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WATER and/or WASTEWATER UTILITIES

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

ANNUAL REPORT

WS571-04-AR
Service Management Systems, Inc.
235 Hammock Shore Drive
Melbourne Beach, FL 32951-3941

517W/450S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



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FLORIDA PUBLIC SERVICE
COMMISSION
DIVISION OF
ECONOMIC REGULATION
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PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2004

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

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March 29, 2005

To the Partners
Service Management Systems, Inc.

We have compiled the 2004 Annual Report of Service Management Systems, Inc. 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 Service Management Systems, Inc. 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

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FINANCIAL

SECTION

REPORT OF

Service Management Systems, Inc.
(Exact name of utility)

7500 S. HWY A1A
Melbourne, Fla. 32951
Mailing Address

Same
Street Address

Telephone Number 321-723-2447
Fax Number 321-725-0804

Date Utility First Organized 1989
E - Mail Address jbates3@cfl.rr.com

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

- Individual Sub Chapter S Corporation 1120 Corporation Partnership

Location where books and records are located: Same as above

Names of subdivisions where service is provided: Aquarina and St.Andrews Village

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Robert C. Nixon	CPA	2560 Gulf-to-Bay Blvd. Suite 200 Clearwater, Fla.	
Person who prepared this report: Cronin, Jackson, Nixon & Wilson	CPA's	2560 Gulf-to-Bay Blvd. Clearwater, Fl.	
Officers and Managers: James Bates	President	7500 S. A1A, Melbourne Bch. Fl.	None

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
Indian River No.1 Developers,LLC	100%	Same As Above	None

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other (1)	Total Company
Gross Revenue:					
Residential _____		\$ 251,643	\$ 118,590		\$ 370,233
Commercial _____					-
Industrial _____					-
Multiple Family _____					-
Guarenteed Revenues _____					-
Other (Specify) _____		855	810		1,665
Total Gross Revenue _____		252,498	119,400	N/A	371,898
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	198,071	81,571		279,642
Depreciation Expense _____	F-5	78,582	24,830		103,412
CIAC Amortization Expense _____	F-8	(20,984)	(16,059)		(37,043)
Taxes Other Than Income _____	F-7	28,690	13,777	-	42,467
Income Taxes _____	F-7	-	-		-
Total Operating Expenses _____		284,359	104,119		388,478
Net Operating Income (Loss)		(31,861)	15,281	-	(16,580)
Other Income:					
Nonutility Income _____		(3,902)	(3,902)		(7,804)
Interest Income _____		-	-		-
Other Deductions:					
Miscellaneous Nonutility Expenses _____					-
Interest Expense _____		20,182	20,182		40,363
AFUDC _____		-	-		-
Net Income (Loss)		\$ (55,945)	\$ (8,803)	N/A	\$ (64,747)

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT December 31, 2004
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COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
ASSETS:			
Utility Plant In Service (101 - 105) _____	F-5, W-1, S-1	\$ 4,193,064	\$ 4,112,581
Accumulated Depreciation and Amortization (108) _____	F-5, W-2, S-2	(2,730,764)	(2,627,352)
Net Utility Plant _____		1,462,300	1,485,229
Cash _____		(30,414)	(26,338)
Customer Accounts Receivable (141) _____		128,801	80,192
Other Assets (Specify):			
Certificates of Deposit		44,528	44,528
Utility Deposit		3,515	3,515
Due from Shareholder		2,142	18,145
Prepayments		3,390	
Total Assets _____		\$ 1,614,262	\$ 1,605,271
LIABILITIES AND CAPITAL:			
Common Stock Issued (201) _____	F-6	\$ 10,000	\$ 10,000
Preferred Stock Issued (204) _____	F-6	-	-
Other Paid In Capital (211) _____		1,510,202	1,614,482
Retained Earnings (Deficit)(215) _____	F-6	(1,189,376)	(1,124,629)
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		330,826	499,853
Long Term Debt (224) _____	F-6	183,651	156,653
Accounts Payable (231) _____		94,664	89,886
Notes Payable (232) _____			
Customer Deposits (235) _____		1,882	
Accrued Taxes (236) _____	F-7		
Other Liabilities (Specify):			
Due to associated companies		335,745	155,729
Advances For Construction (252) _____			
Contributions In Aid Of Construction - Net (271 - 272) _____	F-8	699,552	703,150
Total Liabilities and Capital _____		\$ 1,646,320	\$ 1,605,271

