

CLASS "A" OR "B"

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

ANNUAL REPORT

OF

WS160-11-AR
Tim E. Thompson
Marion Utilities, Inc.
710 N.E. 30th Avenue
Ocala, FL 34470-6460

Submitted To The

STATE OF FLORIDA



FOR THE

YEAR ENDED DECEMBER 31, 2011



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

Accountants' Compilation Report

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Ocala, FL 34471
352-732-4260
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March 25, 2012

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

We have compiled the accompanying balance sheets of Marion Utilities, Inc. (a corporation) as of December 31, 2011 and December 31, 2010, and the related statement of income and retained earnings for the year ended December 31, 2011 included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Florida Public Service Commission.

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

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

These financial statements 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, 2011

CERTIFICATION OF ANNUAL REPORT

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

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES	NO
<input checked="" type="checkbox"/>	<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 financial statement of the utility.

YES	NO
<input checked="" type="checkbox"/>	<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 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.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>


(Signature of Chief Executive Officer of the utility) *

1.	2.	3.	4.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>


(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, 2011
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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.	<u>Tim E. Thompson</u>	<u>51%</u>
2.	<u>Linda L. Thompson</u>	<u>49%</u>
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
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**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 (352) 732-4260	Various

(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.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
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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.

- A. Marion Utilities, Inc. was organized in 1980 to provide water and wastewater service in Marion County. The officers and shareholders are Tim and Linda Thompson. The utility originally acquired 11 systems and 1,150 customers. Growth has been steady through expansion and new acquisitions.
- B. The Company provides water and wastewater services.
- C. The Utility's goals are to provide quality service and earn a fair rate of return on its investment.
- D. We have only two division of operation: administrative and field operations.
- E. The Utility experienced rapid growth in the past, but due to current economic conditions future growth cannot be predicted.
- F. The Utility had an over-earnings investigation by the Florida Public Service Commission in 1994 and 1995. The order was final November 30, 1995. Refunds were made December, 1995. In 2003 the Quadvilla system was sold to Silver Springs Regional Water & Sewer System. Final order was issued December 21, 2011 allowing the deletion of Logan's Run/International Villas from our tariff

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

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 E-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, 2011
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Tim E. Thompson	President	100%	\$ 183,379
Linda L. Thompson	Secretary/ Treasurer	100%	183,379

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011

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	\$ 39,372	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.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
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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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011

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

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.						
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	\$ _____	_____	\$ _____	_____	\$ _____	_____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6, identifying the parties, amounts, dates and product, and asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
 - management, legal and accounting services
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land, and equipment
 - rental transactions
 - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased (S)old (d)	AMOUNT (e)
Lou Earl Properties	Rent	November, 1983	P	\$ 39,372

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
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BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets						
<p>1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> -purchase, sale or transfer of equipment -purchase, sale or transfer of land and structures -purchase, sale or transfer of securities -noncash transfers of assets -noncash dividends other than stock dividends -write-off of bad debts or loans 	<p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (a) Enter name of related party or company. (b) Describe briefly the type of assets purchased, sold or transferred. (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S". (d) Enter the net book value for each item reported. (e) Enter the net profit or loss for each item reported. (column (c) - column (d)) (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value. 					
NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)	
NONE		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
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		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	

**FINANCIAL
SECTION**

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

**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	\$ 5,352,487	\$ 5,324,828
108-110	Less: Accumulated Depreciation and Amortization	F-8	2,434,076	2,502,897
Net Plant			\$ 2,918,411	\$ 2,821,931
114-115	Utility Plant Acquisition adjustment (Net)	F-7	(22,303)	(21,311)
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 2,896,108	\$ 2,800,620
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		\$ 258,077	\$ 269,422
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	25,287	29,641
145	Accounts Receivable from Associated Companies	F-12		0
146	Notes Receivable from Associated Companies	F-12		0
151-153	Material and Supplies		868	3,680
161	Stores Expense			
162	Prepayments		1,365	1,438
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			\$ 285,597	\$ 304,181

* Not Applicable for Class B Utilities

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011
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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)
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			\$ 3,184,367	\$ 3,107,463

* Not Applicable for Class B Utilities

<p><u>NOTES TO THE BALANCE SHEET</u></p> <p>The space below is provided for important notes regarding the balance sheet.</p>
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UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

**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	613,618	637,291
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 614,618	\$ 638,291
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	12,253	32,600
Total Long Term Debt			\$ 12,253	\$ 32,600
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		526,220	511,161
232	Notes Payable	F-18	18,046	20,169
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		125,900	128,595
236	Accrued Taxes	W/S-3	0	0
237	Accrued Interest	F-19	6,853	7,220
238	XXXX Accrued regulatory fees		38,595	37,182
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	122,461	114,506
Total Current & Accrued Liabilities			\$ 838,075	\$ 818,833

