____ _____	_____ _____	(1,145) _____
Balance end of year _____	\$ _____	\$ (17,726)

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
Changes during the year (Specify): _____ _____	_____ _____	_____ _____
Balance end of year _____	\$ <u>N/A</u>	\$ <u>N/A</u>

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
_____ _____ _____	_____ _____ _____	_____ _____ _____	\$ _____ _____ _____
Total _____	N/A		\$ <u>N/A</u>

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	1,672	_____	_____	1,672
Regulatory assessment fee _____	5,171	_____	_____	5,171
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Tax Expense _____	\$ 6,843	\$ _____	\$ _____	\$ 6,843

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
<u>Barbara Swayse</u>	\$ 1,626	\$ _____	<u>Billing services</u>
<u>Collier, Hagin & Hornby</u>	\$ 5,590	\$ _____	<u>Accounting & tax services</u>
<u>Crippen Trice & Hornby</u>	\$ 275	\$ _____	<u>Accounting & tax services</u>
<u>Enviro-Masters</u>	\$ 6,238	\$ _____	<u>Licensed operator</u>
<u>National Water Works</u>	\$ 1,760	\$ _____	<u>Licensed operator</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT DECEMBER 31 2003

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 228,489	\$ _____	\$ 228,489
2) Add credits during year _____	\$ 5,875	\$ _____	\$ 5,875
3) Total _____	234,364	_____	234,364
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	234,364	_____	234,364
6) Less Accumulated Amortization _____	(95,208)	_____	(95,208)
7) Net CIAC _____	\$ 139,156	\$ _____	\$ 139,156

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	
Plant capacity charge	25	\$ 135.00	\$ 3,375
Meter installation fee	25	100.00	2,500
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____		\$ 5,875	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 85,439	\$ _____	\$ 85,439
Add Debits During Year: _____	9,769	_____	9,769
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ 95,208	\$ _____	\$ 95,208

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

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT DECEMBER 31 2003

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	<u>100.00</u> %		_____ %

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

APPROVED AFUDC RATE

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

**WATER
OPERATING
SECTION**

UTILITY NAME: Quail Meadow Utilities, Inc.

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_____	\$ 6,971	\$ _____	\$ _____	\$ 6,971
302	Franchises_____				
303	Land and Land Rights_____	52,777			52,777
304	Structures and Improvements_____	7,115			7,115
305	Collecting and Impounding Reservoirs_____				
306	Lake, River and Other Intakes_____				
307	Wells and Springs_____	15,083			15,083
308	Infiltration Galleries and Tunnels_____				
309	Supply Mains_____	5,334			5,334
310	Power Generation Equipment_____	26,201			26,201
311	Pumping Equipment_____	36,213			36,213
320	Water Treatment Equipment_____	5,850			5,850
330	Distribution Reservoirs and Standpipes_____	14,400			14,400
331	Transmission and Distribution Lines_____	109,594			109,594
333	Services_____	48,953			48,953
334	Meters and Meter Installations_____	31,665			31,665
335	Hydrants_____				
336	Backflow Prevention Devices_____				
339	Other Plant and Miscellaneous Equipment_____				
340	Office Furniture and Equipment_____	3,368			3,368
341	Transportation Equipment_____	19,392			19,392
342	Stores Equipment_____				
343	Tools, Shop and Garage Equipment_____	314			314
344	Laboratory Equipment_____				
345	Power Operated Equipment_____				
346	Communication Equipment_____				
347	Miscellaneous Equipment_____	7,950			7,950
348	Other Tangible Plant_____				
	Total Water Plant_____	\$ 391,180	\$ 0	\$ 0	\$ 391,180

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2003

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)
301	Organization	32	0	3.13 %	3,325		218	3,543
304	Structures and Improvements	28	0	3.57 %	3,875		254	4,129
305	Collecting and Impounding Reservoirs							
306	Lake, River and Other Intakes							
307	Wells and Springs							
308	Infiltration Galleries & Tunnels	27	0	3.70 %	8,513		559	9,072
309	Supply Mains							
310	Power Generating Equipment	32	0	3.13 %	2,545		167	2,712
311	Pumping Equipment	17	0	5.88 %	8,762		1,187	9,949
320	Water Treatment Equipment	17	0	5.88 %	18,365		2,484	20,849
330	Distribution Reservoirs & Standpipes	17	0	5.88 %	5,247		344	5,591
331	Trans. & Dist. Mains	33	0	3.03 %	6,616		436	7,052
333	Services	38	0	2.63 %	43,969		2,884	46,853
334	Meter & Meter Installations	35	0	2.86 %	18,013		1,398	19,411
335	Hydrants	17	0	5.88 %	12,840		1,819	14,659
336	Backflow Prevention Devices							
339	Other Plant and Miscellaneous Equipment							
340	Office Furniture and Equipment							
341	Transportation Equipment	15	0	6.67 %	524		199	723
342	Stores Equipment	6	0	16.67 %	4,525		3,232	7,757
343	Tools, Shop and Garage Equipment							
344	Laboratory Equipment	15	0	6.67 %	68		21	89
345	Power Operated Equipment							
346	Communication Equipment							
347	Miscellaneous Equipment							
348	Other Tangible Plant	10	0	10.00 %	2,318		795	3,113
	Totals				\$ 139,505	\$	\$ 15,997	\$ 155,502 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 70,006
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	
610	Purchased Water	
615	Purchased Power	4,142
616	Fuel for Power Production	60
618	Chemicals	
620	Materials and Supplies	
630	Contractual Services:	
	Billing	1,626
	Professional	5,865
	Testing	8,801
	Other	
640	Rents	
650	Transportation Expense	
655	Insurance Expense	3,360
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	8,731
	Total Water Operation And Maintenance Expense	\$ 102,591 *