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) Inclusive	Water	Sewer	Plant Other Than Reporting Systems	Total
Utility Plant In Service (101) _____	\$ 2,031,684	\$ 2,149,815	N/A	\$ 4,181,499
Construction Work In Progress (105) _____	11,565			11,565
Other (Specify) _____	-	-		-
_____				-
Total Utility Plant _____	\$ 2,043,249	\$ 2,149,815	N/A	\$ 4,193,064

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First Of Year _____	\$ 1,022,779	\$ 1,604,573	N/A	\$ 2,627,352
Add Credits During Year:				
Accruals charged to depreciation account _____	78,582	24,830		103,412
Salvage _____	-	-		-
Other credits (specify) _____	-	-		-
_____	-	-		-
Total credits _____	78,582	24,830		103,412
Deduct Debits During Year:				
Book cost of plant retired _____				-
Cost of removal _____	-			-
Other debits (specify) _____				
Prior years over accrual _____				-
Total debits _____	-	-		-
Balance End of Year _____	\$ 1,101,361	\$ 1,629,403	N/A	\$ 2,730,764

UTILITY NAME: Service Management Systems, Inc.

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	\$ 1.00	N/A
Shares authorized _____	10,000	
Shares issued and outstanding _____	10,000	
Total par value of stock issued _____	10,000	
Dividends declared per share for year _____	None	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	N/A	\$ (1,124,629)
Charges during the year (specify):		
Current Year Loss _____	-	(64,747)

Balance end of year _____	\$	\$ (1,189,376)

PROPRIETARY CAPITAL (218)

	Proprietor or Partner	Partner
Balance first of year _____	N/A	N/A
Charges during the year (specify):		
Current year income _____		-

Balance end of year _____		

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Interest		Principal Per Balance Sheet Date
	Rate	# of Payments	
Drinking Water State Revolving Fund Construction Loan	3.12 %	40	\$ 149,337
Issued 9/15/99; Matures 12/15/2020			-
SunTrust Bank			34,314
_____	%		
Total _____			\$ 183,651

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2004

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year _____	\$ 494,197	\$ 617,545	\$ 1,111,742
2. Add credits during year:			
_____	23,620	9,825	33,445
3. Total _____	517,817	627,370	1,145,187
4. Deduct charges during year _____			-
5. Balance end of year _____	517,817	627,370	1,145,187
6. Less Accumulated Amortization _____	(197,257)	(248,378)	(445,635)
7. Net CIAC _____	\$ 320,560	\$ 378,992	\$ 699,552

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 _____		NONE	NONE
Report below all capacity charges, main extension charges and customer connections charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
Meters and Installations	6	Actual Cost	3,300
Non - Potable Capacity Charges	14.4	250	2,400
Capacity Charges - Water	13	910	17,920
Capacity Charges - Sewer	13	925	9,825
Prior Period Adjustments			
Total Credits During Year (Must agree with line # 2 above) _____		\$ 23,620	\$ 9,825

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ 176,273	\$ 232,319	\$ 408,592
Add Debits During Year: _____	20,984	16,059	37,043
_____	-	-	
Deduct Credits During Year: _____	-	-	
Balance End of Year (Must agree with line #6 above) _____	\$ 197,257	\$ 248,378	\$ 445,635

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT December 31, 2004
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SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (2)

