

CLASS "C"

WATER and/or WASTEWATER UTILITIES

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

ANNUAL REPORT

WS755-02-AR
Water Oak Utility
31700 Middlebelt Road, Suite 145
Farmington Hills, MI 48334-2321

454-W/388-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



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COMMUNICATIONS

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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April 23, 2003

To the Members
Sun Communities Finance, LLC
(Water Oak Utility)

We have compiled the 2002 Annual Report of Sun Communities Finance, LLC (Water Oak Utility) 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 Sun Communities Finance, LLC (Water Oak Utility). 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

GENERAL DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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FINANCIAL SECTION

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class A & B**

Company: Sun Communities Acquisitions, LLC d/b/a Water Oak Utility

For the Year Ended December 31, 2002

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. W-9	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ -	\$ -	\$ -
Total Metered Sales (461.1 - 461.5)	116,864	116,864	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	-	-	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	-	-	-
Total Water Operating Revenue	\$ 116,864	\$ 116,864	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 116,864	\$ 116,864	\$ -

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 A & B**

Company: Sun Communities Acquisitions, LLC d/b/a Water Oak Utility

For the Year Ended December 31, 2002

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate Revenues (521.1 - 521.6)	\$ -	\$ -	\$ -
Total Measured Revenues (522.1 - 522.5)	134,580	174,939	(40,359)
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	-	-	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
Total Wastewater Operating Revenue	\$ 134,580	\$ 174,939	\$ (40,359)
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 134,580	\$ 174,939	\$ (40,359)

Explanations:

Deferred revenues based on Order No. PSC-00-1301-CO-WS subject to regulatory assessment fees.

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).

REPORT OF

Sun Communities Finance, LLC (Water Oak Utility)

(Exact name of utility)

106 Evergreen Lane	106 Evergreen Lane
Lady Lake, Fl. 32159	Lady Lake, Fl. 32159
Mailing Address	Street Address

Telephone Number (352) - 753-3000 Date Utility First Organized April, 1981

☐ Individual ☐ Sub Chapter S Corporation ☐ 1120 Corporation ☒ Partnership

Location where books and records are located: 31700 Middlebelt Road, Suite 145
Farmington Hills, MI, 48334 (248) - 208-2500

Names of subdivisions where service is provided: Water Oak Country Club

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Gabriele Umbel	Utility Manager	106 Evergreen Lane Lady Lake , Florida 32159	
Person who prepared this report: Cronin, Jackson, Nixon & Wilson	CPA's	2560 Gulf-to-Bay Blvd. Clearwater, Fl.	
Officers and Managers: Gabriele Umbel	Utility Manager	106 Evergreen Lane Lady Lake , Florida 32159	\$ 13,407
Mary A. Petrella	Controller	Farmington Hills address (above)	887
	Sun Communities Finance,		
	LLC		

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
Sun Communities Finance, LLC	100%	31700 Middlebelt Road Suite 145 Farmington Hills, MI. 48334	N/A

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other (1)	Total Company
Gross Revenue:					
Residential _____		\$ 100,221	\$ 131,418		\$ 231,639
Commercial _____		16,643	3,162		19,805
Industrial _____					
Multiple Family _____					
Guarenteed Revenues _____					
Other (Specify) _____					
Total Gross Revenue _____		116,864	134,580	N/A	251,444
Operation Expense (Must tie to Pages W-3 and S-3)(1)	W-3 S-3	111,931	142,646		254,577
Depreciation Expense _____	F-5	11,218	21,066		32,284
CIAC Amortization Expense _____	F-8	(4,225)	(6,475)		(10,700)
Taxes Other Than Income _____	F-7	12,349	16,090		28,439
Income Taxes _____	F-7				
Total Operating Expenses _____		131,273	173,327		304,600
Net Operating Income (Loss)		(14,409)	(38,747)	-	(53,156)
Other Income:					
Nonutility Income _____					

Other Deductions:					
Miscellaneous Nonutilty Expenses _____		1,065	978		2,043
Interest Expense _____		-			

