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CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

WS160-10-AR

Marion Utilities, Inc.

Exact Legal Name of Respondent

347 W and 336 S
Certificate Number(s)

Submitted To The

STATE OF FLORIDA

11 MAR 30 AM 7:56
CORPORATE REGULATION
PUBLIC SERVICE

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2010



CRIPPEN • TRICE • FORD • TORRES, LLP
Certified Public Accountants

Accountants' Compilation Report

Ocala Office:
1900 S.E. 18th Avenue
Ocala, FL 34471
352-732-4260
Fax 352-732-1180

March 23, 2011

South Office:
10935 S.E. 177th Place, Suite 205
Summerfield, FL 34491
352-307-0167

**To the Board of Directors
Marion Utilities, Inc.
Ocala, Florida**

www.ocalacpa.com

Jeffery P. Crippen, CPA
William L. Trice, CPA
Brenda L. Ford, CPA/PFS
Michael A. Torres, CPA

Debra L. Pilarczyk, CPA
Deborah C. Lawson, CPA
Kevin T. Keen, CPA
Donna E. Blaes, CPA
Claudia J. Meteiver, CPA
Jeffrey J. Beaudet, CPA

We have compiled the accompanying balance sheets of Marion Utilities, Inc. (a corporation) as of December 31, 2010 and December 31, 2009, and the related statement of income and retained earnings for the year ended December 31, 2010 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 are presented in accordance with requirements of the Florida Public Service Commission, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Florida Public Service Commission and is not intended and should not be used by anyone other than this specified party.

Crippen, Trice, Ford, Torres, LLP

Members:

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
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 unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
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 with not enough room. Such a schedule 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 statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

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

The fourth copy should be retained by the utility.

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EXECUTIVE SUMMARY

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010


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



(Signature of Chief Executive Officer of the utility) *

1.	2.	3.	4.
x	x	x	x



(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, 2010

Marion Utilities, Inc. _____ County: Marion _____
(Exact Name of Utility)

List below the exact mailing address of the utility for which normal correspondence should be sent:
710 NE 30th Avenue
Ocala, Florida 34470

Telephone: 352-622-1171

E Mail Address: _____

WEB Site: _____

Sunshine State One-Call of Florida, Inc. Member Number MU 1408

Name and address of person to whom correspondence concerning this report should be addressed:
Tim E. Thompson
710 NE 30th Avenue
Ocala, Florida 34470

Telephone: 352-622-1171

List below the address of where the utility's books and records are located:
710 NE 30th Avenue
Ocala, Florida 34470

Telephone: 352-622-1171

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

Date of original organization of the utility: November 25, 1980

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.	Tim E. Thompson	51%
2.	Linda L. Thompson	49%
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OR COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Tim E. Thompson	President	Marion Utilities, Inc.	Various
Elsie V. Crippen	CPA	Crippen, Trice, Ford, Torres, LLP	Various
Jeffery P. Crippen	CPA	Crippen, Trice, Ford Torres, LLP	Various
		(352) 732-4260	

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

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.

Marion Utilities, Inc. was organized in 1980. The officers and shareholders are Tim and Linda Thompson. The utility originally had 11 systems and 1,150 customers. Our growth has been steady with the future outlook very promising.

We have only two divisions of operation: administrative and field operations.

We acquired another utility as planned in 1988. In addition, facilities to serve 500 customers were installed in 1988. In 1989, additional facilities were installed to serve 250 customers.

We acquired another utility in 1990 that will eventually serve 90 connections. Distribution facilities were installed to serve 100 additional connections. Four standby power units were installed bringing all systems in compliance with current requirements.

We acquired another utility containing 88 lots in 1991 and expanded its distribution system to serve another 65 lots. We installed additional distribution systems to serve another 100 connections. Plans for 1992 included the addition of facilities to serve another 374 customers. Although we anticipated installing capacity for 374 additional customers, we were only able to receive permitting for 156. We have received the permits for the additional 218 that were planned to be installed in 1993.

In 1993, we installed lines and services for 100 of the 218 permitted. This was due to the developers downsizing the phase. The additional permitted areas should be completed in 1994 and 1995.

There were no new expansions in 1994 due to developers having to cope with new regulations and the comprehensive development plan. We are hoping for at least three new phases in existing subdivisions in 1995. We did increase the number of customers during 1994 by 121.

In 1995, we completed the three new phases, adding 120 additional available connections. We upgraded our computer system to permit the use of a hand held meter reader system. It substantially increased performance of the system. We are planning construction of facilities to serve an additional 120 connections in 1996.

The utility had an over-earnings investigation by the Florida Public Service Commission in 1994 and 1995. The order was final November 30, 1995. All refunds were made in December, 1995.

In 1996, we completed distribution expansion in various subdivisions to add 197 future connections to our system. We relocated our Greenfields water plant and placed it in service. We added additional storage facilities to Woods and Meadows Estates. We added 207 new customers to the system and are planning to add facilities for 600 new connections.

We added 97 new customers in 1997. We completed installation of distribution facilities for 198 connections of the proposed 600 with the balance to be completed in 1998. We also plan an upgrade of our Spruce Creek Plant to enable it to provide fire flow. We added a back-up well at Quadvilla Estates to conform to Department of Environmental Protection requirements.

(Continued on following page)

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.

In 1998 we added 108 customers. We completed the facilities for the additional 400 connections we had planned in 1997. The Spruce Creek water plant upgrade was completed. We are continuing construction of the permitted areas served by the Spruce Creek Plant.

In 1999, we added 123 new customers. We installed distribution facilities to serve an additional 40 future customers. We provided and distributed our first Consumer Confidence Report in a timely manner.

We added another 117 new customers in 2000. We installed distribution facilities to serve 230 future customers. We completed all chemical testing required by the Department of Environmental Protection and distributed our second Consumer Confidence Report.

In 2001, we added 155 new customers. We installed distribution facilities to serve 180 future customers.

In 2002, we added 170 new customers. We installed distribution facilities to serve 200 future customers. We entered into a contract to sell our Quadvilla systems to Silver Springs Regional Water & Sewer System. The transfer was still on the docket with the Commission at the end of 2002.

In 2003 we finalized the sale of our Quadvilla System. Although we lost 260 customers from the Quadvilla sale, we finished the year with 291 new customers for a net gain of 31. We installed distribution facilities to serve an additional 300 customers in the future.

In 2004 we added transmission and distribution lines to serve Summerbrooke subdivision. This was an extension of our Fore Acres system, which required the addition of a new well to provide fire flow. We also received permits to expand our Spruce Creek distribution system for 500 connections. Engineering is in progress to expand the water plant serving this area. We also increased our customer base by 350 connections.

During 2005 we completed construction of the permitted 500 connections in the Spruce Creek System. Plant expansion permits are in progress. We also gained 400 customers.

In 2006 we started planning for our Spruce Creek Water Plant Expansion. We added 347 customers to our system.

In 2007 we continued our planning for the Spruce Creek Plant Expansion. Our goal is to commence construction in late 2008. We have delayed this upgrade due to the slowdown in new home construction.

We delayed construction of our Spruce Creek Plant Expansion in 2008. The slow down in new home construction continued in our area as the overall economy weakens.

In 2009 the number of foreclosures in this area continued to rise, leaving us with 371 vacant accounts.

In 2010 the number of foreclosures in this area continued to rise, leaving us with 407 vacant accounts.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

PARENT / AFFILIATE ORGANIZATION CHART

Current as of December 31, 2010

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 F-7, E-10(a) and E-10(b).

There are no parent or subsidiary companies.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

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)
Tim E. Thompson	President	100%	\$ 183,324
Linda L. Thompson	Secretary/ Treasurer	100%	183,324

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)
Tim E. Thompson	President	4	\$ 2,100
Linda L. Thompson	Secretary/ Treasurer	4	2,100

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
Tim E. Thompson	Rent	_____	Lou Earl Properties
Linda L. Thompson	Rent	_____	Lou Earl Properties
Both partners in the affiliate	Rent	\$ 39,387	23664 NE 124th Place Road, Salt Springs Florida 32634

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Tim E. Thompson	President Marion Utilities, Inc.	Partner	Lou Earl Properties
			23664 NE 124th Place Road, Salt Springs
			Florida 32634
Linda L. Thompson	Secretary/Treasurer Marion Utilities, Inc.	Partner	Lou Earl Properties
			23664 NE 124th Place Road, Salt Springs
			Florida 32634

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

**BUSINESSES WHICH ARE A BY-PRODUCT, COPRODUCT OR JOINT-PRODUCT
RESULT OF PROVIDING WATER OR WASTEWATER SERVICE**

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCOUNT NUMBER (c)	REVENUES GENERATED (d)	ACCOUNT NUMBER (e)	EXPENSES INCURRED (f)	ACCOUNT NUMBER (g)
	\$ _____		\$ _____		\$ _____	
NONE						

Complete the following for any business which is conducted as a byproduct, coproduct, or joint product as a result of providing water and / or wastewater service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenue and expenses segregated out as nonutility also.