CLASS OF CAPITAL (a)	Dollar Amount (1) (b)	Percentage of Capital 0	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	_____	_____ %	_____ %	_____ %
Preferred Stock	-	- %	- %	- %
Long Term Debt	_____	- %	- %	- %
Customer Deposits	-	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	-	- %	- %	- %
Tax Credits - Weighted Cost	-	- %	- %	- %
Deferred Income Taxes	-	- %	- %	- %
Other (Explain)	-	- %	- %	- %
Total	\$ -	100.00 %		- %

- (1) Should equal amounts on schedule B, Column (f), Page F-10.
- (2) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ None %
Commission order approving AFUDC rate:	_____

**WATER
OPERATING
SECTION**

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e) (Note 1)	CURRENT YEAR (f)
301	Organization _____	\$ 1,050	\$ -	\$ -	\$ 1,050
302	Franchises _____	-	-	-	-
303	Land and Land Rights _____	62,080	-	-	62,080
304	Structure and Improvements _____	16,415	-	-	16,415
305	Collecting and Impounding Reservoirs _____	-	-	-	-
306	Lake, River and Other Intakes _____	-	-	-	-
307	Wells and Springs _____	230,861	-	-	230,861
308	Infiltration Galleries and Tunnels _____	-	-	-	-
309	Supply Mains _____	141,736	-	-	141,736
310	Power Generation Equipment _____	-	-	-	-
311	Pumping Equipment _____	146,383	21,943	-	168,326
320	Water Treatment Equipment _____	396,175	-	-	396,175
330	Distribution Reservoirs and Standpipes _____	629,183	-	-	629,183
331	Transmission and Distribution Mains _____	208,096	-	-	208,096
333	Services _____	120,548	-	-	120,548
334	Meters and Meter Installations _____	18,877	1,006	-	19,883
335	Hydrants _____	6,300	2,000	-	8,300
339	Other Plant and Miscellaneous Equipment _____	1,200	26,716	-	27,916
340	Office Furniture and Equipment _____	-	-	-	-
341	Transportation Equipment _____	-	-	-	-
342	Stores Equipment _____	-	-	-	-
343	Tools, Shop and Garage Equipm _____	-	-	-	-
344	Laboratory Equipment _____	-	-	-	-
345	Power Operated Equipment _____	-	-	-	-
346	Communication Equipment _____	-	-	-	-
347	Miscellaneous Equipment _____	1,115	-	-	1,115
348	Other Tangible Plant _____	-	-	-	-
	Total Water Plant _____	\$ 1,980,019	\$ 51,665	\$ -	\$ 2,031,684

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.
 Note (1): Adjustments to Correct account balances (Accounts 303 & 348) Retirement account 333.

UTILITY NAME: Service Management Systems, Inc.

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e) (Note 1)	CURRENT YEAR (f)
301	Organization _____	\$ 1,050	\$ -	\$ -	\$ 1,050
302	Franchises _____	-	-	-	-
303	Land and Land Rights _____	62,080	-	-	62,080
304	Structure and Improvements _____	16,415	-	-	16,415
305	Collecting and Impounding Reservoirs _____	-	-	-	-
306	Lake, River and Other Intakes _____	-	-	-	-
307	Wells and Springs _____	230,861	-	-	230,861
308	Infiltration Galleries and Tunnels _____	-	-	-	-
309	Supply Mains _____	141,736	-	-	141,736
310	Power Generation Equipment _____	-	-	-	-
311	Pumping Equipment _____	146,383	21,943	-	168,326
320	Water Treatment Equipment _____	396,175	-	-	396,175
330	Distribution Reservoirs and Standpipes _____	629,183	-	-	629,183
331	Transmission and Distribution Mains _____	208,096	-	-	208,096
333	Services _____	120,548	-	-	120,548
334	Meters and Meter Installations _____	18,877	1,006	-	19,883
335	Hydrants _____	6,300	2,000	-	8,300
339	Other Plant and Miscellaneous Equipment _____	1,200	26,716	-	27,916
340	Office Furniture and Equipment _____	-	-	-	-
341	Transportation Equipment _____	-	-	-	-
342	Stores Equipment _____	-	-	-	-
343	Tools, Shop and Garage Equipn _____	-	-	-	-
344	Laboratory Equipment _____	-	-	-	-
345	Power Operated Equipment _____	-	-	-	-
346	Communication Equipment _____	-	-	-	-
347	Miscellaneous Equipment _____	1,115	-	-	1,115
348	Other Tangible Plant _____	-	-	-	-
	Total Water Plant _____	\$ 1,980,019	\$ 51,665	\$ -	\$ 2,031,684