Net Income (Loss)		\$ (15,474)	\$ (39,725)	N/A	\$ (55,199)

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
ASSETS:			
Utility Plant In Service (101 - 105) _____	F-5, W-1, S-1	\$ 844,919	\$ 829,945
Accumulated Depreciation and _____	F-5, W-2, S-2	(501,689)	(477,130)
Net Utility Plant _____		343,230	352,815
Cash _____		70,581	60,752
Customer Accounts Receivable (141) _____		47,034	23,998
Other Assets (Specify):			
Accounts Receivable - Assoc Co's		616,895	602,863
Deferred rate case exp. (Order No. PSC-00-1165-PAA-WS)		4,121	8,191
Deferred charges - other		85,162	26,411
Total Assets _____		\$ 1,167,023	\$ 1,075,030
LIABILITIES AND CAPITAL:			
Common Stock Issued (201) _____	F-6		
Preferred Stock Issued (204) _____	F-6		
Other Paid In Capital (211) _____			
Retained Earnings (215) _____	F-6		
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6	44,048	99,247
Total Capital _____		44,048	99,247
Long Term Debt (224) _____	F-6		
Accounts Payable (231) _____		10,193	
Notes Payable (232) _____			
Customer Deposits (235) _____			
Accrued Taxes (236) _____	F-7	13,131	11,317
Other Liabilities (Specify):			
Accounts Payable - Assoc Co		771,265	674,801
Deferred sewer revenue - reuse			
(Order No. PSC-00-1165-PAA-WS)		119,595	79,236
Advances For Construction (252) _____			
Contributions In Aid Of			
Construction - Net (271 - 272) _____	F-8	208,791	210,429
Total Liabilities and Capital _____		\$ 1,167,023	\$ 1,075,030

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) Inclusive	Water	Sewer	Plant Other Than Reporting Systems	Total
Utility Plant In Service (101) _____	\$ 318,947	\$ 525,972	N/A	\$ 844,919
Progress (105) _____				
Other (Specify) _____				

Total Utility Plant _____	\$ 318,947	\$ 525,972	N/A	\$ 844,919

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First Of Year _____	\$ 142,663	\$ 334,467	N/A	\$ 477,130
Add Credits During Year:				
Accruals charged to depreciation account _____	11,218	21,066		32,284
Salvage _____				
Other credits (specify) _____				

Total credits _____	11,218	21,066		32,284
Deduct Debits During Year:				
Book cost of plant retired (1) _____	7,725			7,725
Cost of removal _____				
Other debits (specify) _____				
Prior year overaccrual _____				
Total debits _____	7,725			7,725
Balance End of Year _____	\$ 146,156	\$ 355,533	N/A	\$ 501,689

Note (1): Order No. PSC - 00 - 1165 - PAA - WS conservation program meter retirements related to required replacements.

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)

YEAR OF REPORT
December 31,2002

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	N/A	N/A
Shares authorized _____		
Shares issued and outstanding _____		
Total par value of stock issued _____		
Dividends declared per share for year _____		

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	N/A	N/A
Charges during the year (specify): Current Year Income _____		

Balance end of year _____		

PROPRIETARY CAPITAL (218)

	Proprietor or Partner	Partner
Balance first of year _____	\$ 99,247	N/A
Charges during the year (specify): Current year loss _____	(55,199)	

Balance end of year _____	\$ 44,048	

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	
N/A	%		N/A
_____	%		
_____	%		
_____	%		
Total _____			N/A

TAXES ACCRUED (236)

(a)	WATER (b)	SEWER (c)	OTHER (d)	TOTAL (e)
Income Taxes:				
Federal income tax _____	\$ -	\$ -	N/A	\$ -
State income tax _____				
Taxes Other Than Income:				
Local property tax _____	4,201	5,603		9,804
Regulatory assessment fee (1) _____	5,259	7,872		13,131
Other (Specify):				
Payroll Taxes _____	2,556	2,303		4,859
Sales Taxes _____	333	312		645
Total taxes accrued _____	\$ 12,349	\$ 16,090	N/A	\$ 28,439

Note (1): Regulatory assessment fees for sewer includes \$1,816 related to 2002 additional deferred revenue of \$40,358 per Order No. PSC-00-1301-CO-WS.

