

Original

CLASS "C" COPY

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WU718-02-AR
Virginia City Utilities, Inc.
% Matthew A. Potter, CPA
5940 Main Street
New Port Richey, FL 34652-2716

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

Form PSC/WAW 6 (Rev. 12/99)

DECEMBER 31, 2002
UTILITY NAME: VIRGINIA CITY UTILITIES, INC.

03/27/12 11:19:30
ECONOMIC REGULATION
COMMISSION

FINANCIAL

SECTION

REPORT OF

YEAR OF REPORT
DECEMBER 31, 2002

VIRGINIA CITY UTILITIES, INC.

(EXACT NAME OF UTILITY)

5940 MAIN ST.	SAME	
NEW PORT RICHEY, FL 34652	SAME	PASCO
Mailing Address	Street Address	County

Telephone Number (727)841-6500 Date Utility First Organized 1-1-94

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: VIRGINIA CITY UTILITIES, INC.
5940 MAIN STREET, NEW PORT RICHEY., FL 34652

Name of subdivisions where services are provided: VIRGINIA CITY ' SUBDIVISION

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: MATTHEW A. POTTER	ASST.MANAGER	5940 MAIN ST. N.P.R., FL 34652	\$ 1200.00
Person who prepared this report: MATTHEW A. POTTER	C. P. A.	5940 MAIN ST. N.P.R., FL 34652	\$
Officers and Managers: JUDSON F. POTTER	PRES./MANAGER	5914 WYOMING AVE. N.P.R., FL 34652	\$ 20600.00
MATTHEW A. POTTER	SEC/TREAS.	ABOVE	\$ 600
			\$
			\$
			\$
			\$

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
JUDSON F. POTTER	90	ABOVE	\$ ABOVE
MATTHEW A. POTTER	10	ABOVE	\$ ABOVE
			\$
			\$
			\$
			\$
			\$

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential		\$ 74,809	\$ _____	\$ _____	\$ 74,809
Commercial		16,773	_____	_____	16,773
Industrial		_____	_____	_____	_____
Multiple Family		_____	_____	_____	_____
Guaranteed Revenues		_____	_____	_____	_____
Other (Specify) MISC. CHGS.		555	_____	_____	555
Total Gross Revenue		\$ 92,137	\$ _____	\$ _____	\$ 92,137
Operation Expense (Must tie to pages W-3 and S-3):					
W-3		112,818	_____	_____	_____
S-3		\$ _____	\$ _____	\$ _____	\$ 0
Depreciation Expense S:W44	F-5	2,464	_____	_____	2,464
CIAC Amortization Expense	F-8	(368)	_____	_____	(368)
Taxes Other Than Income	F-7	6712	_____	_____	6,712
Income Taxes	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 121,626	\$ _____	\$ _____	\$ 121,626
Net Operating Income (Loss)		\$ (29,489)	\$ _____	\$ _____	\$ (29,489)
Other Income:					
Nonutility Income		\$ _____	\$ _____	\$ _____	\$ 0
INT. & BD. CHECK FEE		_____	_____	213	213
STREET LGHT.		_____	_____	10,980	10,980
Other Deductions:					
Miscellaneous		_____	\$ _____	\$ _____	\$ 0
Interest Expense		5,702	_____	_____	5,702
ST. LIGHT EXP.		_____	_____	5,255	5,255
Net Income (Loss)		\$ (35,191)	\$ _____	\$ 5,938	\$ (29,253)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 80853	\$ 72408
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	<u>54277</u>	<u>51813</u>
Net Utility Plant -----		\$ 26576	\$ 20595
Cash -----		-4818	9068
Customer Accounts Receivable (141) -----		8420	12807
Other Assets (Specify): -----			
INVENTORY -----		39	39
REG. COMM EXP DEFERRED -----		0	0
-----		-----	-----
Total Assets -----		\$ <u>30217</u>	\$ <u>42509</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	500	500
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		30614	30614
Retained Earnings (215) -----	F-6	-8772	-95061
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6	-----	-----
Total Capital -----		\$ 22342	\$ -63947
Long Term Debt (224) -----	F-6	\$ -----	\$ -----
Accounts Payable (231) -----		0	10099
Notes Payable (232) -----		0	83177
Customer Deposits (235) -----		0	4680
Accrued Taxes (236) -----			0
Other Liabilities (Specify) -----			
PREPAIDS -----		-123	134
-----		-----	-----
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>7998</u>	<u>8366</u>
Total Liabilities and Capital -----		\$ <u>30217</u>	\$ <u>42509</u>

