

**CLASS "C"**

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**WATER and/or WASTEWATER UTILITIES**

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

***ANNUAL REPORT***

WU536-11-AR  
SU535-11-AR

**East Marion Sanitary Systems, Inc.**  
EXACT LEGAL NAME OF RESPONDENT

**490-W / 425-S**  
Certificate Number(s)

*Submitted To The*

***STATE OF FLORIDA***



REGULATORY DIVISION

12 MAY 16 AM 9:16

REGULATORY DIVISION

***PUBLIC SERVICE COMMISSION***

**FOR THE  
YEAR ENDED DECEMBER 31, 2011**



CERTIFIED PUBLIC ACCOUNTANTS, P.A.

*James L. Carlstedt, CPA*  
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*Jeffrey K. Jones, CPA*  
*Robert C. Nixon, CPA*  
*Jeanette Sung, CPA*  
*Holly M. Towner, CPA*  
*James L. Wilson, CPA*

## Independent Accountant's Compilation Report

April 24, 2012

Officers and Directors  
East Marion Sanitary Systems, Inc.  
Flint, MI

We have compiled the balance sheet of East Marion Sanitary Systems, Inc, as of December 31, 2011 and 2010, and the related statements of income and retaining earnings for the year ended December 31, 2011 included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Florida Public Service Commission.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Florida Public Service Commission and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Florida Public Service Commission, which differs from accounting principles generally accepted in the United States of America. The report is intended solely for information and use of the Florida Public Service Commission and is not intended to be and should not be used by anyone other than this specified party.

CARLSTEDT, JACKSON, NIXON & WILSON

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

**Company: East Marion Sanitary Systems, Inc.**

**For the Year Ended December 31, 2011**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 24,700	247,000	\$ (222,300)
Commercial	-	-	-
Industrial	-	-	-
Multiple Family	-	-	-
Guaranteed Revenues	-	-	-
Other (Irrigation)	-	-	-
<b>Total Water Operating Revenue</b>	<b>\$ 24,700</b>	<b>\$ 247,000</b>	<b>\$ (222,300)</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Water Operating Revenues</b>	<b>\$ 24,700</b>	<b>\$ 247,000</b>	<b>\$ (222,300)</b>

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

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

**Company: East Marion Sanitary Systems, Inc.**

**For the Year Ended December 31, 2011**

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	34,833	\$ 34,833	\$ -
Commercial	-	-	-
Industrial	-	-	-
Multiple Family	-	-	-
Guaranteed Revenues	-	-	-
Other	-	-	-
<b>Total Wastewater Operating Revenue</b>	<b>\$ 34,833</b>	<b>\$ 34,833</b>	<b>\$ -</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Wastewater Operating Revenues</b>	<b>\$ 34,833</b>	<b>\$ 34,833</b>	<b>\$ -</b>

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

## GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission  
Division of Economic Regulation  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

## 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**



REPORT OF

East Marion Sanitary Systems, Inc.

(Exact name of utility)

P.O. Box 245	600 NE 130 Trail	
Silver Springs, FL 34489-0245		Marion
Mailing Address	Street Address	County

Telephone Number 352-625-0117 Date Utility First Organized 6/24/1986

Fax Number \_\_\_\_\_ E-mail Address \_\_\_\_\_

Sunshine State One-Call of Florida, Inc. Member No. \_\_\_\_\_

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

Individual     Sub Chapter S Corporation     1120 Corporation     Partnership

Location where books and records are located: 1112 NE 130th Terrace  
Silver Springs, FL 34488

Names of subdivisions where service is provided: Lakeview Woods/Trails East

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Herbert Hein	President	G4425 B4 Miller Road, #190 Flint MI 48507	
Person who prepared this report: Carlstedt, Jackson, Nixon & Wilson	CPA's	2560 Gulf-to-Bay Blvd. Ste 200 Clearwater, FL 33625	
Officers and Managers: Herbert Hein	President	G4425 B4 Miller Road, #190 Flint MI 48507	None

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

Name	Percent Ownership In Utility	Principle Business Address	Salary Charged Utility
Marion Utility Trust	100%	G4425 B4 Miller Road, #190 Flint MI 48507	None