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

ACCT. NO. (a)	ACCOUNT NAME (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f) (Note 1)	Debits (g)	Credits (h)	Accum. Depr. Balance End of year (f-g+h=i) (i)
301	Organization	40	-	2.50	\$ 674	\$ -	\$ 26	\$ 700
302	Franchises	-	-	-	-	-	-	-
304	Structure and Improvements	40	-	2.50	13,556	-	410	13,966
305	Collecting and Impounding Reservoirs	-	-	-	-	-	-	-
306	Lake, River and Other Intakes	-	-	-	-	-	-	-
307	Wells and Springs	27	-	3.70	160,768	-	8,542	169,310
308	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-
309	Supply Mains	32	-	3.13	42,370	-	4,436	46,806
310	Power Generation Equipment	17	-	5.88	-	-	-	-
311	Pumping Equipment	17	-	5.88	28,522	-	9,253	37,775
320	Water Treatment Equipment	17	-	5.88	327,514	-	23,295	350,809
330	Distribution Reservoirs and Standpipes	30	-	3.33	363,771	-	20,951	384,722
331	Transmission and Distribution Mains	38	-	2.63	30,128	-	5,473	35,601
333	Services	35	-	2.86	45,946	-	3,448	49,394
334	Meters and Meter Installations	12	-	8.33	7,670	-	1,614	9,284
335	Hydrants	40	-	2.50	1,217	-	183	1,400
339	Other Plant and Miscellaneous Equipment	20	-	5.00	570	-	728	1,298
340	Office Furniture and Equipment	10	-	10.00	-	-	-	-
341	Transportation Equipment	5	-	20.00	-	-	-	-
342	Stores Equipment	-	-	-	-	-	-	-
343	Tools, Shop and Garage Equipment	10	-	10.00	-	-	-	-
344	Laboratory Equipment	-	-	-	-	-	-	-
345	Power Operated Equipment	-	-	-	-	-	-	-
346	Communication Equipment	-	-	-	-	-	-	-
347	Miscellaneous Equipment	-	-	-	73	-	223	296
348	Other Tangible Plant	5	-	20.00	-	-	-	-
	Totals				\$ 1,022,779	\$ -	\$ 78,582	\$ 1,101,361

* This amount should tie to Sheet F-5

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees _____	\$ 66,820
603	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	
604	Employee Pensions and Benefits _____	4,235
610	Purchased Water _____	
615	Purchased Power _____	37,830
616	Fuel for Power Production _____	4,171
618	Chemicals _____	12,395
620	Materials and Supplies _____	20,838
630	Contractual Services:	
	Billing _____	
	Operator and Management _____	14,897
	Testing _____	415
	Other _____	14,513
640	Rents _____	
650	Transportation Expense _____	1,450
655	Insurance Expense _____	5,712
665	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	2,200
670	Bad Debt Expense _____	
675	Miscellaneous Expenses _____	12,595
	Total Water Operation and Maintenance Expense _____	\$ 198,071 *