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever, amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
Mid-State	\$ 2,631	\$ 5,849	Various required DEP testing
Mid-State	14,151	14,151	Utility operations & misc. repairs & maintenance
J & B Accounting - Billings	5,943	5,267	Customer monthly billings
Davis Supplies, Inc.	1,334	848	Chemicals & other supplies
Excel Engineering	717	979	Various professional engineering services
American, Inc.		15,600	Sludge removal & lift station refuse clean-out
A&C Lawn Service	1,733	15,597	Lawn service
Rose, Sundstrom & Bentley	995	896	Various legal matters
C, J, N & W, CPA's	4,896	3,970	Accounting services
Excel Engineering	1,191	1,116	Conservation program - distribution analysis(w)
J & B Accounting - Billings	2,471		Conservation program - special billings

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)

YEAR OF REPORT
December 31, 2002

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year _____	\$ 123,436	\$ 211,882	\$ 335,318
2. Add credits during year:	5,543	3,519	9,062
3. Total _____	128,979	215,401	344,380
5. Balance end of year _____	128,979	215,341	344,320
6. Less Accumulated Amortization _____	57,116	78,413	135,529
7. Net CIAC _____	\$ 71,863	\$ 136,928	\$ 208,791

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
N/A				\$ -	\$ -
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			
Meter Fees	23	100		2,300	
Capacity Fees - Water	23	141		3,243	
Capacity Fees - sewer	23	153			3,519
Total Credits During Year (Must agree with line # 2 above) _____				\$ 5,543	\$ 3,519

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ 52,891	\$ 71,938	\$ 124,829
Add Debits During Year: _____	4,225	6,475	10,700
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above) _____	\$ 57,116	\$ 78,413	\$ 135,529

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)

YEAR OF REPORT December 31, 2002
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SCHEDULE "A"

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

(a)	Dollar Amount (1) (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	N/A	_____ %	_____ %	_____ %
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:	N/A

WATER

OPERATION

SECTION

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e) (1)	CURRENT YEAR (f)
301	Organization _ _ _ _ _	\$ 1,350	\$ -	\$ -	\$ 1,350
302	Franchises _ _ _ _ _				
303	Land and Land Rights _ _ _	3,050			3,050
304	Structure and Improvements _	3,830			3,830
305	Collecting and Impounding Reservoirs _ _ _ _ _				
306	Lake, River and Other Intakes _				
307	Wells and Springs _ _ _ _ _	26,371			26,371
308	Infiltration Galleries and Tunnels _ _ _ _ _				
309	Supply Mains _ _ _ _ _	2,947	3,284		6,231
310	Power Generation Equipment _	16,803			16,803
311	Pumping Equipment _ _ _ _	11,850			11,850
320	Water Treatment Equipment _	18,435			18,435
330	Distribution Reservoirs and Standpipes _ _ _ _ _	81,153			81,153
331	Transmission and Distribution Mains _ _ _ _ _	66,257	333		66,590
333	Services _ _ _ _ _				
334	Meters and Meter Installations _	52,306	10,728	(7,725)	55,309
335	Hydrants _ _ _ _ _	4,667			4,667
339	Other Plant and Miscellaneous Equipment _ _ _ _ _	20,480			20,480
340	Office Furniture and Equipment _	684			684
341	Transportation Equipment _ _	400			400
342	Stores Equipment _ _ _ _ _				
343	Tools, Shop and Garage Equipn	1,744			1,744
344	Laboratory Equipment _ _ _ _				
345	Power Operated Equipment _ _				
346	Communication Equipment _ _				
347	Miscellaneous Equipment _ _ _				
348	Other Tangible Plant _ _ _ _ _				
	Total Water Plant _ _ _ _ _	\$ 312,327	\$ 14,345	\$ (7,725)	\$ 318,947

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

Note (1): Order No. PSC - 00 - 1165 - PAA - WS conservation program meter retirements related to required replacements.

