

CLASS "A" OR "B"

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

ANNUAL REPORT

OF

WS236-09-AR

**WATER MANAGEMENT SERVICES, INC.**

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302

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2009

RECEIVED  
PUBLIC SERVICE  
10 MAR 11 AM 9:59  
REGULATORY

# **EXECUTIVE SUMMARY**

UTILITY NAME: Water Management Services, Inc.

**CERTIFICATION OF ANNUAL REPORT**


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


- |   |                          |    |                                     |                          |   |
|---|--------------------------|----|-------------------------------------|--------------------------|---|
| <table border="0"> <tr> <td style="text-align: center;">YES</td> <td style="text-align: center;">NO</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> | YES                      | NO | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.</p>   |
| YES   | NO                       |    |                                     |                          |   |
| <input checked="" type="checkbox"/>   | <input type="checkbox"/> |    |                                     |                          |   |
| <table border="0"> <tr> <td style="text-align: center;">YES</td> <td style="text-align: center;">NO</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> | YES                      | NO | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.</p>   |
| YES   | NO                       |    |                                     |                          |   |
| <input checked="" type="checkbox"/>   | <input type="checkbox"/> |    |                                     |                          |   |
| <table border="0"> <tr> <td style="text-align: center;">YES</td> <td style="text-align: center;">NO</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> | YES                      | NO | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the the financial statement of the utility.</p>  |
| YES   | NO                       |    |                                     |                          |   |
| <input checked="" type="checkbox"/>   | <input type="checkbox"/> |    |                                     |                          |   |
| <table border="0"> <tr> <td style="text-align: center;">YES</td> <td style="text-align: center;">NO</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> | YES                      | NO | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <p>4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.</p> |
| YES   | NO                       |    |                                     |                          |   |
| <input checked="" type="checkbox"/>   | <input type="checkbox"/> |    |                                     |                          |   |

Items Certified

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

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

  
 \_\_\_\_\_  
 (Signature of Chief Executive Officer of the utility) \*

  
 \_\_\_\_\_  
 (Signature of Chief Financial Officer of the utility) \*

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

**NOTICE:** Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

YEAR OF REPORT  
December 31, 2009

Water Management Services, Inc.  
(Exact Name of Utility)

County: Franklin

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

250 John Knox Road, #4  
Tallahassee, FL 32303

Telephone: (850)668-0440

E Mail Address: gdb5@comcast.net; sandymchase@comcast.net

WEB Site: www.wmsistgeorge.com

Sunshine State One-Call of Florida, Inc. Member Number WM1736

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

Gene D. Brown  
250 John Knox Road, #4  
Tallahassee, FL 32303

Telephone: (850)668-0440

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

250 John Knox Road, #4  
Tallahassee, FL 32303

Telephone: (850)668-0440

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

Barbara S. Withers, CPA Contact information shown on E-3  
Frank Seidman, Management & Regulatory Consultants, Inc. Contact information shown on E-3  
Post, Buckley, Schuh & Jernigan, Inc. Contact information shown on E-3

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

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

Individual Partnership Sub S Corporation 1120 Corporation

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

	Name	Percent Ownership
1.	St. George Island Utility Co., Ltd.	85%
2.	Brown Management Group, Inc.	10%
3.	T. E. Bronson	5%
4.		
5.		
6.		
7.		
8.		
9.		
10.		



**COMPANY PROFILE**

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

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

St. George Island Utility Company, Ltd. was certificated on March 31, 1978 to provide water service to St. George Island, which is a barrier island located in the Gulf of Mexico in Franklin County, Florida. The Company has 4 wells on the mainland, and water is piped to the island through a 12" supply main attached to the bridge to the island. The Company has a treatment system, a ground storage tank and an elevated storage tank on the island. Although the Company is not required to provide fire protection, the Company does provide limited fire protection through 122 hydrants on the island.

The island population fluctuates widely because it is a vacation/resort area. Accordingly, there are peak demands during summer and other holiday periods, with lower demand the remainder of the year. The utility has sufficient capacity to meet all current demands. Construction of the system commenced in 1974, and many components of the system are near the end of their useful lives. Accordingly, the Company is now planning a series of improvements to upgrade the system to prevent a deterioration in its reliability.

