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DIVISION OF
WATER AND WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)
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ANNUAL REPORT

OF

WS236-02-AR
Water Management Services, Inc.
3848 Killlearn Court
Tallahassee, FL 32309-3428

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

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EXECUTIVE SUMMARY

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. |
| 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 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 the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

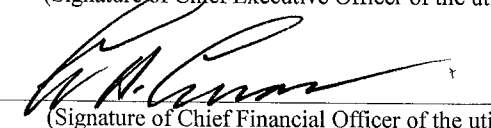
Items Certified

1.	2.	3.	4.
X	X	X	X

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.

ANNUAL REPORT OF

YEAR OF REPORT December 31, 2002
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Water Management Services, Inc.

 (Exact Name of Utility)

County: Franklin

List below the exact mailing address of the utility for which normal correspondence should be sent:

3848 Killearn Court
 Tallahassee, FL 32308

Telephone: (850)668-0440

E Mail Address: wmsi@istal.com

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

Name and address of person to whom correspondence concerning this report should be addressed:

Gene D. Brown
 3848 Killearn Court
 Tallahassee, FL 32308

Telephone (850)668-6103

List below the address of where the utility's books and records are located:

3848 Killearn Court
 Tallahassee, FL 32308

Telephone (850)668-0440

List below any groups auditing or reviewing the records and operations:

None

Date of original organization of the utility: _____ 03/03/1978

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

Individual
 Partnership
 Sub S Corporation
 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	St. George Island Utility Co., Ltd.	85%
2.	Sandra M. Chase	10%
3.	T. E. Bronson	5%
4.		
5.		
6.		
7.		
8.		
9.		
10.		

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

St. George Island Utility Company, Ltd. was certificated on March 31, 1978 to provide water service to St. George Island, which is a barrier island located in the Gulf of Mexico in Franklin County, Florida. The island is connected to the mainland at Eastpoint, Florida by a 4.6 mile bridge and causeway. The company's three existing wells are located on the mainland. The water is piped to the island through pipes attached to the bridge. The company has a treatment system, ground storage tank and elevated storage located in the center of the island. The water is distributed to customers from that location.

The island population fluctuates widely because it is a vacation/resort area. Accordingly, there are peak demands during summer and other holiday periods, with lower demand the remainder of the year.

The company is continuing to expand and improve production capacities to accommodate peak periods and future growth. Growth is anticipated at the rate of approximately 65 new customers per year. The company has sufficient capacity to meet all current demands. The company completed construction of a new fourth well in December, 2000, and this well was placed in service during September, 2001. The addition of this fourth well provides ample capacity to meet anticipated growth during the next several years. The company is now looking for an acceptable site for construction of a fifth well as part of its long-range planning.

On May 1, 1997, St. George Island Utility Company, Ltd. was reorganized into Water Management Services, Inc., a Florida corporation. All of the operating assets were transferred as of that date and Water Management Services, Inc. has continued to provide the same service with the same personnel as before the reorganization.

On May 5, 1999, WMSI was formally notified by the Florida Department of Transportation (FDOT) of its intent to abandon the existing bridge from the mainland to St. George Island and replace it with a new bridge. WMSI is being required to abandon its existing water mains that are attached to the bridge and construct a new main on the new bridge as well as the mains and appurtenances necessary to connect the main to the wells on the mainland and the treatment and storage facilities on the island. In this regard, WMSI filed a Petition for Limited Proceeding on June 6, 2000 to increase its rates to recover the cost of financing the approximately \$6 million in new investment. In an effort to reduce the revenue impact of this major project, WMSI has obtained low cost financing through the State's Revolving Trust Fund. Also, WMSI filed a lawsuit against FDOT seeking compensation from FDOT via inverse condemnation for the taking of its existing water main. Trial of that inverse condemnation case was held August 8 & 9, 2002, resulting in a judgment in favor of FDOT on all counts. WMSI is scheduled to complete all of the work on the new water main across the new bridge by October, 2003. In addition, WMSI is constructing a new elevated tank, 17,700 feet of 6 and 8 inch distribution lines and various plant improvements designed to provide fire protection for the company's customers on St. George Island.