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)	Debits(1) (g)	Credits (h)	Accum. Depr. Balance End of year (f-g+h=i) (i)
301	Organization_____	32.00	%	3.125	\$ 674	\$ -	\$ 42	\$ 716
302	Franchises_____		%					
304	Structure and Improvements_____	33.00	%	3.030	1,916		116	2,032
305	Collecting and Impounding Reservoirs_____		%					
306	Lake, River and Other Intakes_____		%					
307	Wells and Springs_____	27.00	%	3.704	16,994		977	17,971
308	Infiltration Galleries and Tunnels_____		%					
309	Supply Mains_____	32.00	%	3.125	911		143	1,054
310	Power Generation Equipment_____	17.00	%	5.882	13,569		988	14,557
311	Pumping Equipment_____	15.00	%	6.667	8,566		790	9,356
320	Water Treatment Equipment_____	7.00	%	14.286	18,435		-	18,435
330	Distribution Reservoirs and Standpipes_____	40.00	%	2.500	7,747		2,029	9,776
331	Transmission and Distribution Mains_____	40.00	%	2.500	22,929		1,660	24,589
333	Services_____		%					
334	Meters and Meter Installations(1)_____	17.00	%	5.882	2,170	(7,725)	3,170	(2,385)
335	Hydrants_____	40.00	%	2.500	166		117	283
339	Other Plant and Miscellaneous Equipment_____	20.00	%	5.000	11,729		1,024	12,753
340	Office Furniture and Equipment_____	15.00	%	6.667	577		46	623
341	Transportation Equipment_____	6.00	%	16.667	400		-	400
342	Stores Equipment_____		%					
343	Tools, Shop and Garage Equipment_____	15.00	%	6.667	1,616		116	1,732
344	Laboratory Equipment_____		%					
345	Power Operated Equipment_____		%					
346	Communication Equipment_____		%					
347	Miscellaneous Equipment_____		%		34,264		-	34,264
348	Other (Order - PSC-00-1165-PA-WS)_____		%					
	Totals_____				\$ 142,663	\$ (7,725)	\$ 11,218	\$ 146,156

* This amount should tie to Sheet F-5

Note (1): Conservation program replacement meter retirement costs of \$7,725 .

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees _____	\$ 24,197
603	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	14,307
604	Employee Pensions and Benefits _____	4,235
610	Purchased Water _____	
	Purchased Power _____	12,770
616	Fuel for Power Purchased _____	
618	Chemicals _____	1,335
620	Materials and Supplies _____	2,203
630	Contractual Services:	
	Billing _____	8,414
	Operator and Management _____	14,151
	Testing _____	2,631
	Other _____	13,132
640	Rents _____	3,156
650	Transportation Expense _____	1,199
655	Insurance Expense _____	2,069
665	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	6,918
670	Bad Debt Expense _____	
675	Miscellaneous Expenses _____	1,214
	Total Water Operation and Maintenance Expense _____	\$ 111,931
	* 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	807	830	830
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0	13	14	14
3/4"	D	1.5			
1"	D	2.5	1	1	3
1 1/2"	D,T	5.0	3	3	15
2"	D,C,T	8.0	10	10	80
3"	D	15.0	2	2	30
3"	C	16.0			
3"	T	17.5			
Unmetered Customers	D	1.0			
Other (Specify):					
Model Homes		1.0	14	8	8
** D = Displacement C = Compound T = Turbine			850	868	980