* Not Applicable for Class B Utilities

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

**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		3,273	3,039
Total Deferred Credits			\$ align="right">135,559	\$ align="right">135,325
OPERATING RESERVES				
261	Property Insurance Reserve		\$	\$
262	Injuries & Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves			\$ align="right">0	\$ align="right">0
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ align="right">3,114,969	\$ align="right">3,084,915
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	1,615,344	1,686,738
Total Net C.I.A.C.			\$ align="right">1,499,625	\$ align="right">1,398,177
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes – Accelerated Depreciation		\$ align="right">191,522	\$ align="right">191,522
282	Accumulated Deferred Income Taxes – Liberalized Depreciation			
283	Accumulated Deferred Income Taxes – Other		(107,285)	(107,285)
Total Accumulated Deferred Income Tax			\$ align="right">84,237	\$ align="right">84,237
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ align="right">3,184,367	\$ align="right">3,107,463

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2011

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)	\$ 1,563,720	\$ 1,591,293
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	0	0
Net Operating Revenues			\$ 1,563,720	\$ 1,591,293
401	Operating Expenses	F-3(b)	\$ 1,327,885	\$ 1,278,892
403	Depreciation Expense:	F-3(b)	\$ 138,670	\$ 136,757
	Less: Amortization of CIAC	F-22	108,934	108,849
Net Depreciation Expense			\$ 29,736	\$ 27,908
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	0	0
407	Amortization Expense (Other than CIAC)	F-3(b)	253	253
408	Taxes Other Than Income	W/S-3	148,145	148,073
409	Current Income Taxes (Tax benefit NOL utilized)	W/S-3	0	(2,400)
410.10	Deferred Federal Income Taxes	W/S-3	0	16,509
410.11	Deferred State Income Taxes	W/S-3	0	4,716
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	0	(18,825)
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			\$ 1,505,785	\$ 1,454,892
Net Utility Operating Income			\$ 57,935	\$ 136,401
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		0
413	Income From Utility Plant Leased to Others			0
414	Gains (losses) From Disposition of Utility Property		(1,081)	-3,997
420	Allowance for Funds Used During Construction			0
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 56,854	\$ 132,404

* 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)
\$ 1,552,877	\$ 31,337	\$ 7,079
\$ 1,552,877	\$ 31,337	\$ 7,079
\$ 1,237,601	\$ 37,267	\$ 4,024
135,098	1,659	
108,849	0	
\$ 26,249	\$ 1,659	\$
0	0	0
253	0	0
143,760	4,029	284
(2,400)	0	
16,509	0	
4,716	0	
(18,825)		
(234)		
\$ 1,407,629	\$ 42,955	\$ 4,308
\$ 145,248	\$ (11,618)	\$ 2,771
-3,997	0	
\$ 141,251	\$ (11,618)	\$ 2,771

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

UTILITY NAME: Marlon Utilities, Inc.

YEAR OF REPORT December 31, 2011
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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)]			\$ 56,854	\$ 132,404
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		1,166	859
421	Nonutility Income		991	991
426	Miscellaneous Nonutility Expenses		(1,723)	(825)
Total Other Income and Deductions			\$ 434	\$ 1,025
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	5,119
411.20	Provision for Deferred Income Taxes - Credit			-5,119
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	\$ 8,880	\$ 9,756
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 8,880	\$ 9,756
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ 0	\$ 0
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$ 0	\$ 0
NET INCOME			\$ 48,408	\$ 123,673

Explain Extraordinary Income:

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011

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	\$ 5,140,020	\$ 184,808
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	2,309,963	169,784
110	Accumulated Amortization	F-8	23,150	0
271	Contributions In Aid of Construction	F-22	2,925,774	159,141
252	Advances for Construction	F-20	132,286	
Subtotal			\$ -251,153	\$ -144,117
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	1,531,466	155,272
Subtotal			\$ 1,280,313	\$ 11,155
114	Plus or Minus: Acquisition Adjustments (2)	F-7	164,972	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(164,972)	
	Working Capital Allowance (3)		137,503	
	Other (Specify): Deferred income tax on C IAC		16,387	
RATE BASE			\$ 1,434,203	\$ 11,155
NET UTILITY OPERATING INCOME			\$ 141,251	\$ (11,618)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			9.85%	-104.15%

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, 2011
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**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	\$ 638,291	70.379%	10.72%	7.54%
Preferred Stock				
Long Term Debt	52,769	5.818%	6.84%	0.40%
Customer Deposits	128,595	14.179%	6.00%	0.85%
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes	84,237	9.288%	0.00%	0.00%
Other (Explain)	0			
Investment Tax Credits	3,039	0.335%	0.00%	0.00%
Total	\$ 906,931	100.000%		8.79%

(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.

UTILITY NAME:

Marion Utilities, Inc.

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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	\$ 638,291	\$ _____	\$ _____	\$ _____	\$ _____	\$ 638,291
Preferred Stock	_____	_____	_____	_____	_____	_____
Long Term Debt	52,769	_____	_____	_____	_____	52,769
Customer Deposits	128,595	_____	_____	_____	_____	128,595
Tax Credits - Zero Cost	_____	_____	_____	_____	_____	_____
Tax Credits - Weighted Cost	_____	_____	_____	_____	_____	_____
Deferred Inc. Taxes	0	_____	_____	_____	_____	0
Other (Explain)	_____	_____	_____	_____	_____	_____
Investment Tax Credits	3,039	_____	_____	_____	_____	3,039
Total	\$ 822,694	\$ _____	\$ _____	\$ _____	\$ _____	\$ 822,694

(1) Explain below all adjustments made in Columns (e) and (f):

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
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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	\$ 4,919,118	\$ 184,808	\$ 0	\$ 5,103,926
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	\$ 5,140,020	\$ 184,808	\$ 0	\$ 5,324,828

**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	\$ _____	\$ _____	\$ _____	\$ _____
		<u>SEE SCHEDULE ATTACHED</u>			
	Total Plant Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Net Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: Marion Utilities, Inc.