FINANCIAL SECTION

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
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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	\$ 5,306,483	\$ 5,352,487
108-110	Less: Accumulated Depreciation and Amortization	F-8	2,309,088	2,434,076
Net Plant			\$ 2,997,395	\$ 2,918,411
114-115	Utility Plant Acquisition adjustment (Net)	F-7	(23,295)	(22,303)
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 2,974,100	\$ 2,896,108
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ 0	\$ 0
122	Less: Accumulated Depreciation and Amortization		0	0
Net Nonutility Property			\$ 0	\$ 0
123	Investment In Associated Companies	F-10	0	0
124	Utility Investments	F-10	0	0
125	Other Investments	F-10	0	0
126-127	Special Funds	F-10	0	0
Total Other Property & Investments			\$ 0	\$ 0
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 323,057	\$ 258,077
132	Special Deposits	F-9		0
133	Other Special Deposits	F-9		0
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	31,058	25,287
145	Accounts Receivable from Associated Companies	F-12		0
146	Notes Receivable from Associated Companies	F-12		0
151-153	Material and Supplies		1,256	868
161	Stores Expense			
162	Prepayments		1,532	1,365
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	0	0
Total Current and Accrued Assets			\$ 356,903	\$ 285,597

* Not Applicable for Class B Utilities

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$ 0	\$ 0
182	Extraordinary Property Losses	F-13	0	0
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185 *	Temporary Facilities			
186	Misc. Deferred Debits	F-14	1,050	1,050
187 *	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes		1,612	1,612
Total Deferred Debits			\$ 2,662	\$ 2,662
TOTAL ASSETS AND OTHER DEBITS			\$ 3,333,665	\$ 3,184,367

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

**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	\$ 10
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		990	990
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	665,210	613,618
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 666,210	\$ 614,618
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	16,240	12,253
Total Long Term Debt			\$ 16,240	\$ 12,253
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		517,542	526,220
232	Notes Payable	F-18	20,958	18,046
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		122,760	125,900
236	Accrued Taxes	W/S-3	0	0
237	Accrued Interest	F-19	6,651	6,853
238	XXXXX Accrued regulatory fees		35,080	38,595
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	126,861	122,461
Total Current & Accrued Liabilities			\$ 829,852	\$ 838,075

* Not Applicable for Class B Utilities

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2010

**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	132,286	132,286
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		3,506	3,273
Total Deferred Credits			\$ <u>135,792</u>	\$ <u>135,559</u>
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ <u>0</u>	\$ <u>0</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 3,107,744	\$ 3,114,969
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	1,506,410	1,615,344
Total Net C.I.A.C.			\$ <u>1,601,334</u>	\$ <u>1,499,625</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 191,522	\$ 191,522
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		(107,285)	(107,285)
Total Accumulated Deferred Income Tax			\$ <u>84,237</u>	\$ <u>84,237</u>
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u>3,333,665</u>	\$ <u>3,184,367</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

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)	\$ 1,564,198	\$ 1,563,720
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	0	0
Net Operating Revenues			\$ 1,564,198	\$ 1,563,720
401	Operating Expenses	F-3(b)	\$ 1,335,130	\$ 1,327,885
403	Depreciation Expense:	F-3(b)	\$ 139,929	\$ 138,670
	Less: Amortization of CIAC	F-22	108,843	108,934
Net Depreciation Expense			\$ 31,086	\$ 29,736
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	0	0
407	Amortization Expense (Other than CIAC)	F-3(b)	570	253
408	Taxes Other Than Income	W/S-3	135,863	148,145
409	Current Income Taxes	W/S-3	0	0
410.10	Deferred Federal Income Taxes	W/S-3	0	0
410.11	Deferred State Income Taxes	W/S-3	0	0
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	0	0
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3	0	0
412.11	Investment Tax Credits Restored to Operating Income	W/S-3	(234)	(234)
Utility Operating Expenses			\$ 1,502,415	\$ 1,505,785
Net Utility Operating Income			\$ 61,783	\$ 57,935
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	0	0
413	Income From Utility Plant Leased to Others		0	0
414	Gains (losses) From Disposition of Utility Property		271	-1,081
420	Allowance for Funds Used During Construction		0	0
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 62,054	\$ 56,854

* 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)
\$ <u>1,525,581</u>	\$ <u>30,981</u>	\$ <u>7,158</u>
\$ <u>1,525,581</u>	\$ <u>30,981</u>	\$ <u>7,158</u>
\$ 1,282,633	\$ 40,914	\$ 4,338
<u>137,011</u>	<u>1,659</u>	
<u>108,934</u>	<u>0</u>	
\$ <u>28,077</u>	\$ <u>1,659</u>	\$ _____
<u>0</u>	<u>0</u>	<u>0</u>
<u>253</u>	<u>0</u>	<u>0</u>
<u>144,742</u>	<u>3,122</u>	<u>281</u>
<u>0</u>	<u>0</u>	
<u>0</u>	<u>0</u>	
<u>0</u>	<u>0</u>	
<u>_____</u>		
<u>_____</u>		
<u>(234)</u>		
\$ <u>1,455,471</u>	\$ <u>45,695</u>	\$ <u>4,619</u>
\$ <u>70,110</u>	\$ <u>(14,714)</u>	\$ <u>2,539</u>
<u>_____</u>	<u>_____</u>	
<u>_____</u>	<u>_____</u>	
<u>-1,081</u>	<u>0</u>	
\$ <u>69,029</u>	\$ <u>(14,714)</u>	\$ <u>2,539</u>

* 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)]			\$ 62,054	\$ 56,854
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		1,547	1,166
421	Nonutility Income		991	991
426	Miscellaneous Nonutility Expenses		(675)	(1,723)
Total Other Income and Deductions			\$ 1,863	\$ 434
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$ _____	\$ _____
409.20	Income Taxes		0	0
410.20	Provision for Deferred Income Taxes		0	0
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			\$ 0	\$ 0
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 8,150	\$ 8,880
428	Amortization of Debt Discount & Expense	F-13	_____	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ 8,150	\$ 8,880
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ 0	\$ 0
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ 0	\$ 0
NET INCOME			<u>\$ 55,767</u>	<u>\$ 48,408</u>

Explain Extraordinary Income:

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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	\$ 5,167,679	\$ 184,808
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	2,243,054	168,125
110	Accumulated Amortization	F-8	22,897	0
271	Contributions In Aid of Construction	F-22	2,955,828	159,141
252	Advances for Construction	F-20	132,286	
Subtotal			\$ -186,386	\$ -142,458
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	1,460,072	155,272
Subtotal			\$ 1,273,686	\$ 12,814
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7	164,972	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(164,972)	
	Working Capital Allowance (3)		159,103	
	Other (Specify):			
	Deferred income tax on C IAC		16,387	
RATE BASE			\$ 1,449,176	\$ 12,814
NET UTILITY OPERATING INCOME			\$ 70,110	\$ (14,714)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			4.84%	-114.83%

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	\$ 614,618	73.144%	10.72%	7.84%
Preferred Stock				
Long Term Debt **	3,262	0.388%	4.49%	0.02%
Customer Deposits	125,900	14.983%	6.00%	0.90%
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost	0			
Deferred Income Taxes	84,237	10.025%	0.00%	0.00%
Other (Explain) **	8,991	1.070%	8.79%	0.09%
Investment Tax Credits	3,273	0.390%	0.00%	0.00%
Total **long term debt	\$ 840,281	100.000%		8.85%

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

(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

Current Commission Return on Equity:	<u>10.72%</u>
Commission order approving Return on Equity:	<u>95-1193-FOF-W/S</u>

NOT APPLICABLE

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	<u> </u> %
Commission order approving AFUDC 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.