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 2002

PUMPING AND PURCHASED WATER STATISTICS

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) (1)
January	N/A	6,313	26	6,287	5,514
February		6,096	3	6,093	6,167
March		7,920	5	7,915	7,571
April		8,433	8	8,425	8,095
May		11,181	34	11,147	10,175
June		6,983	36	6,947	5,456
July		5,858	33	5,825	5,684
August		6,163	343	5,820	5,507
September		5,998	541	5,457	5,562
October		8,484	247	8,237	6,874
November		7,495	10	7,485	8,343
December		6,139	74	6,065	3,948
Total for year	N/A	87,063	1,360	85,703	78,896

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:

N/A

MAINS (Feet)

Kind of Pipe (Cast Iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2"	28,895			28,895
PVC	3"	3,530			3,530
PVC	4"	14,700			14,700
PVC	6"	27,558			27,558
PVC	8"	430			430
PVC	10"	370			370

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 2002

WELLS AND WELL PUMPS
 (If Available)

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1,980	1984		
Types of Well Construction and Casing _____				

Depth of Wells _____	360'	270'		
Diameters of Wells _____	10"	10"		
Pump - GPM _____	1,000	400		
Motor - HP _____	40	40		
Motor Type * _____	Centrifugal	Submersible		
Yeilds of Wells in GPD _____				
Auxillary Power _____	Generator	Generator		
* Submersable, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	Steel	Steel		
Capacity of Tank _____	20,000	20,000		
Ground of Elevated _____	Hydro	Hydro		

HIGH SERVICE PUMPING

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

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)

SYSTEM NAME Same

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water, etc):

Gallons per day of source_____	392,304		
Type of source_____	Well		

WATER TREATMENT FACILITIES

Sun Communities Finance, LLC

List for each Water Treatment Facility:

Type_____	Chlorination		
Make_____	Unk.		
Permitted Capacity (GPD)	1.08m.g.d.		
High service pumping			
Gallons per minute_____			
Reverse Osmosis_____			
Lime treatment			
Unit Rating_____			
Filtration			
Pressure Sq. Ft._____			
Gravity GPD/Sq. Ft._____			
Disinfection			
Chlorinator_____	Gas		
Ozone_____			
Other_____			
Auxiliary Power_____	Generator		

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)
SYSTEM NAME: Same

YEAR OF REPORT
December 31, 2002

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 980
2. Maximum number of ERC's * which can be served 1,121
3. Present system connection capacity (in ERC's *) using existing lines. 980
4. Future connection capacity (in ERC's *) upon service area buildout. 1,121
5. Estimated annual increase in ERC's* Approx. 25 ERC's
6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500 gpm
7. Attach a description of the fire fighting facilities. 15 fire hydrants
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
None
9. When did the company last file a capacity analysis report with the DEP? None
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? N/A
 - c. When will construction begin? N/A
 - d. Attach plans for funding the required upgrading. N/A
 - e. Is this system under any Consent Order with DEP? No
11. Department of Environmental Protection ID # PWS No. 3354010
12. Water Management District Consumptive Use Permit # 20-069-0161M
 - 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? N/A

* An ERC is determined based on one of the following methods:

(a) if actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data available are available for use:

ERC = (Total SFR gallons sold (omit 000)/365 days/350 gallons per day).

WASTEWATER OPERATION SECTION

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ 1,350	\$ _____	\$ _____	\$ 1,350
352	Franchises_____				
353	Land and Land Rights_____	120,500			120,500
354	Structure and Improvements_____	11,151			11,151
360	Collection Sewers - Force_____	89,448	5,550		94,998
361	Collection Sewers - Gravity_____				
362	Special Collecting Structures_____	3,578			3,578
363	Services to Customers_____	2,098	2,804		4,902
364	Flow Measuring Devices_____	211			211
365	Flow Measuring Installations_____				
370	Receiving Wells_____	71,485			71,485
371	Pumping Equipment_____	14,772			14,772
380	Treatment and Disposal Equip_____	144,633			144,633
381	Plant Sewers_____	1,051			1,051
382	Outfall Sewer Lines_____	5,572			5,572
389	Other Plant and Miscellaneous Equipment_____	48,332			48,332
390	Office Furniture and Equipmen_____	684			684
391	Transportation Equipment_____	734			734
392	Stores Equipment_____				
393	Tools, Shop and Garage Equip_____	1,745			1,745
394	Laboratory Equipment_____	274			274
395	Power Operated Equipment_____				
396	Communication Equipment_____				
397	Miscellaneous Equipment_____				
398	Other Tangible Plant_____				
	Total Sewer Plant_____	\$ 517,618	\$ 8,354	\$ _____	\$ 525,972