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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	11,318			11,318
	Spruce Creek	35,620			35,620
	Deer Creek	(3,955)			(3,955)
	Windgate	(15,671)			(15,671)
	Total Accumulated Amortization	\$ (251,059)	\$ -	\$ -	\$ (251,059)
	Net Aquisition Adjustments	\$ (21,311)	\$ -	\$ -	\$ (21,311)

UTILITY NAME: Marion Utilities, Inc.

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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	\$ 2,243,054	\$ 168,125	\$ 0	\$ 2,411,179
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 135,098	\$ 1,659	\$	\$ 136,757
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				

Salvage				
Other Credits (Specify):				
Total Credits				
	\$ 135,098	\$ 1,659	\$ 0	\$ 136,757
Debits during year:				
Book cost of plant retired	68,189	0		68,189
Cost of Removal				
Other Debits (specify):				

Rounding				
Total Debits				
	\$ 68,189	\$ 0	\$ 0	\$ 68,189
Balance end of year	\$ 2,309,963	\$ 169,784	\$ 0	\$ 2,479,747
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$ 22,897	\$ 0	\$ 0	\$ 22,897
Credit during year:				
Accruals charged to:				
Account 407	\$ 253	\$ 0	\$ 0	\$ 253
Account 110.2 (2)				
Other Accounts (specify):				

Total credits				
	\$ 253	\$ 0	\$ 0	\$ 253
Debits during year:				
Book cost of plant retired	0			
Other debits (specify):				

Total Debits				
	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	\$ 23,150	\$ 0	\$ 0	\$ 23,150

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

UTILITY NAME: Marion Utilities, Inc.

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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 DEPOSITS (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

UTILITY NAME: Marion Utilities, Inc.

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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

UTILITY NAME: Marion Utilities, Inc.

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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	\$ 29,611	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 29,611
OTHER ACCOUNTS RECEIVABLE (Account 142):		
Returned check	\$ 30	
Total Other Accounts Receivable		\$ 30
NOTES RECEIVABLE (Account 144):		
	\$ 0	
Total Notes Receivable		\$ 0
Total Accounts and Notes Receivable		\$ 29,641
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ 0	
Add: Provision for uncollectibles for current year	\$ 6,162	
Collection of accounts previously written off	1,794	
Utility Accounts		
Others		
Total Additions	\$ 7,956	
Deduct accounts written off during year:		
Utility Accounts	7,956	
Others		
Total accounts written off	\$ 7,956	
Balance end of year		\$ 0
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 29,641

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

UTILITY NAME: Marion Utilities, Inc.

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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

UTILITY NAME: Marion Utilities, Inc.

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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.

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STATEMENT OF RETAINED EARNINGS

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- 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	\$ 613,618
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits:	\$ 0
	Total Credits:	\$ 0
	Debits:	\$ 0
	Rounding	4
	Total Debits:	\$ 0
435	Balance Transferred from Income	\$ 123,673
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	\$ 637,291
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		\$ 637,291
Notes to Statement of Retained Earnings:		

UTILITY NAME: Marion Utilities, Inc.

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**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

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

**OTHER LONG-TERM DEBT
ACCOUNT 224**

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)	
			\$
Note on vehicle Issue date 2/26/09 - Maturity 4/12/12	4.49 %	Fixed	3,263
Note on vehicle Issue date 7/06/10 - Maturity 8/05/13	8.79 %	Fixed	8,991
Note on vehicle Issue date 1/19/11 - Maturity 2/19/14	6.79 %	Fixed	12,367
Note on vehicle Issue date 12/30/11 - Maturity 1/30/16	6.24 %	Fixed	28,148
	%		
Less, Current Portion on page F-18			(20,169)
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 32,600

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

UTILITY NAME: Marion Utilities, Inc.

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

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt	\$ 126	427	\$ 2,424	\$ 2,335	\$ 215
Total Account 237.1	\$ 126		\$ 2,424	\$ 2,335	\$ 215
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits - Water	\$ 6,647	427	\$ 7,247	\$ 6,975	\$ 6,919
Customer Deposits - Sewer	80	427	85	79	86
Total Account 237.2	\$ 6,727		\$ 7,332	\$ 7,054	\$ 7,005
Total Account 237 (1)	\$ 6,853		\$ 9,756	\$ 9,389	\$ 7,220
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 9,756	(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	
Less Capitalized Interest Portion of AFUDC:					
Net Interest Expensed to Account No. 427 (2)			\$ 9,756		

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011
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**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Director fees	\$ 4,200
Accrued officers' salaries	11,600
Accrued profit sharing contribution payable	57,009
Accrued professional fees	16,450
Customer prepayments	25,247
Total Miscellaneous Current and Accrued Liabilities	\$ 114,506

**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		\$	\$	\$ 132,286

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
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**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1): _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
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.