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE (g)
Common Equity	\$ 614,618	\$	\$	\$	\$	\$ 614,618
Preferred Stock						
Long Term Debt	12,253					12,253
Customer Deposits	125,900					125,900
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Inc. Taxes	0					0
Other (Explain)						
Investment Tax Credits	3,273					3,273
Total	\$ 756,044	\$	\$	\$	\$	\$ 756,044
(1) Explain below all adjustments made in Columns (e) and (f):						

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**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	\$ 4,946,777	\$ 184,808	\$ 0	\$ 5,131,585
102	Utility Plant Leased to Other				
103	Property Held for Future Use	0			
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	220,902			220,902
106	Completed Construction Not Classified				
	Total Utility Plant	\$ <u>5,167,679</u>	\$ <u>184,808</u>	\$ <u>0</u>	\$ <u>5,352,487</u>

**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	\$ _____	\$ _____	\$ _____	\$ _____
		SEE SCHEDULE ATTACHED			
	Total Plant Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Net Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____

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**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				
	Order #11568	\$ 164,972			\$ 164,972
	Balance after order #11568	113,399			113,399
	Woods & Meadows	(17,697)			(17,697)
	Spruce Creek	(58,554)			(58,554)
	Deer Creek	6,733			6,733
	Windgate	20,895			20,895
	Total Plant Acquisition Adjustments	\$ 229,748	\$ -	\$ -	\$ 229,748
115	Accumulated Amortization				
	Order #11568	\$ (164,972)	\$ -	\$ -	\$ (164,972)
	Balance after order #11568	(113,399)			(113,399)
	Woods & Meadows	10,876			10,876
	Spruce Creek	34,156			34,156
	Deer Creek	(3,787)			(3,787)
	Windgate	(14,925)			(14,925)
	Total Accumulated Amortization	\$ (252,051)	\$ -	\$ -	\$ (252,051)
	Net Acquisition Adjustments	\$ (22,303)	\$ -	\$ -	\$ (22,303)

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	\$ 2,119,977	\$ 166,466	\$ 0	\$ 2,286,443
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 137,013	\$ 1,659	\$	\$ 138,672
Account 108.2 (2)	_____	_____	_____	_____
Account 108.3 (2)	_____	_____	_____	_____
Other Accounts (specify):	_____	_____	_____	_____
_____	_____	_____	_____	_____
Salvage	_____	_____	_____	_____
Other Credits (Specify):	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits	\$ 137,013	\$ 1,659	\$ 0	\$ 138,672
Debits during year:				
Book cost of plant retired	13,934	0	_____	13,934
Cost of Removal	_____	_____	_____	_____
Other Debits (specify):	_____	_____	_____	_____
_____	_____	_____	_____	_____
Rounding	2	_____	_____	2
Total Debits	\$ 13,936	\$ 0	\$ 0	\$ 13,936
Balance end of year	<u>\$ 2,243,054</u>	<u>\$ 168,125</u>	<u>\$ 0</u>	<u>\$ 2,411,179</u>
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$ 22,645	\$ 0	\$ 0	\$ 22,645
Credit during year:				
Accruals charged to:				
Account 407	\$ 252	\$ 0	\$ 0	\$ 252
Account 110.2 (2)	_____	_____	_____	_____
Other Accounts (specify):	_____	_____	_____	_____
Total credits	\$ 252	\$ 0	\$ 0	\$ 252
Debits during year:				
Book cost of plant retired	0	_____	_____	_____
Other debits (specify):	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	<u>\$ 22,897</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,897</u>

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

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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)
	\$ 0		\$ 0
Total	\$ 0		\$ 0

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)
	\$ 0	\$ 0	\$ 0	\$ 0
Total Nonutility Property	\$ 0	\$ 0	\$ 0	\$ 0

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

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

DESCRIPTION OF SPECIAL DEPOSIT: (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132):	
	\$ 0
Total Special Deposits	\$ 0
OTHER SPECIAL DEPOSITS (Account 133):	
	\$ 0
Total Other Special Deposits	\$ 0

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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): _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____ 0
UTILITY INVESTMENTS (Account 124): _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____
Total Utility Investment		\$ _____ 0
OTHER INVESTMENTS (Account 125): _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____
Total Other Investment		\$ _____ 0
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): _____ _____ _____ _____ _____		\$ _____ 0 _____ _____ _____ _____
Total Special Funds		\$ _____ 0

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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	\$ 25,265	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 25,265
OTHER ACCOUNTS RECEIVABLE (Account 142):		
Returned check	\$ 22	
Total Other Accounts Receivable		\$ 22
NOTES RECEIVABLE (Account 144):		
	\$ 0	
Total Notes Receivable		\$ 0
Total Accounts and Notes Receivable		\$ 25,287
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ 0	
Add: Provision for uncollectibles for current year	\$ 19,915	
Collection of accounts previously written off	846	
Utility Accounts		
Others		
Total Additions		\$ 20,761
Deduct accounts written off during year:		
Utility Accounts	20,761	
Others		
Total accounts written off		\$ 20,761
Balance end of year		\$ 0
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 25,287

UTILITY NAME: Marion Utilities, Inc.

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ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
	\$ 0
Total	\$ 0

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
	%	\$ 0
	%	
	%	
	%	
	%	
	%	
	%	
	%	
	%	
Total		\$ 0

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
	\$ 0
Total Miscellaneous Current and Accrued Liabilities	\$ 0

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**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):		0
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ _____	\$ _____ 0
UNAMORTIZED PREMIUM ON DEBT (Account 251):		0
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ _____	\$ _____ 0

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____	\$ _____ 0
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ _____ 0

UTILITY NAME: Marion Utilities, Inc.

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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)		
_____	\$ _____	\$ _____ 0
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Deferred Rate Case Expense	\$ _____ 0	\$ _____ 0
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
Utility Deposits	\$ _____	\$ _____ 1,050
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Debits	\$ _____ 0	\$ _____ 1,050
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
_____	\$ _____ 0	\$ _____ 0
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Assets	\$ _____ 0	\$ _____ 0
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ _____	\$ _____ 1,050

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**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	%	\$ 1.00
Shares authorized		1,000
Shares issued and outstanding		100
Total par value of stock issued	%	\$ 10
Dividends declared per share for year	%	\$ 1,000
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)	
	%		\$ 0
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 0

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

UTILITY NAME: Marion Utilities, Inc.

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	\$ 665,214
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ 0
	Total Credits:	\$ 0
	Debits: Rounding	\$ 4
	Total Debits:	\$ 4
435	Balance Transferred from Income	\$ 48,408
436	Appropriations of Retained Earnings: _____	0
	Total Appropriations of Retained Earnings	\$ 0
437	Dividends Declared: Preferred Stock Dividends Declared _____	
438	Common Stock Dividends Declared _____	100,000
	Total Dividends Declared	\$ 100,000
215	Year end Balance	\$ 613,618
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____	0
214	Total Appropriated Retained Earnings	\$ 0
Total Retained Earnings		\$ 613,618
Notes to Statement of Retained Earnings:		

**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 (c)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
1 - Accrued Interest on Long Term Debt	\$ 83	427	\$ 1,652	\$ 1,609	\$ 126
Total Account 237.1	\$ 83		\$ 1,652	\$ 1,609	\$ 126
2 - Accrued Interest on Other Liabilities					
Water	\$ 6,501	427	\$ 7,148	\$ 7,002	\$ 6,647
Sewer	67	427	80	67	80
Total Account 237.2	\$ 6,568		\$ 7,228	\$ 7,069	\$ 6,727
Total Account 237 (1)	\$ 6,651		\$ 8,880	\$ 8,678	\$ 6,853
SED:					
nt 237		237	\$ 8,880		
rest Portion of AFUDC:					
d to Account No. 427 (2)					

(1) Must agree to F-2 (a), Beginning and
Ending Balance of Accrued Interest.