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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PARENT / AFFILIATE ORGANIZATION CHART

Current as of _____

December 31, 2002

Complete below an organizational chart that show all parents, subsidiaries and affiliates of the utility.
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).

<p>St. George Island Utility Company, Ltd. Stockholder</p> <p>Gene D. Brown, P.A. Legal Counsel</p>

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	--% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Gene D. Brown	President	85%	\$ 95,445

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
Gene D. Brown	President	0	\$ 0

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 5,098,626	\$ 6,853,602
108-110	Less: Accumulated Depreciation and Amortization	F-8	1,722,653	1,877,539
Net Plant			\$ 3,375,973	\$ 4,976,063
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 3,375,973	\$ 4,976,063
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ 477,400	\$ 477,400
122	Less: Accumulated Depreciation and Amortization		(47,155)	(47,155)
Net Nonutility Property			\$ 430,245	\$ 430,245
123	Investment In Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$ 430,245	\$ 430,245
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ (13,749)	\$ 3,994
132	Special Deposits	F-9	0	
133	Other Special Deposits	F-9	0	
134	Working Funds			
135	Temporary Cash Investments		5,127	255,756
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	150,775	68,890
145	Accounts Receivable from Associated Companies	F-12	152,543	154,234
146	Notes Receivable from Associated Companies	F-12	0	
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments		126,349	24,719
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 421,045	\$ 507,593

* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 10,000	\$ 10,000
204	Preferred Stock Issued	F-15		
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		(488,548)	(488,548)
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(638,891)	(828,780)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ (1,117,439)	\$ (1,307,329)
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	0	0
224	Other Long Term Debt	F-17	1,969,283	4,312,791
Total Long Term Debt			\$ 1,969,283	\$ 4,312,791
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		512,649	575,554
232	Notes Payable	F-18	748,564	374,322
233	Accounts Payable to Associated Companies	F-18	19,180	0
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		29,309	34,022
236	Accrued Taxes		54,281	56,758
237	Accrued Interest	F-19	17,844	51,106
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		
Total Current & Accrued Liabilities			\$ 1,381,826	\$ 1,091,762

* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	36,037	32,587
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		_____	_____
Total Deferred Credits			\$ <u>36,037</u>	\$ <u>32,587</u>
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____	\$ _____
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 2,682,107	\$ 2,799,955
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(701,708)	(780,776)
Total Net C.I.A.C.			\$ <u>1,980,399</u>	\$ <u>2,019,179</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		_____	_____
Total Accumulated Deferred Income Tax			\$ _____	\$ _____
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u>4,250,107</u>	\$ <u>6,148,991</u>

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 910,524	\$ 914,481
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	(2,578)	(2,946)
Net Operating Revenues			\$ 907,946	\$ 911,534
401	Operating Expenses	F-3(b)	\$ 699,554	\$ 734,387
403	Depreciation Expense:	F-3(b)	\$ 146,701	\$ 154,886
	Less: Amortization of CIAC	F-22	77,420	79,068
Net Depreciation Expense			\$ 69,281	\$ 75,818
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	79,511	80,975
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			\$ 848,346	\$ 891,180
Net Utility Operating Income			\$ 59,601	\$ 20,355
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	2,578	2,946
413	Income From Utility Plant Leased to Others			
414	Gains (losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 62,179	\$ 23,301

* For each account, Column e should agree with Columns f, g and h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
914,481 (2,946)	\$ _____	\$ _____
\$ 911,534	\$ _____	\$ _____
\$ 734,387	\$ _____	\$ _____
154,886 79,068	_____	_____
\$ 75,818	\$ _____	\$ _____
_____	_____	_____
80,975	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
\$ 891,180	\$ _____	\$ _____
\$ 20,355	\$ _____	\$ _____
2,946	_____	_____
_____	_____	_____
\$ 23,301	\$ _____	\$ _____

* Total of Schedules W-3 / S-3 for all rate groups.