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other (1)	Total Company
Gross Revenue:					
Residential _____		\$ 24,700	\$ 34,833		\$ 59,533
Commercial _____					-
Industrial _____					-
Multiple Family _____					-
Guarenteed Revenues _____					-
Other (Specify) _____					-
Total Gross Revenue _____		24,700	34,833	N/A	59,533
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	19,892	33,774		53,666
Depreciation Expense _____	F-5	4,053	4,929		8,982
CIAC Amortization Expense _____	F-8	(2,302)	(1,501)		(3,803)
Taxes Other Than Income _____	F-7	2,246	2,759	-	5,005
Income Taxes _____	F-7	-	-		-
Total Operating Expenses _____		23,889	39,961		63,850
Net Operating Income (Loss)		811	(5,128)	-	(4,317)
Other Income:					
Nonutility Income _____					-
Interest Income _____		-	-		-
_____					-
Other Deductions:					
Miscellaneous Nonutility Expenses _____		2,345	2,345		4,690
Interest Expense _____		-	-		-
AFUDC _____		-	-		-
_____					-
_____					-
Net Income (Loss)		\$ 3,156	\$ (2,783)	N/A	\$ 373

UTILITY NAME: East Marion Sanitary Systems, Inc.

**YEAR OF REPORT**  
December 31, 2011

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
<b>ASSETS:</b>			
Utility Plant In Service (101 - 105) _____	F-5, W-1, S-1	\$ 403,560	\$ 403,560
Accumulated Depreciation and Amortization (108) _____	F-5, W-2, S-2	(212,739)	(203,757)
Net Utility Plant _____		190,821	199,803
Cash _____		4,123	3,026
Customer Accounts Receivable (141) _____		5,329	4,797
Other Assets (Specify):			
Prepaid Expenses _____			
Total Assets _____		\$ 200,273	\$ 207,626
<b>LIABILITIES AND CAPITAL:</b>			
Common Stock Issued (201) _____	F-6	\$ 1,000	\$ 1,000
Preferred Stock Issued (204) _____	F-6	-	-
Other Paid In Capital (211) _____		273,018	273,018
Retained Earnings (Deficit)(215) _____	F-6	(153,287)	(153,660)
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		120,731	120,358
Long Term Debt (224) _____	F-6		
Accounts Payable (231) _____		634	4,437
Notes Payable (232) _____			
Customer Deposits (235) _____		1,333	1,569
Accrued Taxes (236) _____	F-7	2,678	2,562
Other Liabilities (Specify):			
Advances For Construction (252) _____			
Contributions In Aid Of Construction - Net (271 - 272) _____	F-8	74,897	78,700
Total Liabilities and Capital _____		\$ 200,273	\$ 207,626

**GROSS UTILITY PLANT**

<b>Plant Accounts: (101 - 107) Inclusive</b>	<b>Water</b>	<b>Sewer</b>	<b>Plant Other Than Reporting Systems</b>	<b>Total</b>
Utility Plant In Service (101) _____	\$ 146,550	\$ 257,010	N/A	\$ 403,560
Construction Work In Progress (105) _____				-
Other (Specify) _____				-
_____	-	-		-
_____				-
<b>Total Utility Plant</b> _____	<b>\$ 146,550</b>	<b>\$ 257,010</b>	<b>N/A</b>	<b>\$ 403,560</b>

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

<b>Account 108</b>	<b>Water</b>	<b>Wastewater</b>	<b>Other Than Reporting Systems</b>	<b>Total</b>
Balance First Of Year _____	\$ 65,119	\$ 138,638	N/A	\$ 203,757
<b>Add Credits During Year:</b>				
Accruals charged to depreciation account _____	4,053	4,929		8,982
Salvage _____	-	-		-
Other credits (specify) _____	-	-		-
_____	-	-		-
<b>Total credits</b> _____	<b>4,053</b>	<b>4,929</b>		<b>8,982</b>
<b>Deduct Debits During Year:</b>				
Book cost of plant retired _____	-	-		-
Cost of removal _____	-	-		-
Other debits (specify) _____				-
_____				-
<b>Total debits</b> _____	<b>-</b>	<b>-</b>		<b>-</b>
<b>Balance End of Year</b> _____	<b>\$ 69,172</b>	<b>\$ 143,567</b>		<b>\$ 212,739</b>

UTILITY NAME: East Marion Sanitary Systems, Inc.