* 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	219	231	231
3/4"	D	1.5		3	5
1"	D	2.5		5	13
1 1/2"	D,T	5.0		2	10
General Service					
5/8"	D	1.0			
3/4"	D	1.5	2		
1"	D	2.5	5		
1 1/2"	D,T	5.0	1		
2"	D,C,T	8.0	3	3	24
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers		1.0			
Other (Specify):	Irrigation	1.0	64	70	70
** D = Displacement C = Compound T = Turbine			Total	294	314
					352

**PUMPING AND PURCHASED WATER STATISTICS
 (Potable Water)**

MONTH (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	-	1,208	4	1,204	1,111
February	-	1,106	4	1,102	1,006
March	-	1,209	4	1,205	695
April	-	1,114	4	1,110	800
May	-	872	4	868	865
June	-	777	4	773	800
July	-	991	4	987	987
August	-	780	4	776	776
September	-	745	4	741	741
October	-	1,102	4	1,098	1,098
November	-	1,044	4	1,040	1,040
December	-	1,223	4	1,219	1,219
Total for year	N/A	12,171	48	12,123	11,138

If water is purchased for resale, indicate the following:

Vendor N/A
 Point of Delivery N/A

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

MAINS (Feet)

Kind of Pipe (Cast Iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC Potable	8"	600		-	600
PVC -Non Potable	8"	6,976		-	6,976
PVC Potable	6"	12,290		-	12,290
PVC -Non Potable	6"	1,500		-	1,500
DIP Potable	6"	60		-	60
PVC Potable	4"	5,430		-	5,430
PVC Potable	16"	600		-	600
PVC -Non Potable	12"	9,710		-	9,710
PVC Potable	2"	620		-	620

UTILITY NAME: Service Management Systems, Inc.
 SYSTEM NAME: Aquarina

YEAR OF REPORT
 December 31, 2004

**PUMPING AND PURCHASED WATER STATISTICS
 (Irrigation Water)**

MONTH (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	-	9,016	5	9,011	8,956
February	-	9,703	5	9,698	9,643
March	-	11,512	5	11,507	11,452
April	-	10,888	5	10,883	10,828
May	-	10,108	5	10,103	10,048
June	-	10,290	5	10,285	10,230
July	-	19,000	5	18,995	18,940
August	-	12,542	5	12,537	12,482
September	-	5,928	5	5,923	5,868
October	-	12,480	5	12,475	12,420
November	-	12,485	5	12,480	12,450
December	-	12,400	5	12,395	12,295
Total for year	N/A	136,352	60	136,292	135,612

If water is purchased for resale, indicate the following:

Vendor N/A
 Point of Delivery N/A

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

MAINS (Feet)

Kind of Pipe (Cast Iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC Potable	8"	600		-	600
PVC -Non Potable	8"	6,976		-	6,976
PVC Potable	6"	12,290		-	12,290
PVC -Non Potable	6"	1,500		-	1,500
DIP Potable	6"	60		-	60
PVC Potable	4"	5,430		-	5,430
PVC Potable	16"	600		-	600
PVC -Non Potable	12"	9,710		-	9,710
PVC Potable	2"	620		-	620

UTILITY NAME: Service Management Systems, Inc.
 SYSTEM NAME: Aquarina

YEAR OF REPORT
 December 31, 2004

WELLS AND WELL PUMPS
 (If Available)

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1,981	1,981		
Types of Well Construction and Casing _____	Deep Steel	Deep Steel		
Depth of Wells _____	600'	600'		
Diameters of Wells _____	12"	12"		
Pump - GPM _____	Unk	Unk		
Motor - HP _____	10	10		
Motor Type * _____	Sub.	Sub.		
Yields of Wells in GPD _____	1.0 MGD	1.0 MGD		
Auxillary Power _____				
* Submersable, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	Concrete	Concrete		
Capacity of Tank _____	.15 MGD	1.2 MGD		
Ground of Elevated _____	Ground	Ground		