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 62,179	\$ 23,301
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$	\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income		15,529	629
421	Nonutility Income		5,904	5,904
426	Miscellaneous Nonutility Expenses		(148)	(2,216)
Total Other Income and Deductions			\$ 21,285	\$ 4,316
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable To Other Income			\$	\$
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 230,031	\$ 194,660
428	Amortization of Debt Discount & Expense	F-13		22,848
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 230,031	\$ 217,508
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$	\$
NET INCOME			\$ (146,567)	\$ (189,890)

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 4,435,683	\$
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	1,877,539	
110	Accumulated Amortization	F-8		
271	Contributions In Aid of Construction	F-22	2,799,955	
252	Advances for Construction	F-20	32,587	
Subtotal			\$ (274,398)	\$
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	780,776	
Subtotal			\$ 506,378	\$
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		91,798	
	Other (Specify): _____ _____ _____			
RATE BASE			\$ 598,176	\$
NET UTILITY OPERATING INCOME			\$ 20,355	\$
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			3.40%	\$

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 0		11.34%	
Preferred Stock				
Long & Short Term Debt	564,154	94.31%	5.01%	4.73%
Customer Deposits	34,022	5.69%	8.00%	0.46%
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
Total	\$ <u>598,176</u>	<u>100.00%</u>		<u>5.18%</u>

(1) If the utility's capital structure is not used, explain which capital structure is used.

NOTE: Debt cost calculated based on fixed rates and variable rates applied to 13 month average balances

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

APPROVED RETURN ON EQUITY

Equity:	<u>11.34%</u>
Equity:	<u>PSC-94-1383-FOF-WU</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

DC rate:	<u> </u> %
DC rate:	<u> </u>

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT
December 31, 2002

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 4,435,683	\$ _____	\$ _____	\$ 4,435,683
102	Utility Plant Leased to Other	_____	_____	_____	_____
103	Property Held for Future Use	_____	_____	_____	_____
104	Utility Plant Purchased or Sold	_____	_____	_____	_____
105	Construction Work in Progress	2,417,919	_____	_____	2,417,919
106	Completed Construction Not Classified	_____	_____	_____	_____
	Total Utility Plant	\$ 6,853,602	\$ _____	\$ _____	\$ 6,853,602

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately.
For any acquisition adjustments approved by the Commission, include the Order Number.

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Plant Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Net Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ N/A

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT
December 31, 2002

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 1,722,653	\$	\$	\$ 1,722,653
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 154,886	\$	\$	\$ 143,324
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify): Corrections Adj. accrued depr. See Sch W-6(b)				
Total Credits	\$ 154,886	\$	\$	\$ 154,886
Debits during year:				
Book cost of plant retired				
Cost of Removal				
Other Debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$ <u>1,877,539</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>1,877,539</u>
ACCUMULATED AMORTIZATION Account 110				
Balance first of year	\$	\$	\$	\$
Credit during year:				
Accruals charged to:				
Account 110.2 (2)				
Other Accounts (specify):				
Total credits	\$	\$	\$	\$
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT
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**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
N/A	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total	\$ _____	_____	\$ _____

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.

Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
Disallowed Investment in Plant	\$ 430,245	\$ _____	\$ _____ (0)	\$ 430,245
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Nonutility Property	\$ 430,245	\$ _____	\$ _____ (0)	\$ 430,245

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): N/A	\$ _____
_____	_____
_____	_____
Total Special Deposits	\$ _____
OTHER SPECIAL DEPOSITS (Account 133):	\$ _____
_____	_____
_____	_____
Total Other Special Deposits	\$ _____

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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**INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): N/A <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124): N/A <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): N/A <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): N/A <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Special Funds		\$ _____

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 82,940	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 82,940
OTHER ACCOUNTS RECEIVABLE (Account 142):		
_____	\$ _____	

Total Other Accounts Receivable		\$ _____
NOTES RECEIVABLE (Account 144):		
Notes Receivable	\$ 0	

Total Notes Receivable		\$ _____
Total Accounts and Notes Receivable		\$ 82,940
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ 11,775	
Add: Provision for uncollectibles for current year	\$ _____	
Collection of accounts previously written off		
Utility Accounts	2,391	
Others		

Total Additions	\$ 2,391	
Deduct accounts written off during year:		
Utility Accounts	116	
Others		