**YEAR OF REPORT**  
December 31, 2011

**CAPITAL STOCK (201 - 204)**

	Common Stock	Preferred Stock
Par or stated value per share _____	\$ 1.00	N/A
Shares authorized _____	1,000	
Shares issued and outstanding _____	1,000	
Total par value of stock issued _____	1,000	
Dividends declared per share for year _____	-	

**RETAINED EARNINGS (215)**

	Appropriated	Un-Appropriated
Balance first of year _____	N/A	\$ (153,660)
Charges during the year (specify):		
Current Year Income _____	-	373
_____		
_____		
Balance end of year _____	\$	\$ (153,287)

**PROPRIETARY CAPITAL (218)**

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

**LONG TERM DEBT (224)**

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Interest		Principal Per Balance Sheet Date
	Rate	# of Payments	
_____	%		\$ -
_____	%		-
_____	%		-
_____	%		
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:				
State ad valorem tax _____	-	-		
Local property tax _____	1,135	1,192		2,327
Regulatory assessment fee _____	1,111	1,567		2,678
Other (Specify):				
_____				
_____				
_____				
Total taxes accrued _____	\$ 2,246	\$ 2,759		\$ 5,005

**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
Parkeet Property Trust	\$ 6,509	\$ 9,137	Property Rents and billing
Waldena Trust	1,245	1,755	Office Equipment Rents
Donna Congden	2,240	3,160	Management
Steve McGee	612	863	Grounds Maintenance
Custom Controls and Pumps	941	1,376	Chemicals
ProTech	2,666	3,759	Plant Operation/testing
Carlstedt, Jackson, Nixon & Wilson	1,522	2,147	Accounting Services
_____			
_____			
_____			
_____			
_____			

UTILITY NAME: East Marion Sanitary Systems, Inc.

**YEAR OF REPORT**  
December 31, 2011

**CONTRIBUTIONS IN AID OF CONSTRUCTION (271)**

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year _____	\$ 39,135	\$ 76,315	\$ 115,450
2. Add credits during year:			
3. Total _____	39,135	76,315	115,450
4. Deduct charges during year _____			
5. Balance end of year _____	39,135	76,315	115,450
6. Less Accumulated Amortization _____	(18,411)	(22,142)	(40,553)
7. Net CIAC _____	\$ 20,724	\$ 54,173	\$ 74,897

**ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)**

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____		\$ -	\$ -
_____			
_____			
_____			
Sub-total _____		NONE	NONE
<b>Report below all capacity charges, main extension charges and customer connections charges received during the year.</b>			
Description of Charge	Number of Connections	Charge per Connection	
N/A			
_____			
_____			
Total Credits During Year (Must agree with line # 2 above) _____		\$ -	\$ -

**ACCUMULATED AMORTIZATION OF CIAC**

	Water	Wastewater	Total
Balance First of Year _____	\$ 16,109	\$ 20,641	\$ 36,750
Add Debits During Year: _____	2,302	1,501	3,803
_____	-	-	
Deduct Credits During Year: _____	-	-	
Balance End of Year (Must agree with line #6 above) _____	\$ 18,411	\$ 22,142	\$ 40,553

UTILITY NAME: East Marion Sanitary Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2011
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**SCHEDULE "A"**

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

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

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

**APPROVED AFUDC RATE**

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





**WATER  
OPERATION  
SECTION**

**WATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization _____	\$ 950	\$ -	\$ -	\$ 950
302	Franchises _____	-	-	-	-
303	Land and Land Rights _____	35,000	-	-	35,000
304	Structure and Improvements _____	4,900	-	-	4,900
305	Collecting and Impounding Reservoirs _____	-	-	-	-
306	Lake, River and Other Intakes _____	-	-	-	-
307	Wells and Springs _____	8,100	-	-	8,100
308	Infiltration Galleries and Tunnels _____	-	-	-	-
309	Supply Mains _____	-	-	-	-
310	Power Generation Equipment _____	-	-	-	-
311	Pumping Equipment _____	14,200	-	-	14,200
320	Water Treatment Equipment _____	5,976	-	-	5,976
330	Distribution Reservoirs and Standpipes _____	-	-	-	-
331	Transmission and Distribution Mains _____	46,378	-	-	46,378
333	Services _____	8,622	-	-	8,622
334	Meters and Meter Installations _____	11,143	-	-	11,143
335	Hydrants _____	-	-	-	-
339	Other Plant and Miscellaneous Equipment _____	-	-	-	-
340	Office Furniture and Equipment _____	183	-	-	183
341	Transportation Equipment _____	-	-	-	-
342	Stores Equipment _____	-	-	-	-
343	Tools, Shop and Garage Equipment _____	-	-	-	-
344	Laboratory Equipment _____	-	-	-	-
345	Power Operated Equipment _____	-	-	-	-
346	Communication Equipment _____	-	-	-	-
347	Miscellaneous Equipment _____	474	-	-	474
348	Other Tangible Plant _____	10,624	-	-	10,624
	Total Water Plant _____	\$ 146,550	\$ -	\$ -	\$ 146,550