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**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>2,955,828</u>	\$ <u>159,141</u>	\$ _____	\$ <u>3,114,969</u>
Add credits during year:	\$ <u>9,590</u>	\$ <u>0</u>	\$ _____	\$ <u>9,590</u>
Less debit charged during the year	\$ <u>39,644</u>	\$ <u>0</u>	\$ _____	\$ <u>39,644</u>
Total Contribution In Aid of Construction	\$ <u>2,925,774</u>	\$ <u>159,141</u>	\$ <u>0</u>	\$ <u>3,084,915</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>1,460,072</u>	\$ <u>155,272</u>	\$ _____	\$ <u>1,615,344</u>
Debits during the year:	\$ <u>108,849</u>	\$ <u>0</u>	\$ _____	\$ <u>108,849</u>
Credits during the year	\$ <u>-37,455</u>	\$ <u>0</u>	\$ _____	\$ <u>-37,455</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u>1,531,466</u>	\$ <u>155,272</u>	\$ <u>0</u>	\$ <u>1,686,738</u>

UTILITY NAME: Marion Utilities, Inc.

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

<p>1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.</p> <p>2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.</p>		
DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 123,673
Add back income tax		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
Accrued director fees not paid this year		4,200
Accrued salaries due to shareholders not paid this year		11,600
Excess of book loss over tax loss on disposal		3,226

Income recorded on books not included in return:		
Amortization of CIAC		(108,849)
ITC restored to income		(233)
Net amortization of acquisition adjustments		(992)

Deduction on return not charged against book income:		
Prior year accrued salaries to shareholders paid this year		(15,000)
Excess of tax depreciation over book depreciation		(18,985)
NOL Carryforward Utilized	**	(8,240)

Federal tax net income		\$ - 0 -
Computation of tax :		
** <u>Tax benefit of NOL utilized</u>		
Federal 8,240 - 454 state tax x 25% = 1,947		1,947
State 8,240 x 5.5% = 454		454
Total		<u>2,401</u>

**WATER
OPERATION
SECTION**

GROUP 1

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
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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 4,804,701+114,417	W-4(b)	\$ 4,919,118
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation 2,233,096+76,867	W-6(b)	2,309,963
110	Accumulated Amortization 23,150+0	F-8	23,150
271	Contributions In Aid of Construction 2,858,727+67,047	W-7	2,925,774
252	Advances for Construction 132,286+0	F-20	132,286
Subtotal			\$ -472,055
272	Add: Accumulated Amortization of Contributions in Aid of Construction 1,427,409+59,057	W-8(a)	\$ 1,531,466
Subtotal			\$ 1,059,411
	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)		137,503
	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			\$ 1,434,203
WATER OPERATING INCOME		W-3	\$ 141,251
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			9.85%

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.
 SYSTEM NAME / COUNTY : Marion Utilities/Marion County

YEAR OF REPORT
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WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ 1,552,877
469	Less: Guaranteed Revenue and AFPI	W-9	0
Net Operating Revenues			\$ 1,552,877
401	Operating Expenses	W-10(a)	\$ 1,237,601
403	Depreciation Expense 132,200+2,898	W-6(a)	135,098
	Less: Amortization of CIAC 107,077+1,772	W-8(a)	108,849
Net Depreciation Expense			\$ 26,249
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		69,879
408.11	Property Taxes		24,644
408.12	Payroll Taxes		37,935
408.13	Other Taxes and Licenses		11,302
408	Total Taxes Other Than Income		\$ 143,760
409.1	Income Taxes (Tax benefit of NOL utilized)		(2,400)
410.10	Deferred Federal Income Taxes		16,509
410.11	Deferred State Income Taxes		4716
411.10	Provision for Deferred Income Taxes - Credit		(18,825)
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		(234)
Utility Operating Expenses			\$ 1,407,629
Utility Operating Income			\$ 145,248
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		(3,997)
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 141,251

UTILITY NAME: Marion Utilities, Inc.

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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	(4,269)	84,225
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	147,388		(2,716)	144,672
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	305,158	0	(6,825)	298,333
320	Water Treatment Equipment	30,663	0	(135)	30,528
330	Distribution Reservoirs and Standpipes	214,511	0	(7,132)	207,379
331	Transmission and Distribution Mains	2,831,979	0	(8,668)	2,823,311
333	Services	500,415	0		500,415
334	Meters and Meter Installations	302,512	736	(1,264)	301,984
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	79,909	0	0	79,909
341	Transportation Equipment	136,348	44,771	(40,893)	140,226
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	1,210	(2,474)	4,194
347	Miscellaneous Equipment				
348	Other Tangible Plant	35,519	0	0	35,519
TOTAL WATER PLANT		\$ 4,832,360	\$ 46,717	\$ (74,376)	\$ 4,804,701

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

UTILITY NAME: Marion Utilities, Inc.