(2) Must agree to F-3 (c), Current
Year Interest Expense

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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Accrued officers' salaries	\$ 15,000
Accrued profit sharing contribution payable	66,241
Accrued professional fees	18,100
Customer prepayments	23,120
Total Miscellaneous Current and Accrued Liabilities	\$ 122,461

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)		
Southern Multicapital Corp	\$ 132,286	231	0	\$ 0	\$ 132,286
Total	\$ 132,286			\$ 0	\$ 132,286

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

**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):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ <u>0</u>	\$ <u>0</u>
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ <u>0</u>	\$ <u>0</u>
TOTAL OTHER DEFERRED CREDITS	\$ <u>0</u>	\$ <u>0</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

**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	\$ <u>2,948,603</u>	\$ <u>159,141</u>	\$ _____	\$ <u>3,107,744</u>
Add credits during year:	\$ <u>7,225</u>	\$ <u>0</u>	\$ _____	\$ <u>7,225</u>
Less debit charged during the year	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Total Contribution In Aid of Construction	\$ <u><u>2,955,828</u></u>	\$ <u><u>159,141</u></u>	\$ <u><u>0</u></u>	\$ <u><u>3,114,969</u></u>

**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	\$ <u>1,351,138</u>	\$ <u>155,272</u>	\$ _____	\$ <u>1,506,410</u>
Debits during the year:	\$ <u>108,934</u>	\$ <u>0</u>	\$ _____	\$ <u>108,934</u>
Credits during the year	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u><u>1,460,072</u></u>	\$ <u><u>155,272</u></u>	\$ <u><u>0</u></u>	\$ <u><u>1,615,344</u></u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

- 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.
- 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)	\$ 48,408
Add back income taxes		0
Reconciling items for the year:		
Taxable income not reported on books:		

Deductions recorded on books not deducted for return:		
Officer's life insurance premiums		9,600
Charitable contributions		285
Accrued salaries due to shareholders not paid this year		15,000
Excess of book depreciation over tax depreciation		9,947
Write off junked asset held for future use		1,581
Income recorded on books not included in return:		
Amortization of CIAC		(108,934)
ITC restored to income		(233)
Net amortization of acquisition adjustments		(992)
Excess book loss over tax loss		(400)
Deduction on return not charged against book income:		
Prior year accrued salaries to shareholders paid this year		(20,000)

Rounding		(13)

Federal tax net income		\$ (45,751)

Computation of tax :	
Book income	48,408
less, permanent differences	<u>-51,949</u>
Net income for tax computation (book)	-3,541

**WATER
OPERATION
SECTION**

GROUP 1

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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)	\$ 4,832,360
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	2,169,085
110	Accumulated Amortization	F-8	22,897
271	Contributions In Aid of Construction	W-7	2,888,781
252	Advances for Construction	F-20	132,286
Subtotal			\$ -380,689
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 1,402,787
Subtotal			\$ 1,022,098
	Plus or Minus:		
114	Acquisition Adjustments (2) Order #11568 only	F-7	164,972
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(164,972)
	Working Capital Allowance (3)		159,103
	Other (Specify): Deferred income taxes on CIAC		16,387
103	Property held for future use		0
105	Construction work in process		220,902
WATER RATE BASE			\$ 1,418,490
WATER OPERATING INCOME		W-3	\$ 69,029
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			4.87%

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:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010

SYSTEM NAME / COUNTY :

Marion Utilities/Marion County

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ 1,525,581
469	Less: Guaranteed Revenue and AFPI	W-9	0
Net Operating Revenues			\$ 1,525,581
401	Operating Expenses	W-10(a)	\$ 1,282,633
403	Depreciation Expense 133,885+3,126	W-6(a)	137,011
	Less: Amortization of CIAC 107,085+1,849	W-8(a)	108,934
Net Depreciation Expense			\$ 28,077
406	Amortization of Utility Plant Acquisition Adjustment	F-7	0
407	Amortization Expense (Other than CIAC)	F-8	253
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		68,652
408.11	Property Taxes		25,527
408.12	Payroll Taxes		38,173
408.13	Other Taxes and Licenses		12,390
408	Total Taxes Other Than Income		\$ 144,742
409.1	Income Taxes		0
410.10	Deferred Federal Income Taxes		0
410.11	Deferred State Income Taxes		0
411.10	Provision for Deferred Income Taxes - Credit		0
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		(234)
Utility Operating Expenses			\$ 1,455,471
Utility Operating Income			\$ 70,110
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		(1,081)
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 69,029

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY: Marion Utilities/Marion

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 25,391	\$	\$	\$ 25,391
302	Franchises				
303	Land and Land Rights	105,417			105,417
304	Structures and Improvements	88,494	0		88,494
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	147,388			147,388
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	305,158	0	0	305,158
320	Water Treatment Equipment	30,663	0	0	30,663
330	Distribution Reservoirs and Standpipes	197,618	16,893	0	214,511
331	Transmission and Distribution Mains	2,805,719	26,260		2,831,979
333	Services	500,004	411		500,415
334	Meters and Meter Installations	301,684	828		302,512
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	78,825	1,084	0	79,909
341	Transportation Equipment	134,238	16,044	13,934	136,348
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	23,198	0	0	23,198
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	5,458			5,458
347	Miscellaneous Equipment				
348	Other Tangible Plant	35,519	0	0	35,519
TOTAL WATER PLANT		\$ 4,784,774	\$ 61,520	\$ 13,934	\$ 4,832,360

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

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	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	\$ 25,391	\$ 25,391				
302	Franchises						
303	Land and Land Rights	105,417					105,417
304	Structures and Improvements	88,494					88,494
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	147,388		147,388			
308	Infiltration Galleries and Tunnels						
309	Supply Mains						
310	Power Generation Equipment						
311	Pumping Equipment	305,158		305,158			
320	Water Treatment Equipment	30,663			30,663		
330	Distribution Reservoirs and Standpipes	214,511				214,511	
331	Transmission and Distribution Mains	2,831,979				2,831,979	
333	Services	500,415				500,415	
334	Meters and Meter Installations	302,512				302,512	
335	Hy drants						
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment	79,909					79,909
341	Transportation Equipment	136,348					136,348
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	23,198					23,198
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment	5,458					5,458
347	Miscellaneous Equipment						
348	Other Tangible Plant	35,519					35,519
	TOTAL WATER PLANT	\$ 4,832,360	\$ 25,391	\$ 452,546	\$ 30,663	\$ 3,849,417	\$ 474,343

W-4(b)
GROUP 1

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Marion Utilities/Marion

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		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
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			
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment			
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			
346	Communication Equipment	10		10.00%
347	Miscellaneous Equipment			
348	Other Tangible Plant	10		10.00%
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, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Marion Utilities/Marion

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	\$ 62,528	\$ 2,006	\$	\$ 2,006
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	105,286	3,353		3,353
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	249,057	9,857		9,857
320	Water Treatment Equipment	22,321	1,335		1,335
330	Distribution Reservoirs and Standpipes	92,974	4,991		4,991
331	Transmission and Distribution Mains	948,852	62,039		62,039
333	Services	158,610	12,255		12,255
334	Meters and Meter Installations	225,920	8,621		8,621
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	67,513	2,677		2,677
341	Transportation Equipment	71,333	23,281		23,281
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	8,354	1,232		1,232
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	4,860	298		298
347	Miscellaneous Equipment				
348	Other Tangible Plant	31,526	1,940		1,940
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 2,049,134	\$ 133,885	\$	\$ 133,885

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

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY: Marion Utilities/Marion County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONTD)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$ 0	\$ 64,534
305	Collecting and Impounding Reservoirs				0	
306	Lake, River and Other Intakes				0	
307	Wells and Springs				0	108,639
308	Infiltration Galleries and Tunnels				0	
309	Supply Mains				0	
310	Power Generation Equipment				0	
311	Pumping Equipment				0	258,914
320	Water Treatment Equipment				0	23,656
330	Distribution Reservoirs and Standpipes				0	97,965
331	Transmission and Distribution Mains				0	1,010,891
333	Services				0	170,865
334	Meters and Meter Installations				0	234,541
335	Hydrants				0	
336	Backflow Prevention Devices				0	
339	Other Plant Miscellaneous Equipment				0	
340	Office Furniture and Equipment				0	70,190
341	Transportation Equipment	13,934			13,934	80,680
342	Stores Equipment				0	
343	Tools, Shop and Garage Equipment				0	9,586
344	Laboratory Equipment				0	
345	Power Operated Equipment				0	
346	Communication Equipment				0	5,158
347	Miscellaneous Equipment				0	
348	Other Tangible Plant				0	33,466
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 13,934	\$	\$	\$ 13,934	\$ 2,169,085

W-6(b)
GROUP 1

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY: Marion Utilities/Marion County

WATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Connection Fees	9	\$ 250 - 755	\$ 4,930
Construction			2,295
Total Credits			\$ 7,225

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 1,295,702
Debits during the year:	
Accruals charged to Account 272	\$ 107,085
Other debits (specify):	
Total debits	\$ 107,085
Credits during the year (specify):	
	\$ 0
Total credits	\$ 0
Balance end of year	\$ 1,402,787

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY: Marion Utilities/Marion County

WATER CIAC SCHEDULE "B"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION
RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS
WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
NONE		\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Credits		\$ _____

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY :

Marion Utilities/Marion 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			\$
461.1	Metered Water Revenue: Sales to Residential Customers	6,147	6,014	1,434,169
461.2	Sales to Commercial Customers			
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		6,147	6,014	\$ 1,434,169
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
Total Fire Protection Revenue		0	0	\$ 0
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		6,147	6,014	\$ 1,434,169
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			50,475
471	Miscellaneous Service Revenues			17,740
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			23,197
Total Other Water Revenues				\$ 91,412
Total Water Operating Revenues				\$ 1,525,581