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

**ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER**

ACCT. NO. (a)	ACCOUNT NAME (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of year (f-g+h=i) (i)
301	Organization	40	- %	2.50 %	\$ 469	\$ -	\$ 24	\$ 493
302	Franchises	-	- %	- %	-	-	-	-
304	Structure and Improvements	27	- %	3.70 %	3,020	-	181	3,201
305	Collecting and Impounding Reservoirs	-	- %	- %	-	-	-	-
306	Lake, River and Other Intakes	-	- %	- %	-	-	-	-
307	Wells and Springs	27	- %	3.70 %	5,385	-	300	5,685
308	Infiltration Galleries and Tunnels	-	- %	- %	-	-	-	-
309	Supply Mains	-	- %	- %	-	-	-	-
310	Power Generation Equipment	-	- %	- %	-	-	-	-
311	Pumping Equipment	17	- %	5.88 %	14,200	-	-	14,200
320	Water Treatment Equipment	17	- %	5.88 %	2,858	-	352	3,210
330	Distribution Reservoirs and Standpipes	-	- %	- %	-	-	-	-
331	Transmission and Distribution Mains	38	- %	2.63 %	21,606	-	1,221	22,827
333	Services	35	- %	2.86 %	4,330	-	246	4,576
334	Meters and Meter Installations	17	- %	5.88 %	5,210	-	655	5,865
335	Hydrants	-	- %	- %	-	-	-	-
339	Other Plant and Miscellaneous Equipment	-	- %	- %	-	-	-	-
340	Office Furniture and Equipment	15	- %	6.67 %	129	-	12	141
341	Transportation Equipment	-	- %	- %	-	-	-	-
342	Stores Equipment	-	- %	- %	-	-	-	-
343	Tools, Shop and Garage Equipment	-	- %	- %	-	-	-	-
344	Laboratory Equipment	-	- %	- %	-	-	-	-
345	Power Operated Equipment	-	- %	- %	-	-	-	-
346	Communication Equipment	-	- %	- %	-	-	-	-
347	Miscellaneous Equipment	15	- %	6.67 %	474	-	-	474
348	Other Tangible Plant	10	- %	10.00 %	7,438	-	1,062	8,500
	Totals				\$ 65,119		\$ 4,053	\$ 69,172

\* This amount should tie to Sheet F-5

**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees _____	
603	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	
604	Employee Pensions and Benefits _____	
610	Purchased Water _____	
615	Purchased Power _____	
616	Fuel for Power Production _____	
618	Chemicals _____	941
620	Materials and Supplies _____	700
630	Contractual Services:	
	Billing _____	
	Operator and Management _____	4,906
	Testing _____	
	Other _____	4,508
640	Rents _____	7,754
650	Transportation Expense _____	
655	Insurance Expense _____	
665	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	
670	Bad Debt Expense _____	
675	Miscellaneous Expenses _____	1,083
	Total Water Operation and Maintenance Expense _____	\$ 19,892 *

\* 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)	
<b>Residential Service</b>					
5/8"	D	1.0	100	99	99
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
<b>General Service</b>					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers		1.0			-
Other (Specify):					
<b>** D = Displacement C = Compound T = Turbine</b>					
<b>Total</b>			<b>100</b>	<b>99</b>	<b>99</b>

UTILITY NAME: East Marion Sanitary Systems, Inc.  
 SYSTEM NAME: Same

**YEAR OF REPORT**  
 December 31, 2011

**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)
January	-	297	-	297	297
February	-	332	-	332	332
March	-	309	-	309	309
April	-	407	-	407	407
May	-	612	-	612	612
June	-	585	-	585	585
July	-	611	-	611	611
August	-	465	-	465	465
September	-	390	-	390	390
October	-	494	-	494	494
November	-	316	-	316	316
December	-	346	-	346	346
Total for year	N/A	5,164		5,164	5,164