<p>YEAR OF REPORT December 31, 2011</p>

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	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	\$ 25,391	\$ 25,391	\$	\$	\$	\$
302	Franchises						
303	Land and Land Rights	105,417					105,417
304	Structures and Improvements	84,225					84,225
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	144,672		144,672			
308	Infiltration Galleries and Tunnels						
309	Supply Mains						
310	Power Generation Equipment						
311	Pumping Equipment	298,333		298,333			
320	Water Treatment Equipment	30,528			30,528		
330	Distribution Reservoirs and Standpipes	207,379				207,379	
331	Transmission and Distribution Mains	2,823,311				2,823,311	
333	Services	500,415				500,415	
334	Meters and Meter Installations	301,984				301,984	
335	Hydrants						
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment	79,909					79,909
341	Transportation Equipment	140,226					140,226
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	23,198					23,198
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment	4,194					4,194
347	Miscellaneous Equipment						
348	Other Tangible Plant	35,519					35,519
TOTAL WATER PLANT		\$ 4,804,701	\$ 25,391	\$ 443,005	\$ 30,528	\$ 3,833,089	\$ 472,688

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011

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.

UTILITY NAME: Marion Utilities, Inc.

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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	\$ 64,534	\$ 2,000		\$ 2,000
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	108,639	3,353		3,353
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	258,914	9,252		9,252
320	Water Treatment Equipment	23,656	1,158		1,158
330	Distribution Reservoirs and Standpipes	97,965	5,333		5,333
331	Transmission and Distribution Mains	1,010,891	62,008		62,008
333	Services	170,865	12,139		12,139
334	Meters and Meter Installations	234,541	7,732		7,732
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	70,190	2,194		2,194
341	Transportation Equipment	80,680	23,966		23,966
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	9,586	1,233		1,233
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	5,158	369		369
347	Miscellaneous Equipment				
348	Other Tangible Plant	33,466	1,463		1,463
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 2,169,085	\$ 132,200		\$ 132,200

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

UTILITY NAME:

Marion Utilities, Inc.

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SYSTEM NAME / COUNTY :

Marion Utilities/Marion County

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

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED	SALVAGE AND INSURANCE	COST OF REMOVAL AND OTHER CHARGES	TOTAL CHARGES (g-h+i)	BALANCE AT END OF YEAR (c+f-k)
(a)	(b)	(g)	(h)	(i)	(j)	(l)
304	Structures and Improvements	\$ 3,460	\$	\$	\$ (3,460)	\$ 63,074
305	Collecting and Impounding Reservoirs				0	
306	Lake, River and Other Intakes				0	
307	Wells and Springs	2,354			(2,354)	109,638
308	Infiltration Galleries and Tunnels				0	
309	Supply Mains				0	
310	Power Generation Equipment				0	
311	Pumping Equipment	6,363			(6,363)	261,803
320	Water Treatment Equipment	136			(136)	24,678
330	Distribution Reservoirs and Standpipes	5,349			(5,349)	97,949
331	Transmission and Distribution Mains	5,896			(5,896)	1,067,003
333	Services				0	183,004
334	Meters and Meter Installations	1,264			(1,264)	241,009
335	Hydrants				0	
336	Backflow Prevention Devices				0	
339	Other Plant Miscellaneous Equipment				0	
340	Office Furniture and Equipment				0	72,384
341	Transportation Equipment	40,893			(40,893)	63,753
342	Stores Equipment				0	
343	Tools, Shop and Garage Equipment				0	10,819
344	Laboratory Equipment				0	
345	Power Operated Equipment				0	
346	Communication Equipment	2,474			(2,474)	3,053
347	Miscellaneous Equipment				0	
348	Other Tangible Plant				0	34,929
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 68,189	\$	\$	\$ (68,189)	\$ 2,233,096

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011
--

SYSTEM NAME / COUNTY : Marion Utilities/Marion

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ 2,888,781
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$ 8,990
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	600
Total Credits		\$ 9,590
Less debits charged during the year (All debits charged during the year must be explained below)		\$ 39,644
Total Contributions In Aid of Construction		\$ 2,858,727

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:

Previously collected Customer and Developer CIAC in connection with Logan's Run Subdivision - \$39,644

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UTILITY NAME: Marion Utilities, Inc.
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	8	\$ 250 - 755	\$ 4,180
Construction			4,810
Total Credits			\$ 8,990

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 1,402,787
Debits during the year:	
Accruals charged to Account 272	\$ 107,077
Other debits (specify):	
Total debits	\$ 107,077
Credits during the year (specify):	
Abandonment of Logan's Run subdivision - Customer CIAC	\$ (7,746)
Abandonment of Logan's Run subdivision - Developer CIAC	(29,709)
Total credits	\$ (37,455)
Balance end of year	\$ 1,472,409

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

YEAR OF REPORT December 31, 2011

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)
Forfeiture balance due on contract payable to Developer (Indian Meadows Subdivision)	Cash	\$ 600
Total Credits		\$ 600

UTILITY NAME:

Marion Utilities, Inc.