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

WATER UTILITY EXPENSE ACCOUNT:

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	\$ 248,487	\$ 38,099	\$ 31,450
603	Salaries and Wages - Officers, Directors and Majority Stockholders	366,648	18,333	9,166
604	Employee Pensions and Benefits	124,081	11,286	8,123
610	Purchased Water	0		
615	Purchased Power	111,608	106,162	
616	Fuel for Power Purchased	7,008		
618	Chemicals	15,978		
620	Materials and Supplies	0		
631	Contractual Services-Engineering	1,181		
632	Contractual Services - Accounting	22,862		
633	Contractual Services - Legal			
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	16,879		
636	Contractual Services - Other	0		
641	Rental of Building/Real Property	39,387		
642	Rental of Equipment			
650	Transportation Expenses	20,043	2,740	1,370
656	Insurance - Vehicle	9,328		
657	Insurance - General Liability	7,401		
658	Insurance - Workman's Comp.	7,641		
659	Insurance - Other	76,042		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	19,915		
675	Miscellaneous Expenses	188,144	18,936	9,468
Total Water Utility Expenses		\$ 1,282,633	\$ 195,556	\$ 59,577

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

WATER EXPENSE ACCOUNT MATRIX					
.3 WATER TREATMENT EXPENSES - OPERATION (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)
\$ 51,395	\$	\$ 31,180	\$	\$ 89,316	\$ 7,047
		36,665		201,656	100,828
10,279		14,623		58,195	21,575
6,510					5,446
15,978					498
			0		1,181
					22,862
					0
16,879					0
					39,387
2,739		3,425		2,055	7,714
					9,328
					7,401
					7,641
					76,042
					0
				19,915	
18,935		47,339		45,121	48,345
\$ 122,715	\$	\$ 133,232	\$	\$ 416,258	\$ 355,295

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY: Marion Utilities/Marion County

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		38,731	3,000	35,731	32,055
February		30,518	2,000	28,518	28,155
March		36,507	5,000	31,507	26,779
April		55,968	5,000	50,968	46,901
May		59,442	6,000	53,442	42,582
June		55,659	2,000	53,659	58,416
July		53,166	5,000	48,166	42,401
August		47,070	2,000	45,070	44,532
September		53,598	5,000	48,598	43,314
October		58,770	7,000	51,770	44,535
November		47,220	2,000	45,220	49,460
December		41,879	4,000	37,879	33,205
Total for Year	less, Windgate	578,528	48,000	530,528	492,335 -10,738 481,597

If water is purchased for resale, indicate the following:
 Vendor Not applicable
 Point of delivery _____

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

List for each source of supply	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
See attached schedule			

SUPPORTING SCHEDULE FOR PAGE W-11

Marion Utilities, Inc.

Year of Report - December 31, 2010

Subdivision	Capacity of Well	Gallons Per Day From Source	Type of Source
Pine Ridge	604,000	65,258	Ground
Cedar Hills	1,173,000	90,986	Ground
Fore Acres	2,160,000	119,903	Ground
Golden Holiday	470,000	20,450	Ground
Fort King	604,000	38,000	Ground
Hi-Cliff	604,000	76,612	Ground
Rainbow Lakes Est.	1,238,000	115,419	Ground
Stone Oaks	316,000	13,387	Ground
Ponderosa	72,000	3,161	Ground
Waldbusser	72,000	2,806	Ground
Buckskin	201,000	8,064	Ground
Libra Oaks	175,000	9,714	Ground
Logans Run	259,000	9,516	Ground
Greenfields	1,238,000	163,451	Ground
Sheri Oaks	129,000	3,483	Ground
Oak Creek	129,000	27,258	Ground
McAteers	129,000	20,000	Ground
Woods & Meadows	979,000	113,096	Ground
Spruce Creek	2,736,000	422,935	Ground
Deer Creek	129,000	7,903	Ground
Windgate	518,000	45,354	Ground
Turning Point	518,000	13,129	Ground

SUPPORTING SCHEDULE FOR PAGE W-12

Marion Utilities, Inc.

Year of Report - December 31, 2010

Subdivision	Permitted Capacity of Plant GPD	Location of Measurement of Capacity	Type of Treatment
Pine Ridge	220,000	Storage Tank	Hypo-Chlorination
Cedar Hills	264,000	Storage Tank	Hypo-Chlorination
Fore Acres	540,000	Storage Tank	Hypo-Chlorination
Golden Holiday	208,000	Storage Tank	Hypo-Chlorination
Fort King	360,000	Storage Tank	Hypo-Chlorination
Hi-Cliff	360,000	Storage Tank	Hypo-Chlorination
Rainbow Lakes Est.	547,000	Storage Tank	Hypo-Chlorination
Stone Oaks	158,000	Storage Tank	Hypo-Chlorination
Ponderosa	34,000	Storage Tank	Hypo-Chlorination
Waldbusser	34,000	Storage Tank	Hypo-Chlorination
Buckskin	64,000	Storage Tank	Hypo-Chlorination
Libra Oaks	61,000	Storage Tank	Hypo-Chlorination
Logans Run	125,000	Storage Tank	Hypo-Chlorination
Greenfields	547,000	Storage Tank	Hypo-Chlorination
Sheri Oaks	54,000	Storage Tank	Hypo-Chlorination
Oak Creek	54,000	Storage Tank	Hypo-Chlorination
McAteers	61,000	Storage Tank	Hypo-Chlorination
Woods & Meadows	370,000	Storage Tank	Hypo-Chlorination
Spruce Creek	1,500,000	Storage Tank	Hypo-Chlorination
Deer Creek	24,000	Storage Tank	Hypo-Chlorination
Windgate	84,000	Storage Tank	Hypo-Chlorination
Turning Point	66,150	Storage Tank	Hypo-Chlorination

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
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SYSTEM NAME / COUNTY : Marion Utilities/Marion County

CALCULATION OF THE WATER SYSTEM METER EQUIVALENT

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		
5/8"	Displacement	1.0	5,976	5,976
3/4"	Displacement	1.5		
1"	Displacement	2.5	32	80
1 1/2"	Displacement or Turbine	5.0	3	15
2"	Displacement, Compound or Turbine	8.0	3	24
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
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				6,095

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTION:

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:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

<p>ERC Calculation:</p> $481,597,000 / 6,095 / 365 = 216$
--

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Pine Ridge/Marion County

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. 211
2. Maximum number of ERCs * which can be served. 542
3. Present system connection capacity (in ERCs *) using existing lines. 241
4. Future connection capacity (in ERCs *) upon service area buildout. 241
5. Estimated annual increase in ERCs *. 3
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.
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 filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 3421018
12. Water Management District Consumptive Use Permit # None
 - a. Is the system in compliance with the requirements of the CUP? N/A
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills/Marion County

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. 405

2. Maximum number of ERCs * which can be served. 650

3. Present system connection capacity (in ERCs *) using existing lines. 405

4. Future connection capacity (in ERCs *) upon service area buildout. 405

5. Estimated annual increase in ERCs *. 1

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3420162

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Fore Acres/Marion County

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. 495
- 2. Maximum number of ERCs * which can be served. 639
- 3. Present system connection capacity (in ERCs *) using existing lines. 500
- 4. Future connection capacity (in ERCs *) upon service area buildout. 500
- 5. Estimated annual increase in ERCs *. 0
- 6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 750 GPM
- 7. Attach a description of the fire fighting facilities. 5 hydrants - 1,280 GPM
- 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 filed
- 10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
- 11. Department of Environmental Protection ID # 3420608
- 12. Water Management District Consumptive Use Permit # 3094
 - 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.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Golden Holiday/Marion County

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. 183

2. Maximum number of ERCs * which can be served. 512

3. Present system connection capacity (in ERCs *) using existing lines. 183

4. Future connection capacity (in ERCs *) upon service area buildout. 183

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3420456

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Fort King/Marion County

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. 94

2. Maximum number of ERCs * which can be served. 100

3. Present system connection capacity (in ERCs *) using existing lines. 94

4. Future connection capacity (in ERCs *) upon service area buildout. 94

5. Estimated annual increase in ERCs *. 0

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. _____

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3420419

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Hi-Cliff/Marion County

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. 299

2. Maximum number of ERCs * which can be served. 299

3. Present system connection capacity (in ERCs *) using existing lines. 299

4. Future connection capacity (in ERCs *) upon service area buildout. 299

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3420533

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Rainbow Lakes Estates/Marion County

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. 539

2. Maximum number of ERC's * which can be served. 1,347

3. Present system connection capacity (in ERCs *) using existing lines. 726

4. Future connection capacity (in ERCs *) upon service area buildout. 1,000

5. Estimated annual increase in ERCs *. 15

6. Is the utility required to have fire flow capacity? Yes - 750 gpm
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities. 20 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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424083

12. Water Management District Consumptive Use Permit # 202999.02

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.

