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CLASS "C"
WATER AND SEWER

WATER AND/OR WASTEWATER UTILITIES

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

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Florida Public Service Commission
Division of Water and Wastewater

ANNUAL REPORT

OF

WU760-02-AR
Holmes Utilities, Inc.
760 Henscratch Road
Lake Placid, FL 33852-8397

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

RECEIVED
FLORIDA PUBLIC SERVICE
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DIVISION OF
ECONOMIC REGULATION

Williams & Sherman

CERTIFIED PUBLIC ACCOUNTANTS

FRANK L. WILLIAMS, CPA
LISA SHERMAN, CPA

111 PARK AVENUE EAST
LAKE PLACID, FL 33852-6362
(863) 465-2835
FAX (863) 465-3323

To the Board of Directors
Holmes Utilities, Inc.
Lake Placid, Florida

We have compiled the comparative balance sheets of Holmes Utilities, Inc. as of December 31, 2002 and 2001, and the related statements of income and retained earnings for the year ended December 31, 2002 and supplementary information included 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 management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Florida Public Service Commission, which may differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Williams & Sherman, CPA's

March 5, 2003

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

Company: Holmes Utilities, Inc.

For the Year Ended December 31, 2002

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 20,582	\$ 20,582	\$ 0
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Water Operating Revenue	\$ 20,582	\$ 20,582	\$ 0
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$ 20,582	\$ 20,582	\$ 0

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).

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

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FINANCIAL SECTION

REPORT OF

Holmes Utilities, Inc.
(EXACT NAME OF UTILITY)

760 Henscratch Road
Lake Placid, FL 33852
Mailing Address

760 Henscratch Road
Lake Placid, FL 33852
Street Address County

Telephone Number 863-465-6044 Date Utility First Organized 08/25/95

Fax Number 863-465-5159 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: Holmes Utilities, Inc., 760 Henscratch Road,
Lake Placid, FL 33852 863-465-6044

Name of subdivisions where services are provided: Country Walk of Leisure Lakes Subdivision

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Daniel Holmes	President	760 Henscratch Road Lake Placid, FL 33852	
Person who prepared this report: Frank L. Williams	C.P.A.	111 East Park Avenue Lake Placid, FL 33852	
Officers and Managers: Daniel Holmes	President	760 Henscratch Road Lake Placid, FL 33852	\$ 0
Lisa Holmes	V/P, Sec, Treas	Same as above	\$ 0
			\$
			\$
			\$

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
Daniel M. Holmes	50%	760 Henscratch Road	\$ 0
Lisa K. Holmes	50%	760 Henscratch Road	\$ 0
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 20,582	\$ _____	\$ _____	\$ 20,582
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 20,582	\$ _____	\$ _____	\$ 20,582
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 23,097	\$ _____	\$ _____	\$ 23,097
Depreciation Expense _____	F-5	2,391	_____	_____	2,391
CIAC Amortization Expense _____	F-8	(908)	_____	_____	(908)
Taxes Other Than Income _____	F-7	1,711	_____	_____	1,711
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 26,291	_____	_____	\$ 26,291
Net Operating Income (Loss)		\$ (5,709)	\$ _____	\$ _____	\$ (5,709)
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		(8,149)	_____	_____	(8,149)
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (13,858)	\$ _____	\$ _____	\$ (13,858)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 63,826	\$ 54,529
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>22,610</u>	<u>20,219</u>
Net Utility Plant -----		\$ 41,216	\$ 34,310
Cash -----		15	(28)
Customer Accounts Receivable (141) -----		(23)	546
Other Assets (Specify): -----			
Utility Deposits -----		180	180
Unamortized Rate Case Expense -----		<u>375</u>	<u>500</u>
Total Assets -----		\$ <u>41,763</u>	\$ <u>35,508</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	100	100
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----			
Retained Earnings (215) -----	F-6	(87,792)	(73,934)
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ (87,692)	\$ (73,834)
Long Term Debt (224) -----	F-6	\$	\$
Accounts Payable (231) -----			
Notes Payable (232) -----		110,157	89,729
Customer Deposits (235) -----			
Accrued Taxes (236) -----		926	483
Other Liabilities (Specify) -----			
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>18,372</u>	<u>19,130</u>
Total Liabilities and Capital -----		\$ 41,763	\$ 35,508

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 63,826	\$ _____	\$ _____	\$ 63,826
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 63,826	\$ _____	\$ _____	\$ 63,826

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 20,219	\$ _____	\$ _____	\$ 20,219
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 2,391	\$ _____	\$ _____	\$ 2,391
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ 2,391	\$ _____	\$ _____	\$ 2,391
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 22,610	\$ _____	\$ _____	\$ 22,610

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	500	_____
Shares issued and outstanding _____	100	_____
Total par value of stock issued _____	100	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (73,934)
Changes during the year (Specify):		
<u>Net loss for the year</u> _____		(13,858)
_____		_____
_____		_____
Balance end of year _____	\$ _____	\$ (87,792)

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	
_____			\$ _____
_____			_____
_____			_____
Total _____			\$ _____

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

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 -----	-----	-----	-----	210
Regulatory assessment fee -----	-----	-----	-----	926
Other (Specify) <u>Other</u> -----	-----	-----	-----	335
<u>Occupational license</u> -----	-----	-----	-----	90
<u>Department of State</u> -----	-----	-----	-----	150
Total Tax Expense -----	\$ -----	\$ -----	\$ -----	\$ 1,711

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>Williams & Sherman, CPA's</u>	\$ 2,575	\$ -----	Accounting
<u>Pugh Utilities Service, Inc.</u>	\$ 26,668	\$ -----	O & M, Billing, various
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----
-----	\$ -----	\$ -----	-----