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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	6,014	6,159	1,470,166
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	6,159	\$ 1,470,166
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	6,159	\$ 1,470,166
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			48,335
471	Miscellaneous Service Revenues			16,500
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			17,876
Total Other Water Revenues				\$ 82,711
Total Water Operating Revenues				\$ 1,552,877

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

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UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 239,173	\$ 37,744	\$ 31,113
603	Salaries and Wages - Officers, Directors and Majority Stockholders	366,758	18,338	9,169
604	Employee Pensions and Benefits	119,849	11,217	8,056
610	Purchased Water	0		
615	Purchased Power	99,877	95,924	
616	Fuel for Power Purchased	5,205		
618	Chemicals	14,158		
620	Materials and Supplies	0		
631	Contractual Services-Engineering	1,000		
632	Contractual Services - Accounting	21,286		
633	Contractual Services - Legal			
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	22,139		
636	Contractual Services - Other	0		
641	Rental of Building/Real Property	39,372		
642	Rental of Equipment			
650	Transportation Expenses	18,936	3,701	1,851
656	Insurance - Vehicle	9,631		
657	Insurance - General Liability	7,919		
658	Insurance - Workman's Comp.	8,033		
659	Insurance - Other	60,067		
660	Advertising Expense	76		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	6,162		
675	Miscellaneous Expenses	197,960	19,406	9,703
Total Water Utility Expenses		\$ 1,237,601	\$ 186,330	\$ 59,892

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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)
\$ 51,008	\$	\$ 30,873	\$	\$ 81,557	\$ 6,878
		36,676		201,717	100,858
10,202		12,172		56,655	21,547
					3,953
4,715					490
14,158					
1,000					21,286
					0
22,139					0
					39,372
3,701		4,626		2,776	2,281
					9,631
					7,919
					8,033
					60,067
					76
				6,162	
19,406		48,515		44,155	56,775
\$ 126,329	\$	\$ 132,862	\$	\$ 393,022	\$ 339,166

UTILITY NAME: Marion Utilities, Inc.

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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		36,781	2	36,779	33,116
February		35,515	3	35,512	31,056
March		50,426	5	50,421	38,061
April		55,757	3	55,754	48,866
May		71,939	3	71,936	65,587
June		64,066	1	64,065	62,565
July		47,081	5	47,076	40,281
August		45,142	3	45,139	39,695
September		46,647	2	46,645	42,844
October		44,961	3	44,958	38,106
November		41,690	3	41,687	35,633
December		41,969	4	41,965	34,069
Total for Year	less, Windgate	581,974 -15,079 566,895	 37	581,937 -15,079 566,858	509,879 -15,079 494,800

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

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, 2011

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
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

YEAR OF REPORT
December 31, 2011

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY : All Systems/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: _____

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
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

YEAR OF REPORT
December 31, 2011

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

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	6,120	6,120
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				6,239

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 = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

ERC Calculation:

$$494,800,000 / 6,239 / 365 = 218$$

UTILITY NAME:

Marlon Utilities, Inc.

YEAR OF REPORT
December 31, 2011

SYSTEM NAME / COUNTY :

International Villas/Marlon County

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * 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.

W-14

GROUP I

SYSTEM _____

PLANT RETIRED 12/21/2011 ORDER PSC-11-0585-FQF-WU

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

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 ERCs * 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 # 3420163

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.

YEAR OF REPORT
December 31, 2011

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 ERCs * 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.

YEAR OF REPORT
December 31, 2011

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 ERCs * 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.

W-14
GROUP 1
SYSTEM _____

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 ERCs * 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: Marina 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 ERCs * the system can efficiently serve. 539

2. Maximum number of ERCs * 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: Marlon Utilities, Inc.

SYSTEM NAME / COUNTY : Stone Oaks/Marlon County

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * 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.
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, 2011

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 ERCs * 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, 2011

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 ERCs * 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, 2011

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 ERCs * 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 : 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 ERCs * 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

YEAR OF REPORT
December 31, 2011

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * 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.

YEAR OF REPORT
December 31, 2011

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 ERCs * 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

YEAR OF REPORT
December 31, 2011

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * 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

YEAR OF REPORT
December 31, 2011

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * 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: Marlon Utilities, Inc.
 SYSTEM NAME / COUNTY : Spruce Creek/Marlon County

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * 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

YEAR OF REPORT
December 31, 2011

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * 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 ERCs * 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, 2011

WATER 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 water financial schedules (W-2 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-15) must be filed for each system in the group.

All of the following water pages (W-2 through W-15) should be completed for each group and arranged by group number.

SYSTEM NAME / COUNTY	CERTIFICATE NUMBER	GROUP NUMBER
Marion Utilities/Marion	347 W	1
*Windgate Estates/Marion	347 W	2
*Includes Bordering Oaks Estates and Colebrook		

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011
--

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)	76,867
110	Accumulated Amortization	F-8	0
271	Contributions In Aid of Construction	W-7	67,047
252	Advances for Construction	F-20	0
Subtotal			\$ (29,497)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 59,057
Subtotal			\$ 29,560
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	0
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	0
	Working Capital Allowance (3)		
	Other (Specify):		
103	Property held for future use		0
105	Construction work in process		0
WATER RATE BASE			\$ 29,560
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, 2011

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			\$ _____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011
--

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		\$ <u>114,417</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>114,417</u>

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

YEAR OF REPORT December 31, 2011

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	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						
311	Pumping Equipment	15,151		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.