Total accounts written off	\$ 116	
Balance end of year		\$ 14,050
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 68,890

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
DEP SRF Loan	\$ 5,904	\$ 112,171
SRF Associated Fees	601	11,416
GSB - Construction Loan	10,262	2,066
GSB - Working Capital	156	156
FMB - Mortgage Loan	1,052	350
Citizen's Bank of Perry	4,809	85,362
GSB - GMC Truck	29	74
FMB - GMC Truck	35	109
Total Unamortized Debt Discount and Expense	\$ 22,848	\$ 211,704
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$	\$
Total Unamortized Premium on Debt	\$	\$

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$
Total Extraordinary Property Losses	\$

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)		
<u>Deferred Limited Proceeding</u>	\$ _____	\$ 23,385
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total Deferred Rate Case Expense	\$ <u> </u>	\$ <u>23,385</u>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total Other Deferred Debits	\$ <u> </u>	\$ <u> </u>
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total Regulatory Assets	\$ <u> </u>	\$ <u> </u>
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ <u> </u>	\$ <u>23,385</u>

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	%\$	\$0.10
Shares authorized		100,000
Shares issued and outstanding		100,000
Total par value of stock issued	%\$	10,000
Dividends declared per share for year	%\$	0
PREFERRED STOCK		
Par or stated value per share	%\$	
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	%\$	
Dividends declared per share for year	%\$	

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
N/A			
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ (638,890)
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits:	\$ _____
	_____	_____
	Total Credits:	\$ _____
	Debits:	\$ _____
	_____	_____
	Total Debits:	\$ _____
435	Balance Transferred from Income	\$ (189,890)
436	Appropriations of Retained Earnings:	_____
	_____	_____
	Total Appropriations of Retained Earnings	\$ _____
437	Dividends Declared: Preferred Stock Dividends Declared	_____
438	Common Stock Dividends Declared	_____
	_____	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ _____
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	_____
	_____	_____
	_____	_____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (828,780)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232):			
N/P - Current - Wachovia (GMC)	8.50%	Fixed	5,954
N/P - Current - GSB (GMC)	8.90%	Fixed	5,768
N/P - Current - FMB (GMC)	8.75%	Fixed	6,352
N/P - Current - GSB Constr. Loan	7.50%	Fixed	16,134
N/P - Current - DEP	3.05%	Fixed	145,550
N/P - Current - Bank of Perry	5.75-5.25%	Variable, Prime + 1%	62,203
N/P - GSB - Working Capital	7.75%	Fixed	30,256
N/P - FMB Mortgage	9.50%	Fixed	102,105
Total Account 232			\$ <u>374,322</u>
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
N/A	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ <u>0</u>

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$ 0
Total	\$ <u>0</u>

UTILITY NAME: Water Management Services, Inc.

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Bank of Perry	\$ 12,724	427.2,3	110,495	\$ 120,312	\$ 2,907
GSB - Working Capital	125	427.2,3	910	982	54
GSB (GMC)	137	427.2,3	1,681	1,715	103
Wachovia (GMC)	154	427.2,3	1,900	1,933	121
FMB (GMC)	177	427.2,3	2,224	2,261	140
FMB - Mortgage	729	427.2,3	10,029	10,057	701
DEP - SRF	0	427.0	46,722	0	46,722
GSB - Construction	3797.6	427.2,3	14,762	18,200	359
Total Account 237.1	\$ 17,844	\$	\$ 188,722	\$ 155,460	\$ 51,106
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits	0	427.4	2,352 *	2,352	0
Vendors	0	427.5	3,586 *	3,586	0
Amortization of Loan Fees	0	428.2,4	22,848 *	22,848	0
<i>Note: Items marked with an * were expensed but not accrued. They are included only to show the total interest expensed in Acct 427.</i>					
Amortization of Loan Fees					
Total Account 237.2	\$ 0	\$	\$ 28,785 *	\$ 28,785 *	\$ 0
Total Account 237 (1)	\$ 17,844	\$	\$ 217,508 *	\$ 184,245 *	\$ 51,106
INTEREST EXPENSED:					
Total accrual Account 237.1		237.1	188,722		(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.
Less Capitalized Interest Portion of AFUDC:			0		(2) Must agree to F-3 (c), Current Year Interest Expense
Net Interest Expensed to Account No. 427 (2)			\$ 217,508		

UTILITY NAME: Water Management Services, Inc.