* 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	393	418	418
3/4"	D	1.5			
1"	D	2.5	3	3	3
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	396	421
				421	421

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2003

SYSTEM NAME: _____

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 _____	_____	2,662	_____	2,662	2,662
February _____	_____	2,510	_____	2,510	2,510
March _____	_____	3,036	_____	3,036	3,036
April _____	_____	5,627	_____	5,627	5,627
May _____	_____	6,274	_____	6,274	6,274
June _____	_____	3,920	_____	3,920	3,920
July _____	_____	3,953	_____	3,953	3,953
August _____	_____	2,943	_____	2,943	2,943
September _____	_____	4,103	_____	4,103	4,103
October _____	_____	4,022	_____	4,022	4,022
November _____	_____	4,258	_____	4,258	4,258
December _____	_____	3,464	_____	3,464	3,464
Total for Year _____	_____	<u>46,772</u>	_____	<u>46,772</u>	<u>46,772</u>

If water is purchased for resale, indicate the following:

Vendor _____
 Point of delivery _____

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

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2"	10,300	_____	_____	10,300
PVC	4"	10,650	_____	_____	10,650
PVC	6"	8,750	_____	_____	8,750
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2003

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1987	_____	_____	_____
Types of Well Construction and Casing _____	10 DPE	_____	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	150	_____	_____	_____
Diameters of Wells _____	10"	_____	_____	_____
Pump - GPM _____	825	_____	_____	_____
Motor - HP _____	60	_____	_____	_____
Motor Type * _____	Submersible	_____	_____	_____
Yields of Wells in GPD _____	0.16 mil	_____	_____	_____
Auxiliary Power _____	30 hp	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Steel	_____	_____	_____
Capacity of Tank _____	11,000	_____	_____	_____
Ground or Elevated _____	Ground	_____	_____	_____

HIGH SERVICE PUMPING - N/A

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

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2003

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	<u>160,000</u>	_____	_____
Type of Source_____	<u>Deep well</u>	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	_____	_____	_____
Make_____	<u>Star Rite</u>	_____	_____
Permitted Capacity (GPD)_____	<u>1,188,000</u>	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_____	<u>825</u>	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	<u>Liquid Chlorine</u>	_____	_____
Ozone_____	_____	_____	_____
Other_____	_____	_____	_____
Auxiliary Power_____	<u>30 HP</u>	_____	_____

UTILITY NAME: Quail Meadow Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2003

SYSTEM NAME: _____

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 322
2. Maximum number of ERCs * which can be served. 457
3. Present system connection capacity (in ERCs *) using existing lines. 457
4. Future connection capacity (in ERCs *) upon service area buildout. 135
5. Estimated annual increase in ERCs *. 40
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? N/A
7. Attach a description of the fire fighting facilities. None
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
None
9. When did the company last file a capacity analysis report with the DEP? Inception
10. If the present system does not meet the requirements of DEP rules, submit the following: N/A
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # 6424-645
12. Water Management District Consumptive Use Permit # 400837.01
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? N/A

* 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:
 $ERC = (Total\ SFR\ gallons\ sold\ (omit\ 000/365\ days/350\ gallons\ per\ day).$

WASTEWATER OPERATING SECTION

Note: This utility is a water only service; therefore, Pages S-1 through S-6 have been omitted from this report.

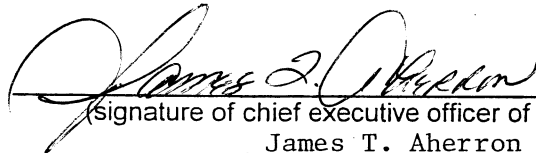
CERTIFICATION OF ANNUAL REPORT

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

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

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



(signature of chief executive officer of the utility)
James T. Aherron
Date: 3-22-04

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