If water is purchased for resale, indicate the following:

Vendor N/A  
 Point of Delivery N/A

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

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**MAINS (Feet)**

Kind of Pipe (Cast Iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	6"	200	-	-	200
PVC	4"	8,450	-	-	8,450
PVC	2"	1,675	-	-	1,675
PVC	1.5"	375	-	-	375
			-	-	-
			-	-	-
			-	-	-
			-	-	-

UTILITY NAME: East Marion Sanitary Systems, Inc.  
 SYSTEM NAME: Same

**YEAR OF REPORT**  
 December 31, 2011

**WELLS AND WELL PUMPS**  
 (If Available)

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1986			
Types of Well Construction and Casing _____				
Depth of Wells _____				
Diameters of Wells _____	6"			
Pump - GPM _____	250			
Motor - HP _____	20			
Motor Type * _____	Submersable			
Yeilds of Wells in GPD _____	360,000			
Auxillary Power _____	None			
* Submersable, centrifugal, etc.				

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	Steel			
Capacity of Tank _____	6,000			
Ground of Elevated _____	Ground			

**HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<b><u>MOTORS</u></b>				
Manufacturer _____	None			
Type _____				
Rated Horsepower _____				
<b><u>PUMPS</u></b>				
Manufacturer _____	None			
Type _____				
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____				
Auxiliary Power _____				

UTILITY NAME: East Marion Sanitary Systems, Inc.

**YEAR OF REPORT**  
December 31, 2011

**SOURCE OF SUPPLY**

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

Gallons per day of source_____	360,000		
Type of source_____	Ground		

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:

Type_____	N/A		
Make_____			
Permitted Capacity (GPD)			
High service pumping Gallons per minute_____ See Page W-5 _____			
Reverse Osmosis_____			
Lime treatment Unit Rating_____			
Filtration Pressure Sq. Ft._____			
Gravity GPD/Sq. Ft._____			
Disinfection Chlorinator_____	Chemeter		
Ozone_____			
Other_____			
Auxiliary Power_____			



**OTHER WATER SYSTEM INFORMATION**

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

1.	Present ERC's * the system can efficiently serve	<u>99</u>
2.	Maximum number of ERC's * which can be served	<u>1286</u>
3.	Present system connection capacity (in ERC's *) using existing lines	<u>1286</u>
4.	Future connection capacity (in ERC's *) upon service area buildout	<u>1286</u>
5.	Estimated annual increase in ERC's*	<u>10</u>
6.	Is the utility required to have fire flow capacity? If so, how much capacity is required?	<u>No</u>
7.	Attach a description of the fire fighting facilities	<u>1 Hydrant</u>
8.	Describe any plans and estimated completion dates for any enlargements or improvements of this system. <u>None</u>	
9.	When did the company last file a capacity analysis report with the DEP?	<u>None</u>
10.	If the present system does not meet the requirements of DEP rules, submit the following:	
	a. Attach a description of the plant upgrade necessary to meet DEP rules.	
	b. Have these plans been approved by DEP? _____	
	c. When will construction begin? _____	
	d. Attach plans for funding the required upgrading.	
	e. Is this system under any Consent Order with DEP? _____	
11.	Department of Environmental Protection ID #	<u>3424789</u>
12.	Water Management District Consumptive Use Permit #	<u>2-083-0042 WFM</u>
	a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
	b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

\* An ERC is determined based on one of the following methods:  
 (a) if actual flow data are available from the preceding 12 months:  
 Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.  
 (b) If no historical flow data available are available for use:  
 ERC = (Total SFR gallons sold (omit 000)/365 days/350 gallons per day).