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 23,250	\$ _____	\$ 23,250
2) Add credits during year _____	\$ 150	\$ _____	\$ 150
3) Total _____	23,400	_____	23,400
4) Deduct charges during the year _____	23,400	_____	23,400
5) Balance end of year _____	5,028	_____	5,028
6) Less Accumulated Amortization _____	_____	_____	_____
7) Net CIAC _____	\$ 18,372	\$ _____	\$ 18,372

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.			Water	Wastewater
Description of Charge	Number of Connections	Charge per Connection		
Tap In _____	1	\$ 150	\$ 150	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ 150	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 4,120	\$ _____	\$ 4,120
Add Debits During Year: _____	908	_____	908
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ 5,028	\$ _____	\$ 5,028

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

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SCHEDULE "A"

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

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

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

APPROVED AFUDC RATE

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

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

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted	_____	_____	_____	_____	_____
Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(1) Explain below all adjustments made in Column (e):

**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	\$	\$	\$	\$
302	Franchises				
303	Land and Land Rights	1,495			1,495
304	Structures and Improvements	9,245			9,245
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	16,306			16,306
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	3,350			3,350
320	Water Treatment Equipment	6,924			6,924
330	Distribution Reservoirs and Standpipes	6,701			6,701
331	Transmission and Distribution Lines	2,896	8,967		11,863
333	Services				
334	Meters and Meter Installations	7,612	330		7,942
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	\$ 54,529	\$ 9,297	\$	\$ 63,826

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

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	28	%	3.57%	\$ 3,673	\$	\$ 330	\$ 4,003
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	27	%	3.70%	7,541		603	8,144
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment		%	%				
311	Pumping Equipment	17	%	5.88%	(333)		197	(136)
320	Water Treatment Equipment	17	%	5.88%	3,985		407	4,392
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	33	%	3.03%	2,403		203	2,606
333	Services	38	%	2.63%	952		194	1,146
334	Meter & Meter Installations		%	%				
335	Hydrants	17	%	5.88%	1,998		457	2,455
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 20,219	\$	\$ 2,391	\$ 22,610*

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____
604	Employee Pensions and Benefits	_____
610	Purchased Water	_____
615	Purchased Power	493
616	Fuel for Power Production	_____
618	Chemicals	1,633
620	Materials and Supplies	_____
630	Contractual Services:	
	Billing	4,292
	Professional	2,575
	Testing	720
	Other	11,205
640	Rents	_____
650	Transportation Expense	_____
655	Insurance Expense	735
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	125
670	Bad Debt Expense	_____
675	Miscellaneous Expenses	1,319
	Total Water Operation And Maintenance Expense	\$ <u>23,097</u> *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	66	67	67
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	66	67
				67	67

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b)	(c)	(d)	(e)	(f)
	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)
January _____	_____	208	6	202	202
February _____	_____	188	6	182	182
March _____	_____	217	5	212	212
April _____	_____	190	5	185	185
May _____	_____	166	4	162	162
June _____	_____	252	4	248	248
July _____	_____	147	4	143	143
August _____	_____	140	4	136	136
September _____	_____	141	4	137	137
October _____	_____	155	5	150	150
November _____	_____	191	5	186	186
December _____	_____	189	6	183	183
Total for Year _____	_____	2,184	58	2,126	2,126

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"	2,693'	1,122'		3,815'
PVC	4"	1,602'			1,602'
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>1987</u>	_____	_____	_____
Types of Well Construction and Casing _____	<u>Steel Grouted</u>	_____	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	<u>1,000'</u>	_____	_____	_____
Diameters of Wells _____	<u>4"</u>	_____	_____	_____
Pump - GPM _____	<u>85 GPM</u>	_____	_____	_____
Motor - HP _____	<u>5 HP</u>	_____	_____	_____
Motor Type * _____	_____	_____	_____	_____
Yields of Wells in GPD _____	_____	_____	_____	_____
Auxiliary Power _____	<u>N/A</u>	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	<u>Pneumatic</u>	_____	_____	_____
Capacity of Tank _____	<u>5,000</u>	_____	_____	_____
Ground or Elevated _____	<u>Ground</u>	_____	_____	_____

HIGH SERVICE PUMPING

(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: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	122,400	_____	_____
Type of Source_____	Well	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	Community System	_____	_____
Make_____	Pump & pressure Tank	_____	_____
Permitted Capacity (GPD)_____	122,400	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_____	85	_____	_____
Reverse Osmosis_____	None	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	N/A	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	N/A	_____	_____
Gravity GPD/Sq.Ft._____	N/A	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	2-3 Gal/day	_____	_____
Ozone_____	Chem Tech	_____	_____
Other_____	_____	_____	_____
Auxiliary Power_____	Diesel Generator	_____	_____

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

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. 90

2. Maximum number of ERCs * which can be served. 350

3. Present system connection capacity (in ERCs *) using existing lines. 90

4. Future connection capacity (in ERCs *) upon service area buildout. 23

5. Estimated annual increase in ERCs *. 5

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. Local volunteer fire department; no fire hydrants; lake access.

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? N/A

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. N/A

b. Have these plans been approved by DEP? N/A

c. When will construction begin? N/A

d. Attach plans for funding the required upgrading. N/A

e. Is this system under any Consent Order with DEP? N/A

11. Department of Environmental Protection ID # 5284114

12. Water Management District Consumptive Use Permit # N/A

a. Is the system in compliance with the requirements of the CUP? N/A

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).

N/A

WASTEWATER

OPERATING

SECTION

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

David M. Hobart *
(signature of chief executive officer of the utility)

Date: 3/7/03

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

Lisa K. Holmes *
(signature of chief financial officer of the utility)

Date: 3/7/03

* 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.