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>MOTORS</u>				
Manufacturer _____	Unk.	Unk.	Unk.	
Type _____	Unk.	Unk.	Unk.	
Rated Horsepower _____	10	60	60	
<u>PUMPS</u>				
Manufacturer _____	Unk.			
Type _____				
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____				
Auxiliary Power _____				

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT December 31, 2004
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SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water, etc):			
Gallons per day of source _____	350,000	350,000	_____
Type of source _____	Ground	Ground	_____
	Drinking water	Irrigation water	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	Reverse Osmosis	_____	_____
Make _____	Basic Technologies	_____	_____
Permitted Capacity (GPD)	.11 MGD	_____	_____
High service pumping Gallons per minute _____ See Page W-5 _____	Unknown	_____	_____
Reverse Osmosis _____	.11 MGD	_____	_____
Lime treatment Unit Rating _____	N/A	_____	_____
Filtration Pressure Sq. Ft. _____	N/A	_____	_____
Gravity GPD/Sq. Ft. _____	N/A	_____	_____
Disinfection Chlorinator _____	X	_____	_____
Ozone _____	_____	_____	_____
Other _____	_____	_____	_____
Auxiliary Power _____	Generator	_____	_____

UTILITY NAME: Service Management Systems, Inc.
SYSTEM NAME: Aquarina

YEAR OF REPORT
December 31, 2004

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

1.	Present ERC's * the system can efficiently serve	<u>314</u>
2.	Maximum number of ERC's * which can be served	<u>314</u>
3.	Present system connection capacity (in ERC's *) using existing lines	<u>600</u>
4.	Future connection capacity (in ERC's *) upon service area buildout	<u>Unk.</u>
5.	Estimated annual increase in ERC's*	<u>Approximatly 30</u>
6.	Is the utility required to have fire flow capacity? <u>Yes</u> If so, how much capacity is required?	<u>20,000 GPM, 1,000 GPM at each hydrant</u>
7.	Attach a description of the fire fighting facilities.	<u>33 hydrants; 4 buildings with sprinkler systems</u>
8.	Describe any plans and estimated completion dates for any enlargements or improvements of this system. <u>Extension of distribution system to serve remaining 168 residential connections.</u>	
9.	When did the company last file a capacity analysis report with the DEP?	<u>1999</u>
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 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 #	<u>3054060</u>
12.	Water Management District Consumptive Use Permit #	<u>1719</u>
	a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
	b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

* 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 available are available for use:
ERC = (Total SFR gallons sold (omit 000)/365 days/350 gallons per day).

**WASTEWATER
OPERATING
SECTION**

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization _____	\$ 1,050	\$ -	\$ -	\$ 1,050
352	Franchises _____	-	-	-	-
353	Land and Land Rights _____	33,680	-	-	33,680
354	Structure and Improvements _____	18,769	-	-	18,769
355	Power Generation Equipment _____	-	-	-	-
360	Collection Sewers - Force _____	206,148	-	-	206,148
361	Collection Sewers - Gravity _____	280,669	-	-	280,669
362	Special Collecting Structures _____	-	-	-	-
363	Services to Customers _____	163,975	-	-	163,975
364	Flow Measuring Devices _____	-	-	-	-
365	Flow Measuring Installations _____	-	-	-	-
370	Receiving Wells _____	-	-	-	-
371	Pumping Equipment _____	50,256	3,895	-	54,151
380	Treatment and Disposal Equipment _____	1,193,560	-	-	1,193,560
381	Plant Sewers _____	-	-	-	-
382	Outfall Sewer Lines _____	157,892	-	-	157,892
389	Other Plant and Miscellaneous Equipment _____	698	13,358	-	14,056
390	Office Furniture and Equipment _____	-	-	-	-
391	Transportation Equipment _____	-	-	-	-
392	Stores Equipment _____	-	-	-	-
393	Tools, Shop and Garage Equipment _____	-	-	-	-
394	Laboratory Equipment _____	-	-	-	-
395	Power Operated Equipment _____	-	-	-	-
396	Communication Equipment _____	-	-	-	-
397	Miscellaneous Equipment _____	22,060	-	-	22,060
398	Other Tangible Plant _____	3,805	-	-	3,805
	Total Sewer Plant _____	\$ 2,132,562	\$ 17,253	\$ -	\$ 2,149,815