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
N/A	\$ _____
Total Miscellaneous Current and Accrued Liabilities	_____

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
Fla. Dept. of Environmental Protection	\$ 36,037	\$ _____	_____	\$ 3,450	\$ 32,587
	_____	_____	_____	_____	_____
Total	\$ 36,037	\$ _____	_____	\$ 3,450	\$ 32,587

* Report advances separately by reporting group, designating water or wastewater in column (a).

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):		
N/A	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
N/A	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____	\$ _____
TOTAL OTHER DEFERRED CREDITS	\$ _____	\$ _____

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 2,682,107	\$ _____	\$ _____	\$ 2,682,107
Add credits during year:	\$ 117,848	\$ _____	\$ _____	\$ 117,848
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ 2,799,955	\$ _____	\$ _____	\$ 2,799,955

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 701,708	\$ _____	\$ _____	\$ 701,708
Debits during the year:	\$ 79,068	\$ _____	\$ _____	\$ 79,068
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 780,776	\$ _____	\$ _____	\$ 780,776

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

- 1 The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
- 2 If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ (189,890)
Reconciling items for the year:		
Taxable income not reported on books:		
Net additions to CIAC	F-22	38,780
Deductions recorded on books not deducted for return:		
Penalties and Interest	F-3(c)	2,216
Life Insurance, key man	W-10	12,376
Income recorded on books not included in return:		
Interest Income	F-3(c)	629
Deduction on return not charged against book income:		
Federal tax net income		\$ (135,889)

Computation of tax : No Tax Due

**WATER
OPERATION
SECTION**

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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SYSTEM NAME / COUNTY : Franklin

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 4,435,683
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	1,877,539
110	Accumulated Amortization		
271	Contributions In Aid of Construction	W-7	2,799,955
252	Advances for Construction	F-20	32,587
	Subtotal		\$ (274,398)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 780,776
	Subtotal		\$ 506,378
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		91,798
	Other (Specify):		
	WATER RATE BASE		\$ 598,176
	WATER OPERATING INCOME	W-3	\$ 20,355
	ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)		3.40%

- NOTES :
- (1) Estimate based on the methodology used in the last rate proceeding.
 - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
 - (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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SYSTEM NAME / COUNTY : Franklin

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ 914,481
469	Less: Guaranteed Revenue and AFPI	W-9	(2,946)
Net Operating Revenues			\$ 911,534
401	Operating Expenses	W-10(a)	\$ 734,387
403	Depreciation Expense	W-6(a)	154,886
	Less: Amortization of CIAC	W-8(a)	79,068
Net Depreciation Expense			\$ 75,818
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		41,152
408.11	Property Taxes		14,066
408.12	Payroll Taxes		25,473
408.13	Other Taxes and Licenses		284
408	Total Taxes Other Than Income		\$ 80,975
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ 891,180
Utility Operating Income			\$ 20,355
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$ 2,946
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 23,301

YEAR OF REPORT
December 31, 2002

UTILITY NAME: Water Management Services, Inc.

SYSTEM NAME / COUNTY : _____

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	109,581	0		109,581
304	Structures and Improvements	213,489	0		213,489
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	404,873	2,053		406,926
308	Infiltration Galleries and Tunnels				
309	Supply Mains	240,878			240,878
310	Power Generation Equipment	70,256			70,256
311	Pumping Equipment	157,783			157,783
320	Water Treatment Equipment	42,635	377		43,012
330	Distribution Reservoirs and Standpipes	344,624	0		344,624
331	Transmission and Distribution Mains	2,082,209	591		2,082,801
333	Services	193,499	10,586		204,085
334	Meters and Meter Installations	164,065	7,182		171,247
335	Hydrants	116,998	2,486		119,483
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment	0			0
340	Office Furniture and Equipment	62,039	2,942		64,981
341	Transportation Equipment	120,781	0		120,781
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	13,584	3,361		16,944
344	Laboratory Equipment				0
345	Power Operated Equipment	67,062	1,749		68,811
346	Communication Equipment				
347	Miscellaneous Equipment	0			0
348	Other Tangible Plant				
TOTAL WATER PLANT		\$ 4,404,356	\$ 31,327	\$	\$ 4,435,683

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

W-4(a)
GROUP _____

UTILITY NAME: Water Management Services, Inc.