**WASTEWATER  
OPERATION  
SECTION**

**WASTEWATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	\$ 950	\$ -	\$ -	\$ 950
352	Franchises	-	-	-	-
353	Land and Land Rights	50,000	-	-	50,000
354	Structure and Improvements	950	-	-	950
355	Power Generation Equipment	-	-	-	-
360	Collection Sewers - Force	37,363	-	-	37,363
361	Collection Sewers - Gravity	80,831	-	-	80,831
362	Special Collecting Structures	-	-	-	-
363	Services to Customers	14,118	-	-	14,118
364	Flow Measuring Devices	-	-	-	-
365	Flow Measuring Installations	-	-	-	-
370	Receiving Wells	-	-	-	-
371	Pumping Equipment	-	-	-	-
380	Treatment and Disposal Equipment	62,173	-	-	62,173
381	Plant Sewers	-	-	-	-
382	Outfall Sewer Lines	-	-	-	-
389	Other Plant and Miscellaneous Equipment	-	-	-	-
390	Office Furniture and Equipment	-	-	-	-
391	Transportation Equipment	-	-	-	-
392	Stores Equipment	-	-	-	-
393	Tools, Shop and Garage Equipment	-	-	-	-
394	Laboratory Equipment	-	-	-	-
395	Power Operated Equipment	-	-	-	-
396	Communication Equipment	-	-	-	-
397	Miscellaneous Equipment	-	-	-	-
398	Other Tangible Plant	10,625	-	-	10,625
	<b>Total Sewer Plant</b>	<b>\$ 257,010</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 257,010</b>

\* This amount should tie to Sheet F-5

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account Name (b)	Average Service Life in Years (c)	Average Salvage In Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
351	Organization_____	40	- %	2.50 %	470	-	24	494
352	Franchises_____	-	- %	%	-	-	-	-
354	Structure and Improvements_____	27	- %	3.70 %	423	-	35	458
355	Power Generation Equipment_____	-	- %	%	-	-	-	-
360	Collection Sewers - Force_____	27	- %	3.70 %	24,835	-	1,384	26,219
361	Collection Sewers - Gravity_____	40	- %	2.50 %	35,923	-	2,021	37,944
362	Special Collecting							
	Structures (Lift Stations)_____	-	- %	%	-	-	-	-
363	Services to Customers_____	35	- %	2.90 %	7,376	-	403	7,779
364	Flow Measuring Devices_____	-	- %	%	-	-	-	-
365	Flow Measuring Installations_____	-	- %	%	-	-	-	-
370	Receiving Wells (Lift Stations)_____	-	- %	%	-	-	-	-
371	Pumping Equipment_____	-	- %	%	-	-	-	-
380	Treatment and Disposal Equipment_____	15	- %	6.70 %	62,173	-	-	62,173
381	Plant Sewers_____	-	- %	%	-	-	-	-
382	Outfall Sewer Lines_____	-	- %	%	-	-	-	-
389	Other Plant and Miscellaneous							
	Equipment_____	-	- %	%	-	-	-	-
390	Office Furniture and Equipment_____	-	- %	%	-	-	-	-
391	Transportation Equipment_____	-	- %	%	-	-	-	-
392	Stores Equipment_____	-	- %	%	-	-	-	-
393	Tools, Shop and Garage Equipment_____	-	- %	%	-	-	-	-
394	Laboratory Equipment_____	-	- %	%	-	-	-	-
395	Power Operated Equipment_____	-	- %	%	-	-	-	-
396	Communication Equipment_____	-	- %	%	-	-	-	-
397	Miscellaneous Equipment_____	-	- %	%	-	-	-	-
398	Other Tangible Plant_____	10	- %	10.00 %	7,438	-	1,062	8,500
	Totals_____				138,638		4,929	143,567

\* This amount should tie to Sheet F-5

**WASTEWATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees _____	
703	Salaries and Wages - Officers, Directors, and Majority Stockholders _____	
704	Employee Pensions and Benefits _____	
710	Purchased Wastewater Treatment _____	
711	Sludge Removal Expense _____	
715	Purchased Power _____	
716	Fule for Power Production _____	
718	Chemicals _____	1,376
720	Materials and Supplies _____	987
730	Contractual Services:	
	Operator and Management _____	9,728
	Testing _____	
	Other _____	3,549
740	Rents _____	10,892
750	Transportation Expense _____	
755	Insurance Expense _____	
765	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	
770	Bad Debt Expense _____	
775	Miscellaneous Expenses _____	7,242
	Total Wastewater Operation and Maintenance Expense _____	\$ 33,774 *

\* 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)	
<b>Residential Service</b>					
5/8"	D	1.0	89	91	91
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
<b>General Service</b>					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers		1.0			
Other (Specify):					
<b>Total</b>			<b>89</b>	<b>91</b>	<b>91</b>