* 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 ^Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits(2) (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
351	Organization_	27	%	3.7 %	\$ 820	\$	50	\$ 870
352	Franchises_		%	%				
354	Structure and Improvements_	27	%	3.7 %	5,850		413	6,263
360	Collection Sewers - Force_	27	%	3.7 %	47,655		3,416	51,071
361	Collection Sewers - Gravity_		%	%				
362	Special Collecting Structures_	37	%	2.7 %	1,384		97	1,481
363	Services to Customers_	35	%	2.9 %	280		100	380
364	Flow Measuring Devices_	5	%	20.0 %	148		42	190
365	Flow Measuring Installations_		%	%				
370	Receiving Wells (Lift Stations)_	25	%	4.0 %	11,752		2,859	14,611
371	Pumping Equipment_	18	%	5.6 %	7,848		821	8,669
380	Treatment and Disposal Equip_	15	%	6.7 %	120,862		9,642	130,504
381	Plant Sewers_	32	%	3.1 %	66		33	99
382	Outfall Sewer Lines_	30	%	3.3 %	279		186	465
389	Other Plant and Miscellaneous Equipment_	15	%	6.7 %	42,126		3,222	45,348
390	Office Furniture and Equipme_	15	%	6.7 %	575		46	621
391	Transportation Equipment_	6	%	16.7 %	734		0	734
392	Stores Equipment_		%	%				
393	Tools, Shop and Garage Equ_	15	%	6.7 %	1,611		116	1,727
394	Laboratory Equipment_	12	%	8.3 %	245		23	268
395	Power Operated Equipment_		%	%				
396	Communication Equipment_		%	%				
397	Miscellaneous Equipment_		%	%				
398	(Order - PSC-00-1165-PA-WS)_	0	%	%	92,232		0	92,232
	Totals_				\$ 334,467	\$	\$ 21,066	\$ 355,533

* This amount should tie to Sheet F-5
Notes: (1) Correct prior year transposition error
(2) Prior year over accrual correction

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees _____	\$ 23,510
703	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	12,892
704	Employee Pensions and Benefits _____	3,816
710	Purchased Wsatewater Treatment _____	
711	Sludge Removal Expense _____	15,600
715	Purchased Power _____	18,507
716	Fuel for Power Purchased _____	
718	Chemicals _____	848
720	Materials and Supplies _____	669
730	Contractual Services:	
	Operator and Management _____	14,151
	Testing _____	5,849
	Other _____	38,336
740	Rents _____	2,844
750	Transportation Expense _____	1,081
755	Insurance Expense _____	3,376
765	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	1,018
770	Bad Debt Expense _____	
775	Miscellaneous Expenses _____	149
	Total Water Operation and Maintenance Expense _____	\$ 142,646
	* 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)	
5/8"		1.0	13	13	13
3/4"		1.5			
1"	D	2.5	1	1	3
1 1/2"	D,T	5.0	3	3	15
2"	D,C,T	8.0	2	3	24
3"	D	15.0	1		0
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Residential		1.0	797	820	820
Model Homes		1.0	14	8	8
Unmetered Customers					
** D = Displacement C = Compound T = Turbine					
Total			831	848	883

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)