YEAR OF REPORT December 31, 2011
--

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.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011
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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)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 5,402	\$ 207		\$ 207
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	7,300	257		257
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	10,409	741		741
320	Water Treatment Equipment	1,737	100		100
330	Distribution Reservoirs and Standpipes	7,400	229		229
331	Transmission and Distribution Mains	26,971	1,118		1,118
333	Services	4,469	163		163
334	Meters and Meter Installations	10,281	83		83
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		\$ 73,969	\$ 2,898		\$ 2,898

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

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

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) (j)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$ _____	\$ _____	\$ _____	\$ _____ 0	\$ _____ 5,609
305	Collecting and Impounding Reservoirs	_____	_____	_____	_____ 0	_____
306	Lake, River and Other Intakes	_____	_____	_____	_____ 0	_____
307	Wells and Springs	_____	_____	_____	_____ 0	_____ 7,557
308	Infiltration Galleries and Tunnels	_____	_____	_____	_____ 0	_____
309	Supply Mains	_____	_____	_____	_____ 0	_____
310	Power Generation Equipment	_____	_____	_____	_____ 0	_____
311	Pumping Equipment	_____	_____	_____	_____ 0	_____ 11,150
320	Water Treatment Equipment	_____	_____	_____	_____ 0	_____ 1,837
330	Distribution Reservoirs and Standpipes	_____	_____	_____	_____ 0	_____ 7,629
331	Transmission and Distribution Mains	_____	_____	_____	_____ 0	_____ 28,089
333	Services	_____	_____	_____	_____ 0	_____ 4,632
334	Meters and Meter Installations	_____	_____	_____	_____ 0	_____ 10,364
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		\$ _____ 0	\$ _____	\$ _____	\$ _____	\$ _____ 76,867

UTILITY NAME: Marion Utilities, Inc.

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:

YEAR OF REPORT
December 31, 2011

UTILITY NAME: Marion Utilities, Inc.

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	\$ 57,285
Debits during the year:	
Accruals charged to Account 272	\$ 1,772
Other debits (specify):	_____
_____	_____
_____	_____
Total debits	\$ 1,772
Credits during the year (specify):	
_____	\$ 0
_____	_____
Total credits	\$ 0
Balance end of year	\$ 59,057

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

SYSTEM NAME/COUNTY: Windgate Estates/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, 2011
--

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	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	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	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, 2011

SYSTEM NAME / COUNTY :

Windgate Estates/Marion County

WATER UTILITY EXPENSE ACCOUNTS			NOT AVAILABLE	
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	\$ _____	\$ _____	\$ _____
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		\$ _____	\$ _____	\$ _____

FILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

STEM 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)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	0
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011
--

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					15,079

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, 2011

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: $15,079,000 / 140 / 365 = 295$
--

UTILITY NAME: Marion Utilities, Inc.

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 ERCs * the system can efficiently serve. 149

2. Maximum number of ERCs * which can be served. 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 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 # 3421576

12. Water Management District Consumptive Use Permit # 4581

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.

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011
--

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.
 SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

YEAR OF REPORT December 31, 2011
--

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)	169,784
110	Accumulated Amortization		
271	Contributions In Aid of Construction	S-7	159,141
252	Advances for Construction	F-20	
Subtotal			\$ (144,117)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 155,272
Subtotal			\$ 11,155
114	Plus or Minus: Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		
	Other (Specify):		
WASTEWATER RATE BASE			\$ 11,155
WASTEWATER OPERATING INCOME		S-3	\$ (11,618)
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.
 SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

YEAR OF REPORT December 31, 2011
--

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9(a)	\$ 31,337
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	
	Net Operating Revenues		\$ 31,337
401	Operating Expenses	S-10(a)	\$ 37,267
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		1,410
408.11	Property Taxes		665
408.12	Payroll Taxes		954
408.13	Other Taxes and Licenses		1,000
408	Total Taxes Other Than Income		\$ 4,029
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		\$ 42,955
	Utility Operating Income		\$ (11,618)
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		\$ (11,618)

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011

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		\$ align="right">184,808	\$ _____	\$ _____	\$ align="right">184,808

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

YEAR OF REPORT
December 31, 2011

NAME: Marion Utilities, Inc.

NAME / COUNTY: Cedar Hills Sewer/Marion County

WASTEWATER UTILITY PLANT MATRIX

ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (j)	.4 TREATMENT AND DISPOSAL (k)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (l)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (m)	.7 GENERAL PLANT (n)
Organization	\$	\$	\$	\$	\$	\$	\$
Franchises							
Land and Land Rights		3,869					
Structures and Improvements				9,606			
Power Generation Equipment							
Collection Sewers - Force		88,575					
Collection Sewers - Gravity							
Special Collecting Structures		2,097					
Services to Customers		17,363					
Flow Measuring Devices							
Flow Measuring Installations							
Reuse Services							
Reuse Meters and Meter Installations							
Receiving Wells			7,717				
Pumping Equipment			4,003				
Reuse Distribution Reservoirs							
Reuse Transmission and Distribution System							
Treatment and Disposal Equipment				45,745			
Plant Sewers							
Outfall Sewer Lines				102			
Other Plant Miscellaneous Equipment				1,656			
Office Furniture and Equipment							
Transportation Equipment							
Stores Equipment							
Tools, Shop and Garage Equipment							
Laboratory Equipment							
Power Operated Equipment							1,397
Communication Equipment							
Miscellaneous Equipment							1,478
Other Tangible Plant							1,200
Total Wastewater Plant	\$	\$ 111,904	\$ 11,720	\$ 57,109	\$	\$	\$ 4,075

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

UTILITY NAME:

Marion Utilities, Inc.