* This amount should tie to Sheet F-5

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account Name (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)
351	Organization	40	-	2.50 %	846	-	26	872
352	Franchises	-	-	%	-	-	-	-
354	Structure and Improvements	27	-	3.70 %	17,169	-	587	17,756
355	Power Generation Equipment	-	-	%	-	-	-	-
360	Collection Sewers - Force	-	-	%	89,437	-	6,865	96,302
361	Collection Sewers - Gravity	40	-	2.50 %	62,949	-	6,231	69,180
362	Special Collecting	-	-	%	-	-	-	-
	Structures (Lift Stations)	-	-	%	-	-	-	-
363	Services to Customers	35	-	2.90 %	72,416	-	4,313	76,729
364	Flow Measuring Devices	5	-	20.00 %	-	-	-	-
365	Flow Measuring Installations	-	-	%	-	-	-	-
370	Receiving Wells (Lift Stations)	-	-	%	-	-	-	-
371	Pumping Equipment	40	-	2.50 %	6,335	-	2,903	9,238
380	Treatment and Disposal Equipment	15	-	6.70 %	1,193,560	-	-	1,193,560
381	Plant Sewers	-	-	%	-	-	-	-
382	Outfall Sewer Lines	-	-	%	155,927	-	1,965	157,892
389	Other Plant and Miscellaneous Equipment	15	-	6.70 %	391	-	231	622
390	Office Furniture and Equipment	10	-	10.00 %	-	-	-	-
391	Transportation Equipment	5	-	20.00 %	-	-	-	-
392	Stores Equipment	-	-	%	-	-	-	-
393	Tools, Shop and Garage Equipment	10	-	10.00 %	-	-	-	-
394	Laboratory Equipment	-	-	%	-	-	-	-
395	Power Operated Equipment	-	-	%	-	-	-	-
396	Communication Equipment	-	-	%	-	-	-	-
397	Miscellaneous Equipment	-	-	%	3,058	-	1,471	4,529
398	Other Tangible Plant	5	-	20.00 %	2,485	-	238	2,723
	Totals				1,604,573		24,830	1,629,403

* This amount should tie to Sheet F-5

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees _____	\$ 33,410
703	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	
704	Employee Pensions and Benefits _____	1,938
710	Purchased Wastewater Treatment _____	
711	Sludge Removal Expense _____	
715	Purchased Power _____	18,874
716	Fule for Power Production _____	2,060
718	Chemicals _____	3,459
720	Materials and Supplies _____	3,175
730	Contractual Services:	
	Operator and Management _____	
	Testing _____	
	Other _____	10,039
740	Rents _____	
750	Transportation Expense _____	725
755	Insurance Expense _____	2,856
765	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	1,100
770	Bad Debt Expense _____	3
775	Miscellaneous Expenses _____	3,932
	Total Wastewater Operation and Maintenance Expense _____	\$ 81,571 *

* This amount should tie to Sheet F-3.

WASTEWATER 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	205	253	253
3/4"	D	1.5		3	5
1"	D	2.5		5	13
1 1/2"	D,T	5.0		2	10
General Service					
5/8"	D	1.0			
3/4"	D	1.5	1		
1"	D	2.5	5		
1 1/2"	D,T	5.0	3		
2"	D,C,T	8.0	4	3	24
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers		1.0			
Other (Specify):					
Total			218	266	304

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Service Management Systems, Inc.

