

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

OF

WU690-03-AR
Kincaid Hills Water Company
P. O. Box 579
Gainesville, FL 32602-0579

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

DIVISION OF
ECONOMIC REGULATION

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FINANCIAL SECTION

REPORT OF

Kincaid Hills Water Co.

(EXACT NAME OF UTILITY)

P.O. Box 579, Gainesville, FL

3260 SE 19 Ave

Alachua

Mailing Address

Street Address

County

Telephone Number

352/373-0729

Date Utility First Organized

Fax Number

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:

above

Name of subdivisions where services are provided:

Kreftwood Shady Lane

Kincaid Rd, Devonshire Estates

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <i>Bersell Knorley</i>		<i>P.O. Box 579, Gainesville, FL</i>	Ø
Person who prepared this report: <i>Bersell Knorley</i>		<i>see " " " "</i>	Ø
Officers and Managers:			\$ \$ \$ \$ \$ \$

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
<i>Kincaid Hills Water Co.</i>	<i>100%</i>	<i>P.O. Box 579, Gainesville, FL</i>	\$ Ø
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: KHWC

YEAR OF REPORT
DECEMBER 31, 2003

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 42,008	\$ _____	\$ _____	\$ 42,008
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 42,008	\$ _____	\$ _____	\$ 42,008
Operation Expense (Must tie to pages W-3 and S-3)	W-3				
	S-3	\$ 32,677	\$ _____	\$ _____	\$ 32,677
Depreciation Expense _____	F-5	15,710	_____	_____	15,710
CIAC Amortization Expense _____	F-8	_____	_____	_____	_____
Taxes Other Than Income _____	F-7	5,180	_____	_____	5,180
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 53,567	_____	_____	\$ 53,567
Net Operating Income (Loss)		\$ (11,559)	\$ _____	\$ _____	\$ (11,559)
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		_____	_____	_____	_____
Net Income (Loss)		\$ (11,559)	\$ _____	\$ _____	\$ (11,559)

UTILITY NAME: KHWC

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	\$ <u>364,538</u>	\$ <u>356,133</u>
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>209,346</u>	<u>193,636</u>
Net Utility Plant -----		\$ <u>155,192</u>	\$ <u>162,497</u>
Cash -----			
Customer Accounts Receivable (141) -----			
Other Assets (Specify): -----			

Total Assets -----		\$ <u>155,192</u>	\$ <u>162,497</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	<u>200</u>	<u>200</u>
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----			
Retained Earnings (215) -----	F-6	<u>98,330</u>	<u>146,467</u>
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>98,530</u>	\$ <u>146,667</u>
Long Term Debt (224) -----	F-6	\$	\$
Accounts Payable (231) -----		<u>3,102</u>	<u>3,300</u>
Notes Payable (232) -----			
Customer Deposits (235) -----		<u>5,760</u>	<u>5,730</u>
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----		<u>47,800</u>	<u>7,800</u>

Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8		
Total Liabilities and Capital -----		\$ <u>155,192</u>	\$ <u>162,497</u>

UTILITY NAME: KHWC

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>364,538</u>	\$ _____	\$ _____	\$ <u>364,538</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>364,538</u>	\$ _____	\$ _____	\$ <u>364,538</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>193,636</u>	\$ _____	\$ _____	\$ <u>193,636</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ <u>15,710</u>	\$ _____	\$ _____	\$ <u>15,710</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ <u>15,710</u>	\$ _____	\$ _____	\$ <u>15,710</u>
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>209,346</u>	\$ _____	\$ _____	\$ <u>209,346</u>