<p>YEAR OF REPORT December 31, 2011</p>

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.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
354	Structures and Improvements	\$ 4,013	\$ 291	\$	\$ 291
355	Power Generation Equipment				
360	Collection Sewers - Force	88,577	0		0
361	Collection Sewers - Gravity				0
362	Special Collecting Structures	699	57		57
363	Services to Customers	16,677	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	2,696	204		204
375	Reuse Transmission and Distribution System				0
380	Treatment and Disposal Equipment	44,625	275		275
381	Plant Sewers				0
382	Outfall Sewer Lines	42	3		3
389	Other Plant Miscellaneous Equipment	1,509	48	0	48
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	478	140	0	140
396	Communication Equipment				0
397	Miscellaneous Equipment	505	148	0	148
398	Other Tangible Plant	588	36		36
Total Depreciable Wastewater Plant in Service		\$ 168,125	\$ 1,659	\$ 0	\$ 1,659

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2011

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

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) (j)	BALANCE AT END OF YEAR (c+f-j) (k)
354	Structures and Improvements	\$	\$	\$	\$ 0	\$ 4,304
355	Power Generation Equipment				0	
360	Collection Sewers - Force				0	88,577
361	Collection Sewers - Gravity				0	
362	Special Collecting Structures				0	756
363	Services to Customers				0	17,134
364	Flow Measuring Devices				0	
365	Flow Measuring Installations				0	
366	Reuse Services				0	7,716
367	Reuse Meters and Meter Installations				0	2,900
370	Receiving Wells				0	
371	Pumping Equipment				0	44,900
375	Reuse Transmission and Distribution System				0	
380	Treatment and Disposal Equipment				0	45
381	Plant Sewers				0	1,557
382	Outfall Sewer Lines				0	
389	Other Plant Miscellaneous Equipment				0	
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				0	618
396	Communication Equipment				0	
397	Miscellaneous Equipment				0	653
398	Other Tangible Plant				0	624
Total Depreciable Wastewater Plant in Service		\$	\$	\$	\$ 0	\$ 169,784

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

YEAR OF REPORT
December 31, 2011

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

CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (c)
Balance first of year		\$ 159,141
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	S-8(a)	\$
Contributions received from Developer or Contractor Agreements in cash or property	S-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		\$ 159,141

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2011

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, 2011
--

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	\$ 31,337
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	\$ 31,337
	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	\$ 31,337
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, 2011

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				
540.1	Flat Rate Reuse Revenues: 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
541.1	Measured Reuse Revenues: 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				\$ 31,337

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

YEAR OF REPORT
December 31, 2011

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							
715	Purchased Power	5,005			250		4,755	
716	Fuel for Power Purchased							
718	Chemicals	2,525					2,525	
720	Materials and Supplies							
731	Contractual Services-Engineering	2,100						
732	Contractual Services - Accounting							
733	Contractual Services - Legal							
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing	7,995						7,995
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	6,682				668		6,014
Total Wastewater Utility Expenses		\$ 37,267	\$	\$	\$ 250	\$ 668	\$ 7,280	\$ 14,009

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2011

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (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	_____	2,100	_____	_____	_____	_____
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		\$ _____	\$ 15,060	\$ _____	\$ _____	\$ _____	\$ _____

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

YEAR OF REPORT
 December 31, 2011

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:

$$6,696,000 / 109 / 365 = 169$$

UTILITY NAME: Marlon Utilities, Inc.
 SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

YEAR OF REPORT December 31, 2011
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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, 2011

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.

S-13
GROUP 1
SYSTEM _____

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

Water Operations

Class A & B

Company: Marion Utilities, Inc.

For the Year Ended December 31, 2011

(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)	1,470,166	1,470,166	
Total Fire Protection Revenue (462.1 - 462.2)			
Other Sales to Public Authorities (464)			
Sales to Irrigation Customers (46)			
Sales for Resale (466)			
Interdepartmental Sales (467)			
Total Other Water Revenues (469 - 474)	82,711	82,711	
Total Water Operating Revenue	\$ 1,552,877	\$ 1,552,877	0
Less, Expense for Purchased Water from FPSC-Regulated Utility			
Net Water Operating Revenue	\$ 1,552,877	\$ 1,552,877	\$ 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, 2011

(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)	31,337	31,337	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	\$ 31,337	\$ 31,337	0
Less, Expense for Purchased Wastewater from FPSC-Regulated Utility			
Net Wastewater Operating Revenue	\$ 31,337	\$ 31,337	\$ 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).			