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY :

Stone Oaks/Marion County

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. 85

2. Maximum number of ERCs * which can be served. 389

3. Present system connection capacity (in ERCs *) using existing lines. 85

4. Future connection capacity (in ERCs *) upon service area buildout. 85

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3421283

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY : Ponderosa/Marion County

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. 22

2. Maximum number of ERCs * which can be served. 84

3. Present system connection capacity (in ERCs *) using existing lines. 22

4. Future connection capacity (in ERCs *) upon service area buildout. 22

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3424808

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY: Waldbusser/Marion County

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. 22

2. Maximum number of ERCs * which can be served. 84

3. Present system connection capacity (in ERCs *) using existing lines. 22

4. Future connection capacity (in ERCs *) upon service area buildout. 22

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3424807 (non-community)

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY :

Buckskin/Marion County

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. 73

2. Maximum number of ERCs * which can be served. 158

3. Present system connection capacity (in ERCs *) using existing lines. 73

4. Future connection capacity (in ERCs *) upon service area buildout. 73

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3420124

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY: Libra Oaks/Marion County

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. 106

2. Maximum number of ERCs * which can be served. 150

3. Present system connection capacity (in ERCs *) using existing lines. 128

4. Future connection capacity (in ERCs *) upon service area buildout. 128

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424590

12. Water Management District Consumptive Use Permit # 6574.01

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.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: International Villas/Marion County

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. 41

2. Maximum number of ERCs * which can be served. 308

3. Present system connection capacity (in ERCs *) using existing lines. 41

4. Future connection capacity (in ERCs *) upon service area buildout. 308

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424589

12. Water Management District Consumptive Use Permit # 6884.01

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.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Green Fields-Indian Pines/Marion County

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. 522

2. Maximum number of ERCs * which can be served. 1,347

3. Present system connection capacity (in ERCs *) using existing lines. 522

4. Future connection capacity (in ERCs *) upon service area buildout. 522

5. Estimated annual increase in ERCs *. 5

6. Is the utility required to have fire flow capacity? Yes

If so, how much capacity is required? 750 GPM

7. Attach a description of the fire fighting facilities. 8 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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3425006

12. Water Management District Consumptive Use Permit # 3101

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.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Sheri Oaks/Marion County

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. 21

2. Maximum number of ERCs * which can be served. 133

3. Present system connection capacity (in ERCs *) using existing lines. 21

4. Future connection capacity (in ERCs *) upon service area buildout. 133

5. Estimated annual increase in ERCs *. 1

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3424637 (non-community)

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Oak Creek Caverns/Marion County

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. 43

2. Maximum number of ERCs * which can be served. 133

3. Present system connection capacity (in ERCs *) using existing lines. 46

4. Future connection capacity (in ERCs *) upon service area buildout. 46

5. Estimated annual increase in ERCs *. 2

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? N/A

11. Department of Environmental Protection ID # 3424638

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : McAteer Acres/Marion County

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. 67

2. Maximum number of ERCs * which can be served. 150

3. Present system connection capacity (in ERCs *) using existing lines. 70

4. Future connection capacity (in ERCs *) upon service area buildout. 70

5. Estimated annual increase in ERCs *. 1

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3424643

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Woods & Meadows/Marion County

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. 510

2. Maximum number of ERCs * which can be served. 911

3. Present system connection capacity (in ERCs *) using existing lines. 700

4. Future connection capacity (in ERCs *) upon service area buildout. 700

5. Estimated annual increase in ERCs *. 10

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424632

12. Water Management District Consumptive Use Permit # 207849.03

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.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Spruce Creek/Marion County

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. 2,359

2. Maximum number of ERCs * which can be served. 4,000

3. Present system connection capacity (in ERCs *) using existing lines. 2,359

4. Future connection capacity (in ERCs *) upon service area buildout. 3,632

5. Estimated annual increase in ERCs *. 200

6. Is the utility required to have fire flow capacity? Yes

If so, how much capacity is required? 1,350 GPM

7. Attach a description of the fire fighting facilities. 42 hydrants

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. _____

Additional 623 lots permitted. Lines will be extended with developer and builders needs.

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424652

12. Water Management District Consumptive Use Permit # 208481.03

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.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Deer Creek/Marion County

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. 49

2. Maximum number of ERCs * which can be served. 59

3. Present system connection capacity (in ERCs *) using existing lines. 50

4. Future connection capacity (in ERCs *) upon service area buildout. 50

5. Estimated annual increase in ERCs *. 0

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424653

12. Water Management District Consumptive Use Permit # None

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

b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Turning Pointe/Marion County

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. 85

2. Maximum number of ERCs * which can be served. 163

3. Present system connection capacity (in ERCs *) using existing lines. 87

4. Future connection capacity (in ERCs *) upon service area buildout. 87

5. Estimated annual increase in ERCs *. 2

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.

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 filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3424841

12. Water Management District Consumptive Use Permit # 20830296 AN

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.

**WATER
OPERATION
SECTION**

GROUP 2

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY :

Windgate Estates/Marion County

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)	\$ 114,417
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	73,969
110	Accumulated Amortization	F-8	0
271	Contributions In Aid of Construction	W-7	67,047
252	Advances for Construction	F-20	0
Subtotal			\$ (26,599)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 57,285
Subtotal			\$ 30,686
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	0
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	0
	Working Capital Allowance (3)		0
	Other (Specify):		0
103	Property held for future use		0
105	Construction work in process		0
WATER RATE BASE			\$ 30,686
WATER OPERATING INCOME		W-3	\$ Not Available
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			

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:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010

SYSTEM NAME / COUNTY:

Windgate Estates/Marion County

INFORMATION NOT AVAILABLE

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ _____
469	Less: Guaranteed Revenue and AFPI	W-9	
Net Operating Revenues			\$ _____
401	Operating Expenses	W-10(a)	\$ _____
403	Depreciation Expense	W-6(a)	
	Less: Amortization of CIAC	W-8(a)	
Net Depreciation Expense			\$ _____
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		
408.11	Property Taxes		
408.12	Payroll Taxes		
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ _____
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			\$ _____
Utility Operating Income			\$ _____
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$ _____
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			\$ _____

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Windgate Estates/Marion 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	1,710			1,710
304	Structures and Improvements	9,677			9,677
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	11,500			11,500
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	15,151	0		15,151
320	Water Treatment Equipment	2,575			2,575
330	Distribution Reservoirs and Standpipes	8,454			8,454
331	Transmission and Distribution Mains	48,069			48,069
333	Services	6,531			6,531
334	Meters and Meter Installations	10,750	0		10,750
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
TOTAL WATER PLANT		\$ 114,417	\$	\$	\$ 114,417

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

W-4(a)

GROUP 2

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Windgate Estates/Marion County

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	\$	\$	\$	\$	\$	\$
302	Franchises						
303	Land and Land Rights	1,710					1,710
304	Structures and Improvements	9,677					9,677
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	11,500		11,500			
308	Infiltration Galleries and Tunnels						
309	Supply Mains						
310	Power Generation Equipment			15,151			
311	Pumping Equipment	15,151					
320	Water Treatment Equipment	2,575			2,575		
330	Distribution Reservoirs and Standpipes	8,454				8,454	
331	Transmission and Distribution Mains	48,069				48,069	
333	Services	6,531				6,531	
334	Meters and Meter Installations	10,750				10,750	
335	Hydrants						
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment						
341	Transportation Equipment						
342	Stores Equipment						
343	Tools, Shop and Garage Equipment						
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment						
348	Other Tangible Plant						
	TOTAL WATER PLANT	\$ 114,417	\$	\$ 26,651	\$ 2,575	\$ 73,804	\$ 11,387

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

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		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
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			
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
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, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCURUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 5,109	293	\$	\$ 293
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	7,043	257		257
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	9,531	878		878
320	Water Treatment Equipment	1,637	100		100
330	Distribution Reservoirs and Standpipes	7,171	229		229
331	Transmission and Distribution Mains	25,853	1,118		1,118
333	Services	4,306	163		163
334	Meters and Meter Installations	10,193	88		88
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 70,843	\$ 3,126	\$	\$ 3,126