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) Inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service	\$ 80853	\$ _____	\$ _____	\$ 80853
-----	_____	_____	_____	0
Construction Work in	_____	_____	_____	0
-----	_____	_____	_____	0
Other (Specify) _____	_____	_____	_____	0
-----	_____	_____	_____	0
Total Utility Plant _____	\$ 80853	\$ 0	\$ 0	\$ 80853

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

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ 51813	\$ _____	\$ _____	\$ 51813
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ 2464	\$ _____	\$ _____	\$ 2464
Salvage _____	_____	_____	_____	0
Other Credits (specify) _____	_____	_____	_____	0
-----	_____	_____	_____	0
Total Credits _____	\$ 2464	\$ _____	\$ _____	\$ 2464
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ 0
Cost of removal _____	_____	_____	_____	0
Other debits (specify) _____	_____	_____	_____	0
-----	_____	_____	_____	0
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ 0
Balance End of Year _____	\$ 54277	\$ _____	\$ _____	\$ 54277

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	
Shares authorized _____	500	
Shares issued and outstanding _____	500	
Total par value of stock issued _____	500	
Dividends declared per share for year _____	0	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ -95061
Changes during the year (Specify): ADJUSTMENT _____		86289

Balance end of year _____	\$ _____	\$ -8772

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
Changes during the year (Specify): _____		

Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
VARIOUS NOTES _____			\$ 0

Total _____			\$ 0

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income taxes				
Federal income tax -----	\$ _____	\$ _____	\$ _____	\$ _____
State income tax -----	_____	_____	_____	0
Taxes other than income				
State ad valorem tax -----	420	_____	_____	_____
Local property tax -----	19	_____	_____	19
Regulatory assessment fee -----	4146	_____	_____	4146
Other (specify) CORP RENE. -----	150	_____	_____	150
PAYROLL TAXES	1977	_____	_____	1977
Total Taxes Accrued -----	\$ 6712	\$ _____	\$ _____	\$ 6712

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
H2O UTILITY SERVICES	\$ 8920	\$ _____	Operation of plant, 24HR, REPAIRS
CURTIS HOGAN	\$ 1890	\$ _____	Meter readings
MATTHEW A. POTTER, CPA	\$ 4435	\$ _____	BILLING, TAXES PREP., ACCOUNTING
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 17159	\$ _____	\$ 17159
2) Add credits during year _____	0	_____	0
	\$ _____	\$ _____	\$ _____
3) Total _____	17159	_____	17159
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	17159	_____	17159
6) Less Accumulated Amortization _____	9161	_____	9161
7) Net CIAC _____	\$ 7998	\$ _____	\$ 7998

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	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____		\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ 8793	\$ _____	\$ 8793
Add Credits During Year: _____ COMP RATE 4.57%	368	_____	368
Deduct Debits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ 9161	\$ _____	\$ 9161

**WATER
OPERATING
SECTION**

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ 2166	\$	\$ 0	\$ 2166
302	Franchises				
303	Land and Land Rights				0
304	Structures and Improvements				0
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs				0
308	Infiltration Galleries and Tunnels				
309	Supply Mains	4482	6881		11363
310	Power Generation Equipment				0
311	Pumping Equipment				0
320	Water Treatment Equipment				0
330	Distribution Reservoirs and Standpipes				0
331	Transmission and Distribution Lines	37009			37009
333	Services				0
334	Meters and Meter Installations	24135	1564		25699
335	Hydrants	386			386
339	Other Plant and Miscellaneous Equipment	4100			4100
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant	130			130
	Total Water Plant	\$ 72408	\$ 8445	\$ 0	\$ 80853