PUMPING EQUIPMENT

Lift station number _____	1	2	3	_____	_____	_____	_____
Make or type and nameplate data of pump _____	Unk.	Unk.	Unk.	_____	_____	_____	_____
Year installed _____	1984	1992	2002	_____	_____	_____	_____
Rated capacity (GPM) _____	Unk.	Unk.	Unk.	_____	_____	_____	_____
Size (HP) _____	Unk.	Unk.	Unk.	_____	_____	_____	_____
Power:							
Electric _____	X	X	X	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	4"	5"	6"	_____	_____	_____	_____
Type (PVC, VCP, etc) _____	PVC	PVC	PVC	_____	_____	_____	_____
Average length _____	20'	20'	20'	_____	_____	_____	_____
Number of active service connections _____	Unk	Unk	Unk	_____	_____	_____	_____
Beginning of year _____	_____	_____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____
End of year _____	_____	_____	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS AND MANHOLES

	Collecting Mains				Force Mains			
Size (inches) _____	6"	8"	10"	_____	6"	_____	_____	_____
Type of main _____	PVC	PVC	PVC	_____	DIP	_____	_____	_____
Length of main (nearest foot):								
Beginning of year _____	1,720	18,989	2,000	_____	600	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____	_____
End of year _____	1,720	18,989	2,000	_____	600	_____	_____	_____

MANHOLES:

Size _____	3'	_____	_____	_____
Type _____	Conc.	_____	_____	_____
Number:				
Beginning of year _____	94	_____	_____	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of year _____	94	_____	_____	_____

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2004

TREATMENT PLANT

Manufacturer _____	Schriber	_____	_____
Type _____	Activated Sludge	_____	_____
"Steel" or "Concrete" _____	Concrete	_____	_____
Total Capacity _____	99,000 GPD	_____	_____
Average Daily Flow _____	25,362	_____	_____
Effluent Disposal _____	Drain Field	_____	_____
Total Gallons of Wastewater Treated _____	9,257,000	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	N/A	_____	_____	_____	_____	_____
Capacity _____ (PM)	_____	_____	_____	_____	_____	_____
Motor:	_____	_____	_____	_____	_____	_____
Manufacturer _____	_____	_____	_____	_____	_____	_____
Horsepower _____	_____	_____	_____	_____	_____	_____
Power (Electric or Mechanical) _____	_____	_____	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	894	None	894
February _____	810	_____	810
March _____	561	_____	561
April _____	645	_____	645
May _____	697	_____	697
June _____	688	_____	688
July _____	835	_____	835
August _____	666	_____	666
September _____	638	_____	638
October _____	923	_____	923
November _____	877	_____	877
December _____	1,023	_____	1,023
Total for year _____	9,257,000	_____	9,257,000


If Wastewater Treatment is purchased, indicate the vendor:

CERTIFICATION OF ANNUAL REPORT

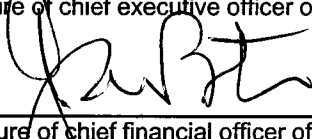
I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | |
|--------------|-----------|--|
| YES
(X) | NO
() | 1. The utility is in substantial compliance with the Uniform System Of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| 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 chief executive officer of the utility) *



 (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.

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

Company:

Service Management Systems, Inc.

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:			
Residential	\$ 251,643	\$ 251,643	\$ -
Commercial	-	-	-
Industrial	-	-	-
Multiple Family	-	-	-
Guaranteed Revenues	-	-	-
Other	855	855	-
Total Water Operating Revenue	\$ 252,498	\$ 252,498	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	\$ -	\$ -	-
Net Water Operating Reveunes	\$ 252,498	\$ 252,498	\$ -

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).

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

Company:

Service Management Systems, Inc.

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:			
Residential	\$ 118,590	\$ 118,590	\$ -
Commercial	-	-	-
Industrial	-	-	-
Multiple Family	-	-	-
Guaranteed Revenues	-	-	-
Other	810	810	-
Total Wastewater Operating Revenue	\$ 119,400	\$ 119,400	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Reveunes	\$ 119,400	\$ 119,400	\$ -

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).