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

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Windgate Estates/Marion County

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

ACCT. NO.	ACCOUNT NAME	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	\$	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs				0	5,402
306	Lake, River and Other Intakes				0	
307	Wells and Springs				0	7,300
308	Infiltration Galleries and Tunnels				0	
309	Supply Mains				0	
310	Power Generation Equipment				0	
311	Pumping Equipment				0	10,409
320	Water Treatment Equipment				0	1,737
330	Distribution Reservoirs and Standpipes				0	7,400
331	Transmission and Distribution Mains				0	26,971
333	Services				0	4,469
334	Meters and Meter Installations				0	10,281
335	Hydrants				0	
336	Backflow Prevention Devices				0	
339	Other Plant Miscellaneous Equipment				0	
340	Office Furniture and Equipment				0	
341	Transportation Equipment				0	
342	Stores Equipment				0	
343	Tools, Shop and Garage Equipment				0	
344	Laboratory Equipment				0	
345	Power Operated Equipment				0	
346	Communication Equipment				0	
347	Miscellaneous Equipment				0	
348	Other Tangible Plant				0	
TOTAL WATER ACCUMULATED DEPRECIATION						\$ 73,969

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

CONTRIBUTIONS IN AID OF CONSTRUCTION ACCOUNT 271

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ 67,047
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$ 0
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	
Total Credits		\$ 0
Less debits charged during the year (All debits charged during the year must be explained below)		\$ 0
Total Contributions In Aid of Construction		\$ 67,047

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all debits charged to Account 271 during the year below:

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

WATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits			\$ _____

**ACCUMULATED AMORTIZATION OF WATER
CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ <u>55,436</u>
Debits during the year:	
Accruals charged to Account 272	\$ <u>1,849</u>
Other debits (specify) :	_____
_____	_____
_____	_____
Total debits	\$ <u>1,849</u>
Credits during the year (specify) :	
_____	\$ <u>0</u>
_____	_____
Total credits	\$ <u>0</u>
Balance end of year	\$ <u><u>57,285</u></u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY: Windgate Estates/Marion County

NOT AVAILABLE

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			\$
461.1	Metered Water Revenue: Sales to Residential Customers		140	
461.2	Sales to Commercial Customers			
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales			140	\$
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			140	\$
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
Total Other Water Revenues				\$
Total Water Operating Revenues				\$

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

WATER UTILITY EXPENSE ACCOUNT:			NOT AVAILABLE	
ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS	.2 SOURCE OF SUPPLY AND EXPENSES MAINTENANCE
(a)	(b)	(c)	(d)	(e)
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 Purchased	_____	_____	_____
618	Chemicals	_____	_____	_____
620	Materials and Supplies	_____	_____	_____
631	Contractual Services-Engineering	_____	_____	_____
632	Contractual Services - Accounting	_____	_____	_____
633	Contractual Services - Legal	_____	_____	_____
634	Contractual Services - Mgt. Fees	_____	_____	_____
635	Contractual Services - Testing	_____	_____	_____
636	Contractual Services - Other	_____	_____	_____
641	Rental of Building/Real Property	_____	_____	_____
642	Rental of Equipment	_____	_____	_____
650	Transportation Expenses	_____	_____	_____
656	Insurance - Vehicle	_____	_____	_____
657	Insurance - General Liability	_____	_____	_____
658	Insurance - Workman's Comp.	_____	_____	_____
659	Insurance - Other	_____	_____	_____
660	Advertising Expense	_____	_____	_____
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	_____	_____	_____
667	Regulatory Commission Exp.-Other	_____	_____	_____
668	Water Resource Conservation Exp.	_____	_____	_____
670	Bad Debt Expense	_____	_____	_____
675	Miscellaneous Expenses	_____	_____	_____
Total Water Utility Expenses		\$ _____	\$ _____	\$ _____

UTILITY NAME:















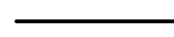









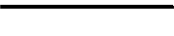
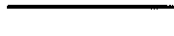









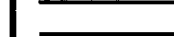






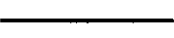

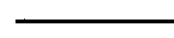
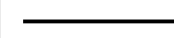
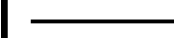
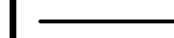



















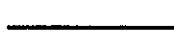





















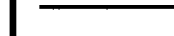











































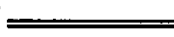

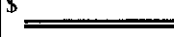








Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY:

Windgate Estates/Marion County

NOT AVAILABLE

WATER EXPENSE ACCOUNT MATRIX					
.3 WATER TREATMENT EXPENSES - OPERATION (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)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
					
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY: Windgate Estates/Marion County

NOT AVAILABLE

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					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total for Year					10,738

If water is purchased for resale, indicate the following:
 Vendor Not applicable
 Point of delivery _____

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

Not applicable

each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
<u>See attached schedule</u>			

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY: Windgate Estates/Marion County

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>See Supporting Schedule</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>See Supporting Schedule</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>See Supporting Schedule</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: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY: Windgate Estates

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		
5/8"	Displacement	1.0	140	140
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
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				140

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: $10,738,000 / 140 / 365 = 210$
--

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2016

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

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 serv. 149

2. Maximum number of ERCs * which can be ser 207

3. Present system connection capacity (in ERCs *) using existing lines. 155

4. Future connection capacity (in ERCs *) upon service area buildout. 155

5. Estimated annual increase in ERCs *. 2

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.

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 DI None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3421576

12. Water Management District Consumptive Use 4581

a. Is the system in compliance with the requirements of the CL 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.

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

WASTEWATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The wastewater financial schedules (S-2 through S-10) should be filed for the group in total.

The wastewater engineering schedules (S-11 and S-12) must be filed for each system in the group.

All of the following wastewater pages (S-2 through S-12) should be completed for each group and arranged by group number.

SYSTEM NAME / COUNTY	CERTIFICATE NUMBER	GROUP NUMBER
Cedar Hills Sewer/Marion County	336 S	1

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 184,808
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	168,125
110	Accumulated Amortization		
271	Contributions In Aid of Construction	S-7	159,141
252	Advances for Construction	F-20	
Subtotal			\$ (142,458)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 155,272
Subtotal			\$ 12,814
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		
	Other (Specify):		
WASTEWATER RATE BASE			\$ 12,814
WASTEWATER OPERATING INCOME		S-3	\$ (14,714)
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			None

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: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9(a)	\$ 30,981
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	
Net Operating Revenues			\$ 30,981
401	Operating Expenses	S-10(a)	\$ 40,914
403	Depreciation Expense	S-6(a)	1,659
	Less: Amortization of CIAC	S-8(a)	0
Net Depreciation Expense			\$ 1,659
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		1,394
408.11	Property Taxes		614
408.12	Payroll Taxes		964
408.13	Other Taxes and Licenses		150
408	Total Taxes Other Than Income		\$ 3,122
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			\$ 45,695
Utility Operating Income			\$ (14,714)
530	Add Back: Guaranteed Revenue (and AFPI)	S-9(a)	\$
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			\$ (14,714)

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$	\$	\$	\$
352	Franchises				
353	Land and Land Rights	3,869			3,869
354	Structures and Improvements	9,606			9,606
355	Power Generation Equipment				
360	Collection Sewers - Force	88,575			88,575
361	Collection Sewers - Gravity				
362	Special Collecting Structures	2,097			2,097
363	Services to Customers	17,363			17,363
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	7,717			7,717
371	Pumping Equipment	4,003			4,003
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment	45,745			45,745
381	Plant Sewers				
382	Outfall Sewer Lines	102			102
389	Other Plant Miscellaneous Equipment	1,656			1,656
390	Office Furniture and Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment	1,397	0		1,397
396	Communication Equipment				
397	Miscellaneous Equipment	1,478	0		1,478
398	Other Tangible Plant	1,200			1,200
	Total Wastewater Plant	\$ 184,808	\$	\$	\$ 184,808

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

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion County

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	.1 INTANGIBLE PLANT (c)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (l)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (m)	.7 GENERAL PLANT (n)
351	Organization							
352	Franchises							
353	Land and Land Rights		3,869					
354	Structures and Improvements				9,606			
355	Power Generation Equipment							
360	Collection Sewers - Force		88,575					
361	Collection Sewers - Gravity		2,097					
362	Special Collecting Structures		17,363					
363	Services to Customers							
364	Flow Measuring Devices							
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells			7,717				
371	Pumping Equipment			4,003				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment and Disposal Equipment				48,745			
381	Plant Sewers							
382	Outfall Sewer Lines				102			
389	Other Plant Miscellaneous Equipment				1,656			
390	Office Furniture and Equipment							
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							1,397
396	Communication Equipment							1,478
397	Miscellaneous Equipment							1,200
398	Other Tangible Plant							
	Total Wastewater Plant	\$	\$ 111,904	\$ 11,720	\$ 57,109	\$	\$	\$ 4,075