System Name Same

YEAR OF REPORT

December 31,2002

PUMPING EQUIPMENT

Lift station number _____	#1	#2	#3	#4	#5	#6	
Make or type and nameplate data of pump _____	Hydro-Matic	Hydro-Matic	Hydro-Matic	Hydro-Matic	Hydro-Matic	Hydro-Matic	
Year installed _____	1995	1986	1984	1987	1,987	1,997	
Rated capacity (GPM) _____	1,006	206	206		200	350	
Size (HP) _____							
Power:							
Electric _____	230V	230V	230V	230V	230V	230V	
Mechanical _____	20HP	60HP	60HP	60HP	15HP		
Nameplate data of motor _____							

SERVICE CONNECTIONS

Size (inches) _____	4"						
Type (PVC, VCP, etc) _____	PVC						
Average length _____	20'						
Number of active service connections _____							
Beginning of year _____	831						
Added during year _____	17						
Retired during year _____							
End of year _____	848						
Give full particulars concerning inactive connections _____							

COLLECTING AND FORCE MAINS AND MANHOLES

	Collecting Mains				Force Mains			
Size (inches) _____	8"	10"			3"	4"	6"	
of main _____	PVC	PVC			PVC	PVC	PVC	
Length of main (nearest foot):								
Beginning of year _____	49,174	2,449			425	575	6,410	
Added during year _____								
Retired during year _____								
End of year _____	49,174	2,449			425	575	6,410	

MANHOLES:

Size _____	8"	10"		
Type _____	Precast	Precast		
Number:				
Beginning of year _____	214	12		
Added during year _____				
Retired during year _____				
End of year _____	214	12		

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)

SYSTEM NAME Same

TREATMENT PLANT

Manufacturer_____	Waste Tech		
Type_____	Extended Aeration		
"Steel" or "Concrete"_____	Concrete		
Total Capacity_____	200,000gpd		
Average Daily Flow_____	61,419 gpd		
Effluent Disposal_____	Sprayfield		
Total Gallons of Wastewater Treat_____	22,418,000		

MASTER LIFT STATION PUMPS

Manufacturer_____						
Capacity (GPM's)_____						
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_____	2,201,000	N/A	2,201,000
February_____	2,128,000		2,128,000
March_____	2,387,000		2,387,000
April_____	1,950,000		1,950,000
May_____	1,674,000		1,674,000
June_____	1,530,000		1,530,000
July_____	1,705,000		1,705,000
August_____	1,488,000		1,488,000
September_____	1,680,000		1,680,000
October_____	1,798,000		1,798,000
November_____	1,800,000		1,800,000
December_____	2,077,000		2,077,000
Total for year_____	22,418,000		22,418,000

If Wastewater Treatment is purchased, indicate the vendor: N/A

UTILITY NAME: Sun Communities Finance, LLC (Water Oak Utility)

SYSTEM NAME Same

YEAR OF REPORT
December 31, 2002

OTHER SEWER SYSTEM INFORMATION

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

1. Present Number of ERC's * being served 219
2. Maximum number of ERC's ** that system can efficiently serve. 714
3. Present system connection capacity (in ERC's) using existing lines 219
4. Future connection capacity (in ERC's) upon service area buildout 714
5. Estimated annual increase in ERC's * . Approx. 25 ERC's
6. State any plans and estimated completion dates for any enlargements of this system.
Utility will be constructing reuse facilities within the next 12 - 24 months and plans have been submitted.
7. List percent of certificated area where service connections are installed (total for each county)
100%
8. If the present systems do not meet the requirements of DEP Rule 62-4, Florida Administrative Code, submit the following:
 - a. Evaluation of the present plant or plants in regard to meeting the DER's rules.
 - b. Plans for funding and construction of the required upgrading.
 - c. Have these plans been coordinated with the DEP? N/A
 - d. Do they concur? N/A
 - e. When will construction begin? N/A
9. Do you discharge effluent to surface waters? No
10. Department of Environmental Protection ID # FLA010529-001

* $ERC = (Total\ Gallons\ Treated / 365\ Days) / 280\ Gallons\ Per\ Day$

Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment.


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)
1.	2.	3.	4.
()	()	()	()

 _____ (signature of chief executive officer of the utility)	*
N/A _____ (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.