\*\* D = Displacement  
C = Compound  
T = Turbine

**PUMPING EQUIPMENT**

Lift station number _____	1	_____	_____	_____	_____	_____	_____
Make or type and nameplate data of pump _____	S4N	_____	_____	_____	_____	_____	_____
Year installed _____	1985	_____	_____	_____	_____	_____	_____
Rated capacity (GPM) _____	_____	_____	_____	_____	_____	_____	_____
Size (HP) _____	_____	_____	_____	_____	_____	_____	_____
Power:	_____	_____	_____	_____	_____	_____	_____
Electric _____	_____	_____	_____	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____	_____	_____

**SERVICE CONNECTIONS**

Size (inches) _____	3"	_____	_____	_____	_____	_____	_____
Type (PVC, VCP, etc) _____	PVC	_____	_____	_____	_____	_____	_____
Average length _____	40'	_____	_____	_____	_____	_____	_____
Number of active service connections _____	94	_____	_____	_____	_____	_____	_____
Beginning of year _____	94	_____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____
End of year _____	94	_____	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____	_____	_____

**COLLECTING AND FORCE MAINS AND MANHOLES**

	Collecting Mains				Force Mains			
Size (inches) _____	8"	_____	_____	_____	3"	4"	_____	_____
Type of main _____	PVC	_____	_____	_____	PVC	PVC	_____	_____
Length of main (nearest foot):	_____	_____	_____	_____	_____	_____	_____	_____
Beginning of year _____	9,680	_____	_____	_____	825	950	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____	_____
End of year _____	9,680	_____	_____	_____	825	950	_____	_____

**MANHOLES:**

Size _____	48"	_____	_____	_____
Type _____	Conc	_____	_____	_____
Number:	_____	_____	_____	_____
Beginning of year _____	35	_____	_____	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of year _____	35	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

**YEAR OF REPORT**  
December 31, 2011

**TREATMENT PLANT**

Manufacturer _____	McNeill	_____	_____
Type _____	Extended Air	_____	_____
"Steel" or "Concrete" _____	Concrete	_____	_____
Total Capacity _____	50,000 GPD	_____	_____
Average Daily Flow _____	14148	_____	_____
Effluent Disposal _____	Evap/Percolation Ponds	_____	_____
Total Gallons of Wastewater Treated _____	5,164,000	_____	_____

**MASTER LIFT STATION PUMPS**

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

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	297000	None	297000
February _____	332000	_____	332000
March _____	309000	_____	309000
April _____	407000	_____	407000
May _____	612000	_____	612000
June _____	585000	_____	585000
July _____	611000	_____	611000
August _____	465000	_____	465000
September _____	390000	_____	390000
October _____	494000	_____	494000
November _____	316000	_____	316000
December _____	346000	_____	346000
Total for year _____	5,164,000	_____	5,164,000

If Wastewater Treatment is purchased, indicate the vendor:

**UTILITY NAME:** East Marion Sanitary Systems, Inc.

**OTHER WASTEWATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's \* that system can efficiently serve. 91

2. Maximum number of ERC's \* which can be served. 179

3. Present system connection capacity (in ERC's \*) using existing lines. 1286

4. Future system connection capacity (in ERC's \*) upon service area buildout. 1286

5. Estimated annual increase in ERC's \* . 10

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

---

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No

N/A

9. Has the utility been required by the DEP or water management district to implement reuse? N/A

If so, what are the utility's plans to comply with the DEP? N/A

10. When did the company last file a capacity analysis report with the DEP? N/A

11. 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? N/A

c. When will cor N/A

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

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

11. Department of Environmental Protection ID # DO01-176465

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:  

$$\text{ERC} = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$



UTILITY NAME: East Marion Sanitary Systems, Inc.

# CERTIFICATION OF ANNUAL REPORT

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

- |              |           |  |
|--------------|-----------|--|
| YES<br>( X ) | NO<br>( ) | 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<br>( X ) | NO<br>( ) | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 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<br>( X ) | NO<br>( ) | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

ITEMS CERTIFIED			
1.	2.	3.	4.
( X )	( X )	( X )	( X )

  
 \_\_\_\_\_  
 (signature of chief executive officer of the utility) \*

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

\_\_\_\_\_  
 (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.