On February 9, 2006, the Florida Public Service Commission issued a final order which established permanent rates for the utility based on evidence presented during a limited proceeding related to construction of a new supply main to the island. Since 2006, the Company has lost 51 customers, an average of 17 per year. Also, the Company has lost revenue from a large number of remaining customers who have installed shallow wells, both legally and illegally.

In an attempt to preserve a state DRI provision and a Franklin County ordinance, both of which prohibited shallow wells on the westerly part of the island, the utility filed a legal challenge with the Northwest Florida Water Management District (NFWFMD). However, this was unsuccessful and the NFWFMD was able to overturn the state law and county ordinance which legalized those wells. The NFWFMD also implemented a new rule, effective January 4, 2010, which encourages shallow wells throughout St. George Island by doing away with the District's prior legal requirement for individual well permits. To promote these changes in the law, the District has undertaken a public relations and advertising campaign to encourage shallow wells throughout St. George Island.

In early 2009, the utility filed a petition with the FPSC for a wastewater certificate based upon a demand from existing customers, several of whom were facing business closures for lack of wastewater service. In late 2009, the Franklin County Commission notified the Company that it was opposed to sewer on the island, and the petition was dismissed.

Because of this shift in state and local governmental policy in Franklin County from a policy in favor of central water & sewer to a policy in favor of shallow wells and on-site treatment systems and because of the distressed economy on the island, the Company does not anticipate any growth within the next several years. Instead, the Company anticipates a continued reduction in water sales and revenue based upon a flat or declining customer base.

This change in governmental policy and the declining economy on St. George Island has caused the Company to lose substantial sums of money since the Company's rates were set by the Commission in 2006. To prevent continued losses, and to secure necessary operating funds, the Company will file a petition with the FPSC in 2010 seeking an increase in rates. The increase is necessary to secure adequate operating revenue and to be able to secure financing to pay for the essential capital improvements referenced above.

UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
December 31, 2009

**PARENT / AFFILIATE ORGANIZATION CHART**

Current as of \_\_\_\_\_

December 31, 2009

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).

St. George Island Utility Company, Ltd.  
Stockholder

Gene D. Brown, P.A.  
Legal Counsel

**COMPENSATION OF OFFICERS**

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Gene D. Brown	President	95%	\$ 141,684

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
Gene D. Brown	President	1	\$ 0











**UTILITY NAME:** Water Management Services, Inc.

**BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)**

**Part II. Specific Instructions: Sale, Purchase and Transfer of Assets**

1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.
2. Below are examples of some types of transactions to include:
  - 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
3. The columnar instructions follow:
  - (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)
Brown Management Group, Inc.	Used backhoe trailer	\$ 4,006	\$ 4,006	\$ 0	\$ 4,006

# **FINANCIAL SECTION**

UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
December 31, 2009

**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 9,017,455	\$ 8,993,851
108-110	Less: Accumulated Depreciation and Amortization	F-8	3,135,367	3,362,005
Net Plant			\$ 5,882,088	\$ 5,631,846
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 5,882,088	\$ 5,631,846
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9	\$ 858,173	\$ 858,173
122	Less: Accumulated Depreciation and Amortization		(47,155)	(47,155)
Net Nonutility Property			\$ 811,018	\$ 811,018
123	Investment In Associated Companies	F-10	1,160,703	1,213,905
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$ 1,971,721	\$ 2,024,923
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		\$ (19,370)	\$ (16,378)
132	Special Deposits	F-9	337	35
133	Other Special Deposits	F-9		
134	Working Funds			0
135	Temporary Cash Investments		51	0
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	97,718	89,908
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12	150,000	100,000
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments		40,857	32,575
171	Accrued Interest and Dividends Receivable			0
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 269,593	\$ 206,139

\* Not Applicable for Class B Utilities

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2009
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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)
<b>DEFERRED DEBITS</b>				
181	Unamortized Debt Discount & Expense	F-13	\$ 121,240	\$ 102,597
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185 *	Temporary Facilities			
186	Misc. Deferred Debits	F-14	92,246	118,985
187 *	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits			\$ 213,486	\$ 221,582
<b>TOTAL ASSETS AND OTHER DEBITS</b>			<b>\$ 8,336,890</b>	<b>\$ 8,084,490</b>