SYSTEM NAME / COUNTY : Franklin

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization	0					
302	Franchises						
303	Land and Land Rights	109,581		89,430		20,151	153,563
304	Structures and Improvements	213,489		59,926			
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes			406,926			
307	Wells and Springs	406,926					
308	Infiltration Galleries and Tunnels			240,878			
309	Supply Mains	240,878		70,256			
310	Power Generation Equipment	70,256		157,783			
311	Pumping Equipment	157,783			43,012		
320	Water Treatment Equipment	43,012					
330	Distribution Reservoirs and Standpipes	344,624				344,624	
331	Transmission and Distribution Mains	2,082,801				2,082,801	
333	Services	204,085				204,085	
334	Meters and Meter Installations	171,247				171,247	
335	Hydrants	119,483				119,483	
336	Backflow Prevention Devices					0	
339	Other Plant Miscellaneous Equipment	0					64,981
340	Office Furniture and Equipment	64,981					120,781
341	Transportation Equipment	120,781					
342	Stores Equipment						16,944
343	Tools, Shop and Garage Equipment	16,944					
344	Laboratory Equipment						68,811
345	Power Operated Equipment	68,811					
346	Communication Equipment						0
347	Miscellaneous Equipment	0					
348	Other Tangible Plant						
	TOTAL WATER PLANT	4,435,683		1,025,200	43,012	2,942,390	425,081

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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SYSTEM NAME / COUNTY : Franklin

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	33		3.03%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		
308	Infiltration Galleries and Tunnels			
309	Supply Mains	35		2.86%
310	Power Generation Equipment	20		5.00%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	22		4.55%
330	Distribution Reservoirs and Standpipes	37		2.70%
331	Transmission and Distribution Mains	43		2.33%
333	Services	40		2.50%
334	Meters and Meter Installations	20		5.00%
335	Hydrants	45		2.22%
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment	25		4.00%
340	Office Furniture and Equipment	15		6.67%
341	Transportation Equipment	6		16.67%
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	16		6.25%
344	Laboratory Equipment			
345	Power Operated Equipment	12		8.33%
346	Communication Equipment			
347	Miscellaneous Equipment	15		6.67%
348	Other Tangible Plant			
Water Plant Composite Depreciation Rate *				

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

YEAR OF REPORT
December 31, 2002

UTILITY NAME: Water Management Services, Inc.

SYSTEM NAME / COUNTY : Franklin

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 51,847	\$ 7,800		\$ 7,800
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	83,802	13,584		13,584
308	Infiltration Galleries and Tunnels				
309	Supply Mains	140,135	7,491		7,491
310	Power Generation Equipment	36,140	3,882		3,882
311	Pumping Equipment	79,453	8,421		8,421
320	Water Treatment Equipment	22,769	2,152		2,152
330	Distribution Reservoirs and Standpipes	160,831	10,386		10,386
331	Transmission and Distribution Mains	828,518	52,611		52,611
333	Services	96,706	5,566		5,566
334	Meters and Meter Installations	99,754	9,109		9,109
335	Hydrants	47,038	2,887		2,887
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	24,539	4,250		4,250
341	Transportation Equipment	28,092	20,130		20,130
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	4,479	964		964
344	Laboratory Equipment				
345	Power Operated Equipment	18,551	5,652		5,652
346	Communication Equipment				
347	Miscellaneous Equipment	0			0
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		1,722,653	154,886		154,886

* Specify nature of transaction
Use () to denote reversal entries.

A - Corrections associated with reclassifications of plant.

W-6(a)
GROUP _____

YEAR OF REPORT
December 31, 2002

UTILITY NAME: Water Management Services, Inc.