**WATER
OPERATING
SECTION**

UTILITY NAME: KHWC

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	\$ 0	\$	\$	\$ 0
302	Franchises	0			0
303	Land and Land Rights	14,000			14,000
304	Structures and Improvements	6,000			6,000
305	Collecting and Impounding Reservoirs	0			0
306	Lake, River and Other Intakes	0			0
307	Wells and Springs	3,800			3,800
308	Infiltration Galleries and Tunnels	0			0
309	Supply Mains	0			0
310	Power Generation Equipment	18,300			18,300
311	Pumping Equipment	10,120			10,120
320	Water Treatment Equipment	1,965			1,965
330	Distribution Reservoirs and Standpipes	20,750	8,405		29,155
331	Transmission and Distribution Lines	148,580			148,580
333	Services	0			0
334	Meters and Meter Installations	60,155			60,155
335	Hydrants	0			0
336	Backflow Prevention Devices	0			0
339	Other Plant and Miscellaneous Equipment	6,400			6,400
340	Office Furniture and Equipment	5,913			5,913
341	Transportation Equipment	56,848			56,848
342	Stores Equipment	0			0
343	Tools, Shop and Garage Equipment	1,200			1,200
344	Laboratory Equipment	200			200
345	Power Operated Equipment	2,552			2,552
346	Communication Equipment	350			350
347	Miscellaneous Equipment	0			0
348	Other Tangible Plant	0			0
	Total Water Plant	\$ 366,133	\$ 8,405	\$	\$ 364,538

UTILITY NAME: K.H.W.C

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)
304	Structures and Improvements	30	.03	%	\$ 3,000	\$	\$ 180	\$ 3,380
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	40	.025	%	1,605		95	1,710
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment	10	.10	%	18,300			18,300
311	Pumping Equipment	5	.20	%	10,120			10,120
320	Water Treatment Equipment	5	.20	%	10,965			10,965
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	30	.03	%	8,500		875	9,675
333	Services	40	.025	%	63,152		3,715	66,867
334	Meter & Meter Installations	40	.025	%				
335	Hydrants	20	.05	%	47,065		2,855	49,950
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment	5	.20	%	6,400			6,400
341	Transportation Equipment	5	.20	%	5,913			5,913
342	Stores Equipment	5	.20	%	17,048		7,960	25,008
343	Tools, Shop and Garage Equipment	5	.20	%				
344	Laboratory Equipment	10	.10	%	1,200			1,200
345	Power Operated Equipment	3	.33	%	200			200
346	Communication Equipment	3	.33	%	2,552			2,552
347	Miscellaneous Equipment	3	.33	%	350			350
348	Other Tangible Plant	5	.20	%				
	Totals				\$ 193,636	\$	\$ 15,710	\$ 209,346*

* This amount should tie to Sheet F-5.

UTILITY NAME: KLWC

YEAR OF REPORT
DECEMBER 31, 2003

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 0
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	0
604	Employee Pensions and Benefits	0
610	Purchased Water	0
615	Purchased Power	7,008
616	Fuel for Power Production	0
618	Chemicals	411
620	Materials and Supplies	2,506
630	Contractual Services:	
	Billing	2,400
	Professional	0
	Testing	808
	Other	8,500
640	Rents	0
650	Transportation Expense	5,601
655	Insurance Expense	0
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	1,900
670	Bad Debt Expense	1,103
675	Miscellaneous Expenses	2,440
	Total Water Operation And Maintenance Expense	\$ 32,677 *

* 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		

UTILITY NAME: _____

YEAR OF REPORT DECEMBER 31, 2003

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

	Water Purchased For Resale (Omit 000's)	Finished Water From Wells (Omit 000's)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	Water Sold To Customers (Omit 000's)
(a)	(b)	(c)	(d)	(e)	(f)
January _____	_____	_____	_____	_____	_____
February _____	_____	_____	_____	_____	_____
March _____	_____	_____	_____	_____	_____
April _____	_____	_____	_____	_____	_____
May _____	_____	_____	_____	_____	_____
June _____	_____	_____	_____	_____	_____
July _____	_____	_____	_____	_____	_____
August _____	_____	_____	_____	_____	_____
September _____	_____	_____	_____	_____	_____
October _____	_____	_____	_____	_____	_____
November _____	_____	_____	_____	_____	_____
December _____	_____	_____	_____	_____	_____
Total for Year _____	_____	_____	_____	_____	_____

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
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: KHWC

YEAR OF REPORT
DECEMBER 31, 2003

CERTIFICATION OF ANNUAL REPORT

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

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

Items Certified

1. 2. 3. 4. _____ *

(signature of chief executive officer of the utility)

Date: 5/11/04

1. 2. 3. 4. _____ *

(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.