\* Not Applicable for Class B Utilities

<p><b><u>NOTES TO THE BALANCE SHEET</u></b></p> <p>The space below is provided for important notes regarding the balance sheet.</p>
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**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 10,000	\$ 10,000
204	Preferred Stock Issued	F-15		
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		(488,548)	(488,548)
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(1,245,206)	(1,576,898)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ (1,723,754)	\$ (2,055,446)
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	7,467,818	7,573,280
Total Long Term Debt			\$ 7,467,818	\$ 7,573,280
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		91,933	201,615
232	Notes Payable	F-18	359,836	157,596
233	Accounts Payable to Associated Companies	F-18		0
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		108,815	103,669
236	Accrued Taxes		47,776	104,324
237	Accrued Interest	F-19	23,512	23,386
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	8,872	9,521
Total Current & Accrued Liabilities			\$ 640,742	\$ 600,110

\* Not Applicable for Class B Utilities

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2009
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**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium On Debt		\$	\$
252	Advances For Construction	F-20	21,037	20,737
253	Other Deferred Credits	F-21		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			\$ 21,037	\$ 20,737
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve		\$	\$
262	Injuries & Damages Reserve			
263	Pensions and Benefits Reserve			80,000
265	Miscellaneous Operating Reserves			
Total Operating Reserves			\$	\$ 80,000
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	\$ 3,212,574	\$ 3,239,513
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(1,281,529)	(1,373,707)
Total Net C.I.A.C.			\$ 1,931,045	\$ 1,865,806
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$	\$
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accumulated Deferred Income Tax			\$	\$
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			\$ 8,336,890	\$ 8,084,490

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 1,374,799	\$ 1,319,558
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	(123)	(246)
Net Operating Revenues			\$ 1,374,676	\$ 1,319,313
401	Operating Expenses	F-3(b)	\$ 940,311	\$ 1,057,196
403	Depreciation Expense:	F-3(b)	\$ 281,739	\$ 267,723
	Less: Amortization of CIAC	F-22	84,963	92,178
Net Depreciation Expense			\$ 196,776	\$ 175,545
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)	14,616	14,616
408	Taxes Other Than Income	W/S-3	108,243	100,197
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			\$ 1,259,946	\$ 1,347,555
Net Utility Operating Income			\$ 114,730	\$ (28,242)
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	123	246
413	Income From Utility Plant Leased to Others			4,500
414	Gains (losses) From Disposition of Utility Property		(7,286)	
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 107,567	\$ (23,496)

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

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

<b>WATER SCHEDULE W-3 *</b> (f)	<b>WASTEWATER SCHEDULE S-3 *</b> (g)	<b>OTHER THAN REPORTING SYSTEMS</b> (h)
\$ 1,319,558 (246)	\$ _____	\$ _____
\$ 1,319,313	\$ _____	\$ _____
\$ 1,057,196	\$ _____	\$ _____
267,723 92,178	_____	_____
\$ 175,545	\$ _____	\$ _____
14,616 100,197	_____	_____
\$ 1,347,555	\$ _____	\$ _____
\$ (28,242)	\$ _____	\$ _____
246 4,500	_____	_____
\$ (23,496)	\$ _____	\$ _____

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

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 107,567	\$ (23,496)
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ 0	\$ 0
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		0	0
419	Interest and Dividend Income		14,892	9,412
421	Nonutility Income		0	0
426	Miscellaneous Nonutility Expenses		(13,194)	(11,637)
Total Other Income and Deductions			\$ 1,698	\$ (2,225)
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable To Other Income			\$	\$
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	\$ 350,790	\$ 286,863
428	Amortization of Debt Discount & Expense	F-13	18,939	19,107
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 369,729	\$ 305,970
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$	\$
<b>NET INCOME</b>			<b>\$ (260,464)</b>	<b>\$ (331,692)</b>

Explain Extraordinary Income:

.....

.....

.....

.....

.....

UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
December 31, 2009

**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 (includes .CWIP)	F-7	\$ 8,993,851	\$
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	3,362,005	
110	Accumulated Amortization	F-8		
271	Contributions In Aid of Construction	F-22	3,239,514	
252	Advances for Construction	F-20	20,737	
Subtotal			\$ 2,371,595	\$
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	1,373,707	
Subtotal			\$ 3,745,302	\$
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		132,150	
	Other (Specify):			
RATE BASE			\$ 3,877,452	\$
NET UTILITY OPERATING INCOME			\$ (28,242)	\$
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-0.73%	

**NOTES :**

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

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 0	0.00%	11.34%	
Preferred Stock				
Long & Short Term Debt	3,776,952	97.41%	3.79%	3.69%
Customer Deposits	100,499	2.59%	6.00%	0.16%
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
<b>Total</b>	\$ <u>3,877,452</u>	<u>100.00%</u>		<u>3.85%</u>

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

NOTE: Debt cost calculated based on effective interest costs applied to 13 mos average balances

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

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

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

**APPROVED RETURN ON EQUITY**

Current Commission Return on Equity:	<u>11.34%</u>
Commission order approving Return on Equity:	<u>PSC-94-1383-FOF-WU</u>

**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.

Water Management Services, Inc.