SYSTEM NAME / COUNTY : _____

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$	\$ 59,647
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					97,386
308	Infiltration Galleries and Tunnels					
309	Supply Mains					147,626
310	Power Generation Equipment					40,022
311	Pumping Equipment					87,874
320	Water Treatment Equipment					24,921
330	Distribution Reservoirs and Standpipes					171,217
331	Transmission and Distribution Mains					881,129
333	Services					102,272
334	Meters and Meter Installations					108,863
335	Hydrants					49,925
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment					28,789
340	Office Furniture and Equipment					48,222
341	Transportation Equipment					
342	Stores Equipment					5,443
343	Tools, Shop and Garage Equipment					
344	Laboratory Equipment					
345	Power Operated Equipment					24,203
346	Communication Equipment					
347	Miscellaneous Equipment					
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION						\$ 1,877,539

B - Adjust accrued depreciation to reflect Class "B" lives per Order No. PSC-94-1383-POF-WU
W-6(b)
GROUP _____

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY : _____

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue	0	0	\$
461.1	Metered Water Revenue: Sales to Residential Customers	1,537	1,604	764,320
461.2	Sales to Commercial Customers	76	75	103,281
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities	2	2	38,174
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		1,615	1,681	\$ 905,776
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
Total Fire Protection Revenue				\$
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		1,615	1,681	\$ 905,776
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ 2,946
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			5,759
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
Total Other Water Revenues				\$ 8,705
Total Water Operating Revenues				\$ 914,481

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.
Classification of Y/E 2000 restated to be consistent with Y/E 2001 classifications

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY : Franklin

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 243,672	\$ 9,878	\$ 7,159
603	Salaries and Wages - Officers, Directors and Majority Stockholders	95,445	0	
604	Employee Pensions and Benefits	41,405	1,380	910
610	Purchased Water			
615	Purchased Power	42,960	24,858	
616	Fuel for Power Purchased	1,504	1,504	
618	Chemicals	9,658		
620	Materials and Supplies	19,168	197	1,967
631	Contractual Services-Engineering	42,000	25,200	
632	Contractual Services - Accounting	27,644		
633	Contractual Services - Legal	45,871		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	3,490	1,745	
636	Contractual Services - Other	22,734		
641	Rental of Building/Real Property	1,091		
642	Rental of Equipment	10,050		
650	Transportation Expenses	23,970	3,199	3,199
656	Insurance - Vehicle			
657	Insurance - General Liability	14,868		
658	Insurance - Workman's Comp.	8,391	340	247
659	Insurance - Other	15,532		
660	Advertising Expense	0		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	2,391		
675	Miscellaneous Expenses	62,542	2,271	1,269
Total Water Utility Expenses		\$ 734,387	\$ 70,572	\$ 14,751

UTILITY NAME:

Water Management Services, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY :

Franklin

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 243,672	\$ 9,878	\$ 7,159
603	Salaries and Wages - Officers, Directors and Majority Stockholders	95,445	0	
604	Employee Pensions and Benefits	41,405	1,380	910
610	Purchased Water			
615	Purchased Power	42,960	24,858	
616	Fuel for Power Purchased	1,504	1,504	
618	Chemicals	9,658		
620	Materials and Supplies	19,168	197	1,967
631	Contractual Services-Engineering	42,000	25,200	
632	Contractual Services - Accounting	27,644		
633	Contractual Services - Legal	45,871		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	3,490	1,745	
636	Contractual Services - Other	22,734		
641	Rental of Building/Real Property	1,091		
642	Rental of Equipment	10,050		
650	Transportation Expenses	23,970	3,199	3,199
656	Insurance - Vehicle			
657	Insurance - General Liability	14,868		
658	Insurance - Workman's Comp.	8,391	340	247
659	Insurance - Other	15,532		
660	Advertising Expense	0		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	2,391		
675	Miscellaneous Expenses	62,542	2,271	1,269
Total Water Utility Expenses		\$ 734,387	\$ 70,572	\$ 14,751

UTILITY NAME:

Water Management Services, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY :