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

BASIS FOR WASTEWATER 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)
354	Structures and Improvements	33		3.03%
355	Power Generation Equipment			
360	Collection Sewers - Force	30		3.33%
361	Collection Sewers - Gravity			
362	Special Collecting Structures	37		2.70%
363	Services to Customers	38		2.63%
364	Flow Measuring Devices			
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells	30		3.33%
371	Pumping Equipment	20		5.00%
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment	18		5.56%
381	Plant Sewers			
382	Outfall Sewer Lines	30		3.33%
389	Other Plant Miscellaneous Equipment	18		5.56%
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	33		3.03%
Wastewater 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, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
354	Structures and Improvements	\$ 3,722	291		\$ 291
355	Power Generation Equipment				
360	Collection Sewers - Force	88,577	0		0
361	Collection Sewers - Gravity				
362	Special Collecting Structures	642	57		57
363	Services to Customers	16,220	457		457
364	Flow Measuring Devices	0			0
365	Flow Measuring Installations	0			0
366	Reuse Services	0			0
367	Reuse Meters and Meter Installations	0			0
370	Receiving Wells	7,716	0		0
371	Pumping Equipment	2,492	204		204
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment	44,350	275		275
381	Plant Sewers				
382	Outfall Sewer Lines	39	3		3
389	Other Plant Miscellaneous Equipment	2,156	48	-695	-647
390	Office Furniture and Equipment				0
391	Transportation Equipment				0
392	Stores Equipment				0
393	Tools, Shop and Garage Equipment				0
394	Laboratory Equipment				0
395	Power Operated Equipment		140	338	478
396	Communication Equipment		148		0
397	Miscellaneous Equipment			357	505
398	Other Tangible Plant	352	36		36
Total Depreciable Wastewater Plant in Service		\$ 166,466	\$ 1,659	\$ Reclassify	\$ 1,659

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

UTILITY NAME:

Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

YEAR OF REPORT
December 31, 2010

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i)	BALANCE AT END OF YEAR (c+f-j) (k)
354	Structures and Improvements	\$	\$	\$	\$	\$ 4,013
355	Power Generation Equipment					
360	Collection Sewers - Force					88,577
361	Collection Sewers - Gravity					
362	Special Collecting Structures					699
363	Services to Customers					16,677
364	Flow Measuring Devices					
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					7,716
370	Receiving Wells					2,696
371	Pumping Equipment					
375	Reuse Transmission and Distribution System					44,625
380	Treatment and Disposal Equipment					42
381	Plant Sewers					1,509
382	Outfall Sewer Lines					
389	Other Plant 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					478
396	Communication Equipment					
397	Miscellaneous Equipment					505
398	Other Tangible Plant					588
Total Depreciable Wastewater Plant in Service						\$ 168,125

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
		\$	\$ None
Total Credits			\$

**ACCUMULATED AMORTIZATION OF WASTEWATER
CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 155,272
Debits during the year:	
Accruals charged to Account 272	\$ 0
Other debits (specify):	
Total debits	\$ 0
Credits during the year (specify):	
	\$ 0
Total credits	\$ 0
Balance end of year	\$ 155,272

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
Flat Rate Revenues:				
521.1	Residential Revenues	109	109	\$ 30,981
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues			
521.6	Other Revenues			
521	Total Flat Rate Revenues	109	109	\$ 30,981
Measured Revenues:				
522.1	Residential Revenues			
522.2	Commercial Revenues			
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues			
522	Total Measured Revenues	0	0	\$ 0
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
Total Wastewater Sales		109	109	\$ 30,981
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$
531	Sale of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			
Total Other Wastewater Revenues				\$ 0

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
	Flat Rate Reuse Revenues:			
540.1	Residential Reuse Revenues			\$
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Revenues			
540	Total Flat Rate Reuse Revenues	0	0	\$ 0
	Measured Reuse Revenues:			
541.1	Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues	0	0	\$ 0
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				\$ 0
Total Wastewater Operating Revenues				\$ 30,981

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 COLLECTION EXPENSES - OPERATIONS	.2 COLLECTION EXPENSES - MAINTENANCE	.3 PUMPING EXPENSES - OPERATIONS	.4 PUMPING EXPENSES - MAINTENANCE	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
701	Salaries and Wages - Employees	10,800						
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits	2,160						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense				304			
715	Purchased Power	6,082						
716	Fuel for Power Purchased						5,778	
718	Chemicals	8,604					8,604	
720	Materials and Supplies							
731	Contractual Services-Engineering	0						
732	Contractual Services - Accounting							
733	Contractual Services - Legal							
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing	7,976						7,976
736	Contractual Services - Other							
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expenses							
756	Insurance - Vehicle							
757	Insurance - General Liability							
758	Insurance - Workman's Comp.							
759	Insurance - Other							
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp -Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	5,292				529		4,763
Total Wastewater Utility Expenses		40,914	304	529	529	529	14,382	12,739

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	(a)	(b)	(j)	(k)	(l)	(m)	(n)	(o)
701	Salaries and Wages - Employees	\$	10,800						
703	Salaries and Wages - Officers, Directors and Majority Stockholders								
704	Employee Pensions and Benefits		2,160						
710	Purchased Sewage Treatment								
711	Sludge Removal Expense								
715	Purchased Power								
716	Fuel for Power Purchased								
718	Chemicals								
720	Materials and Supplies								
731	Contractual Services-Engineering		0						
732	Contractual Services - Accounting								
733	Contractual Services - Legal								
734	Contractual Services - Mgt. Fees								
735	Contractual Services - Testing								
736	Contractual Services - Other								
741	Rental of Building/Real Property								
742	Rental of Equipment								
750	Transportation Expenses								
756	Insurance - Vehicle								
757	Insurance - General Liability								
758	Insurance - Workman's Comp.								
759	Insurance - Other								
760	Advertising Expense								
766	Regulatory Commission Expenses								
	- Amortization of Rate Case Expense								
767	Regulatory Commission Exp. - Other								
770	Bad Debt Expense								
775	Miscellaneous Expenses								
	Total Wastewater Utility Expenses	\$	12,960						

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2010
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SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	109	109
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				109

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater 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:

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

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC Calculation: $6,180,000 / 109 / 365 = 155$

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.0270		
Basis of Permit Capacity (1)	AADF		
Manufacturer	MARLOF		
Type (2)	Advance Treatment		
Hydraulic Capacity	Unknown		
Average Daily Flow	18,000		
Total Gallons of Wastewater Treated	6,460,000		
Method of Effluent Disposal	PONDS		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
(i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served 109
2. Maximum number of ERCs* which can be served 117
3. Present system connection capacity (in ERCs*) using existing lines 109
4. Future connection capacity (in ERCs*) upon service area buildout 0
5. Estimated annual increase in ERCs* 0
6. 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
If so, when? _____
9. Has the utility been required by the DEP or water management district to implement reuse? No
If so, what are the utility's plans to comply with this requirement? _____
10. When did the company last file a capacity analysis report with the DEP Never
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? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? No
12. Department of Environmental Protection ID # FLA 010771

* An ERC is determined based on the calculation on S-11.

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue**

Water Operations

Class A & B

Company: Marion Utilities, Inc.

For the Year Ended December 31, 2009

(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)			0
Total Metered Sales (461.1 - 461.5)	1,434,169	1,434,169	
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)	91,412	91,412	
Total Water Operating Revenue	\$ 1,525,581	\$ 1,525,581	0
Less, Expense for Purchased Water from FPSC-Regulated Utility			
Net Water Operating Revenue	\$ 1,525,581	\$ 1,525,581	\$ 0

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule W-9 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences in column (d).

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

Company: Marion Utilities, Inc.
For the Year Ended December 31, 2010

(a)	(b)	(c)	(d)
Accounts:	Gross Wastewater Revenues Per Sch. S-9	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:	\$	\$	\$
Total Flat-Rate Revenues (521.1 - 521.6)	30,981	30,981	0
Total Measured Revenues (522.1 - 522.5)			
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	\$ 30,981	\$ 30,981	0
Less, Expense for Purchased Wastewater from FPSC-Regulated Utility			
Net Wastewater Operating Revenue	\$ 30,981	\$ 30,981	\$ 0

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule S-9 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences in column (d).