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	5	%	20 %	\$ 2729	\$	\$	\$ 2729
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	%				0
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains	30	%	3.33 %	3652		149	3801
310	Power Generating Equipment		%	%				0
311	Pumping Equipment		%	%				0
320	Water Treatment Equipment		%	%				0
330	Distribution Reservoirs & Standpipes		%	%				0
331	Trans. & Dist. Mains	38	%	2.632 %	29551		974	30525
333	Services		%	%				0
334	Meter & Meter Installations	17	%	5.882 %	12690		908	13598
335	Hydrants	40	%	2.5 %	301		10	311
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment	10	%	10 %	2805		410	3215
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant	10	%	10 %	85		13	98
	Totals				\$ 51813	\$	\$ 2464	\$ 54277 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 21200
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	1200
604	Employee Pensions and Benefits	5352
610	Purchased Water	55674
615	Purchased Power	
616	Fuel for Power Production	
618	Chemicals	
620	Materials and Supplies	1579
630	Contractual Services:	
	Billing	1200
	Professional	3235
	Testing	157
	Other operator, meter reading, repairs	10652
640	Rents	600
650	Transportation Expense	1192
655	Insurance Expense	483
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	8323
675	Miscellaneous Expenses	1971
	Total Water Operation And Maintenance Expense	\$ 112818 *

* 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)	
5/8"	D	1.0	299	299	299
3/4"	D	1.5	7	7	10.5
1"	D	2.5	4	4	10
1 1/2"	D,T	5.0	2	2	10
2"	D,C,T	8.0	2	2	16
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers					
Total			314	314	345.5

** D = Displacement
 C = Compound
 T = Turbine

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	1857			1857	1718
February	1950			1950	1420
March	1707			1707	1530
April	2051			2051	1842
May	1691			1691	1804
June	2013			2013	1501
July	2067			2067	1378
August	1739			1739	1588
September	2191			2191	1504
October	1580			1580	1543
November	1661			1661	1299
December	2657			2657	1481
Total for Year	23164	0	0	23164	18608

If water is purchased for resale, indicate the following:
 Vendor _____ PASCO COUNTY GOVERNMENT
 Point of delivery _____ S.R. 54

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,	6	1610	None	None	1610
PVC,	4	5390			5390
PVC,	2.5	6120			6120

UTILITY NAME;

VIRGINIA CITY UTILITIES, INC.

YEAR OF REPORT

DECEMBER 31, 2002

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Gals. per day of source	PURCHASE		
Type of Source			

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type	Liquid Chlor	Liquid Chlor	
Make			
Gals. per day capacity			
High service pumping			
Gallons per minute			
Reverse Osmosis			
Lime Treatment			
Unit Rating			
Filtration			
Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection			
Chlorinator			
Ozone			
Other			
Auxiliary Power			

UTILITY NAME: _____ VIRGINIA CITY UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 1999

SYSTEM NAME: _____ VIRGINIA CITY UTILITIES, INC.

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. _____ 147.19
- 2. Maximum number of ERCs * which can be served. _____ 147.19
- 3. Present system connection capacity (in ERCs *) using existing lines. _____ 147.19
- 4. Future connection capacity (in ERCs *) upon service area buildout. _____

- 5. Estimated annual increase in ERCs *. _____
- 6. Is the utility required to have fire flow capacity? _____ no
If so, how much capacity is required? _____

- 7. Attach a description of the fire fighting facilities. _____ 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? _____

- 10. If the present system does not meet the requirements of DEP rules, submit the following:

- a. Attach a description of the plant upgrade necessary to meet the DEP rules.
- b. Have these plans been approved by DEP? _____
- c. When will construction begin? _____
- d. Attach plans for funding the required upgrading.
- e. Is this system under any Consent Order with DEP? _____

- 11. Department of Environmental Protection ID # _____ 6511907

- 12. Water Management District Consumptive Use Permit # _____ 207745

- 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? _____

* 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 type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>	4. <input type="checkbox"/>	_____ *
				(signature of chief executive officer of the utility)

1. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>	<u>Matthew A. Patten - Treas.</u>
				(signature of chief financial officer of the utility)

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

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