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ 7,409	\$ 6,401	\$ 32,104	\$ 40,889	\$ 68,321	\$ 71,511
1,035	764	4,486	4,883	9,688	95,445
		18,102			18,258
9,658					
197	590	197	4,720	5,086	6,216
8,400		8,400			27,644
					45,871
1,745			1,740		20,994
			1,907		1,091
3,199	3,199	3,199	3,199	2,387	8,143
					2,387
255	220	1,106	1,408	2,353	14,868
					2,463
					15,532
1,703	238	7,379	20,078	2,391	
				4,481	25,123
\$ 33,601	\$ 11,413	\$ 74,973	\$ 78,824	\$ 94,706	\$ 355,546

UTILITY NAME:

Water Management Services, Inc.

YEAR OF REPORT

December 31, 2002

SYSTEM NAME / COUNTY :

Franklin

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January	0	13,403	1,550	11,853	10,138
February	0	12,552	2,500	10,052	7,996
March	0	15,234	2,000	13,234	13,021
April	0	17,270	1,725	15,545	13,656
May	0	20,206	1,904	18,302	15,900
June	0	23,726	1,575	22,151	22,574
July	0	25,845	1,295	24,550	19,687
August	0	20,637	1,200	19,437	21,297
September	0	16,747	2,315	14,432	13,985
October	0	16,109	1,600	14,509	12,461
November	0	15,223	2,200	13,023	11,709
December	0	17,266	1,750	15,516	11,055
Total for Year	0	214,218	21,614	192,604	173,481

If water is purchased for resale, indicate the following:

Vendor N/A

Point of delivery _____

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

N/A

List for each source of supply:	24 Hour CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well No. 1 (1975)	360,000 gpd	360,000	Floridan Aquifer
Well No. 2 (1985)	360,000 gpd	360,000	Floridan Aquifer
Well No. 3 (1993)	720,000 gpd	720,000	Floridan Aquifer
Well No. 4 (2000)	1,080,000 gpd	1,080,000	
		2,520,000	

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY : Franklin

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>1,090,000</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Storage Tank</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>Aeration and Chlorination</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon):	Manufacturer: _____
FILTRATION	
Type and size of area:	
Pressure (in square feet):	Manufacturer: _____
Gravity (in GPM/square feet):	Manufacturer: _____

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2002
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SYSTEM NAME / COUNTY : Franklin

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	1,604	1,604
5/8"	Displacement	1.0	48	48
3/4"	Displacement	1.5		
1"	Displacement	2.5	10	25
1 1/2"	Displacement or Turbine	5.0	3	15
2"	Displacement, Compound or Turbine	8.0	5	40
3"	Displacement	15.0	1	15
3"	Compound	16.0	2	32
3"	Turbine	17.5	1	18
4"	Displacement or Compound	25.0		
4"	Turbine	30.0	1	30
6"	Displacement or Compound	50.0		
6"	Turbine	62.5	1	63
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents			1,676	<u>1,889</u>

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use 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 residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC Calculation: $173,481,000 \text{ total gallons} / 365/350 \text{ GPD/ERC} = 1,358 \text{ ERCs}$
--

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY : Franklin

OTHER 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. _____ 1,853
2. Maximum number of ERCs * which can be served. _____ 1,853
3. Present system connection capacity (in ERCs *) using existing lines. _____ 1,358
4. Future connection capacity (in ERCs *) upon service area buildout. _____ 6,000 (est.)
5. Estimated annual increase in ERCs *. _____ 65
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 (See improvements below).
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. _____
New 12" ductile iron line to be constructed across new bridge. Estimated completion date Oct., 2003. Improvements to elevated tank, emergency generation, and upgrade of distribution system, all to provide fire flow capacity to system. Est. compl., Oct., 2003.
9. When did the company last file a capacity analysis report with the DEP? _____ September 24, 1999
10. If the present system does not meet the requirements of DEP rules:
 - 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 # _____ 1190789
12. Water Management District Consumptive Use Permit # _____ 830074
 - 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 the calculation on the bottom of Page W-13.

W-14
GROUP _____
SYSTEM _____

WASTEWATER OPERATING SECTION

Note: This utility is a water only service; therefore, Pages S-1 through S-13 have been omitted from this report.