**UTILITY NAME:**

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

<b>CLASS OF CAPITAL (a)</b>	<b>PER BOOK BALANCE (b)</b>	<b>NON-UTILITY ADJUSTMENTS (c)</b>	<b>NON-JURISDICTIONAL ADJUSTMENTS (d)</b>	<b>OTHER (I) ADJUSTMENTS SPECIFIC (e)</b>	<b>OTHER (I) ADJUSTMENTS PRO RATA (f)</b>	<b>CAPITAL STRUCTURE (g)</b>
Common Equity	\$ (1,877,598)	\$	\$	\$ 1,877,598	\$	\$
Preferred Stock						
Long & Short Term Debt	7,768,864				(3,991,912)	3,776,952
Customer Deposits	100,499					100,499
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Inc. Taxes						
Other (Explain)						
<b>Total</b>	<b>\$ 5,991,766</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,877,598</b>	<b>\$ (3,991,912)</b>	<b>\$ 3,877,452</b>

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

Column (b) - 13 month average balances.

Column (e) - Equity is negative, set to zero.

Column (f) - Hold customer deposits constant and reconcile to rate base as shown on Schedule F-4



UTILITY NAME: Water Management Services, 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	\$ 8,993,851	\$	\$	\$ 8,993,851
102	Utility Plant Leased to Other				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	0			
106	Completed Construction Not Classified				
	<b>Total Utility Plant</b>	\$ 8,993,851	\$	\$	\$ 8,993,851

**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	\$	\$	\$	\$
	<b>Total Plant Acquisition Adjustments</b>	\$	\$	\$	\$
115	Accumulated Amortization	\$	\$	\$	\$
	<b>Total Accumulated Amortization</b>	\$	\$	\$	\$
	<b>Net Acquisition Adjustments</b>	\$	\$	\$	\$ N/A

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b>				
Account 108				
Balance first of year	\$ 3,135,367	\$	\$	\$ 3,135,367
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 267,723	\$	\$	\$ 267,723
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify): Corrections				
Adj. accrued depr. See Sch W-6(b)				
Total Credits	\$ 267,723	\$	\$	\$ 267,723
Debits during year:				
Book cost of plant retired	(12,017)			(12,017)
Cost of Removal ( disposal by sale, net)	(29,068)			(29,068)
Other Debits (specify):				
Total Debits	\$ (41,085)	\$	\$	\$ (41,085)
Balance end of year	\$ 3,362,005	\$	\$	\$ 3,362,005
<b>ACCUMULATED AMORTIZATION</b>				
Account 110				
Balance first of year	\$	\$	\$	\$
Credit during year:				
Accruals charged to:				
Account 110.2 (2)				
Other Accounts (specify):				
Total credits	\$	\$	\$	\$
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$	\$	\$	\$

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

UTILITY NAME: Water Management Services, Inc.

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
Docket No. 000694-WU	\$	666.80	\$ 24,184
Total	\$		\$ 24,184

**NONUTILITY PROPERTY (ACCOUNT 121)**

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

Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
Disallowed Investment in Plant	\$ 858,173	\$ 0	\$	\$ 858,173
Total Nonutility Property	\$ 858,173	\$	\$	\$ 858,173

**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): Cash in Reserve - GSB (Special)	\$ 35
Total Special Deposits	\$ 35
OTHER SPECIAL DEPOSITS (Account 133):	\$
Total Other Special Deposits	\$

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2009
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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): _____ _____ _____ _____	\$ _____	\$ <u>1,213,905</u>
<b>Total Investment in Associated Companies</b>		\$ <u>1,213,905</u>
UTILITY INVESTMENTS (Account 124): <u>N/A</u> _____ _____ _____	\$ _____	\$ _____
<b>Total Utility Investment</b>		\$ _____
OTHER INVESTMENTS (Account 125): <u>N/A</u> _____ _____ _____	\$ _____	\$ _____
<b>Total Other Investment</b>		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): <u>N/A</u> _____ _____ _____	\$ _____	\$ _____
<b>Total Special Funds</b>		\$ _____

UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
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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)
<b>CUSTOMER ACCOUNTS RECEIVABLE (Account 141):</b>		
Water	\$ 115,908	
Wastewater		
Other		
<b>Total Customer Accounts Receivable</b>		\$ 115,908
<b>OTHER ACCOUNTS RECEIVABLE ( Account 142):</b>		
	\$ 0	
<b>Total Other Accounts Receivable</b>		
<b>NOTES RECEIVABLE (Account 144):</b>		
Notes Receivable		
<b>Total Notes Receivable</b>		
<b>Total Accounts and Notes Receivable</b>		\$ 115,908
<b>ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS ( Account 143 )</b>		
Balance first of year	\$ 19,700	
Add: Provision for uncollectibles for current year	\$ 6,300	
Collection of accounts previously written off		
Utility Accounts		
Others		
<b>Total Additions</b>	\$ 6,300	
<b>Deduct accounts written off during year:</b>		
Utility Accounts		
Others		
<b>Total accounts written off</b>	\$ 0	
<b>Balance end of year</b>		\$ 26,000
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET</b>		\$ 89,908



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

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

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
DEP SRF Loans	\$ 1,078	\$ 12,937
SRF Associated Fees	5,904	70,845
DEP - Dept. of State	5	58
Envision - Chevy Tahoe	5	24
J. Talley - DEP Loan	60	720
GSB - Refinance Loan	11,741	17,611
FCCU - 2008 GMC	19	84
CCB - 2008 GMC Sierra	27	78
FMB - Backhoe	92	240
FMB - Backhoe	176	0
	0	0
<b>Total Unamortized Debt Discount and Expense</b>	<b>\$ 19,107</b>	<b>\$ 102,597</b>
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$	\$
<b>Total Unamortized Premium on Debt</b>	<b>\$</b>	<b>\$</b>

**EXTRAORDINARY PROPERTY LOSSES  
ACCOUNT 182**

Report each item separately.

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

UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
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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)		
186.05 Deferred Limited Proceeding	\$ 24,184	\$ 0
186.07 Deferred 2009 Rate Case		12,688
<b>Total Deferred Rate Case Expense</b>	<b>\$ 24,184</b>	<b>\$ 12,688</b>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
186.20 Deferred Loss on Bridge Supply Main	\$ 14,616	\$ 53,446
<b>Total Other Deferred Debits</b>	<b>\$ 14,616</b>	<b>\$ 53,446</b>
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
186.30 Deferred Wastewater Certificate Application	\$ 0	\$ 52,851
<b>Total Regulatory Assets</b>	<b>\$</b>	<b>\$ 52,851</b>
<b>TOTAL MISCELLANEOUS DEFERRED DEBITS</b>	<b>\$ 38,800</b>	<b>\$ 118,985</b>





UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
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**STATEMENT OF RETAINED EARNINGS**

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

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ (1,245,206)
439	Changes to Account: Adjustments to Retained Earnings ( requires Commission approval prior to use): Credits:	\$ _____
	_____	\$ _____
	Total Credits:	\$ _____
	Debits:	\$ _____
	_____	\$ _____
	Total Debits:	\$ _____
435	Balance Transferred from Income	\$ _____
436	Appropriations of Retained Earnings:	\$ (331,692)
	_____	\$ _____
	_____	\$ _____
	Total Appropriations of Retained Earnings	\$ _____
437	Dividends Declared: Preferred Stock Dividends Declared	\$ _____
438	Common Stock Dividends Declared	\$ _____
	_____	\$ _____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ _____
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	\$ _____
	_____	\$ _____
	_____	\$ _____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (1,576,898)
Notes to Statement of Retained Earnings:		

UTILIFY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
December 31, 2009

**ADVANCES FROM ASSOCIATED COMPANIES  
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$ 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)	
224.17 Envision - Chevy	5.75%	Fixed	13,397
224.18 CCB (GMC)	6.61%	Fixed	15,884
224.20 GSB	4.25%	Prime + 1	2,766,794
224.32 DEP	2.99%	Fixed	4,743,887
224.33 FCCU (GMC)	6.00%	Fixed	14,271
224.37 FMB - Backhoe	6.85%	Fixed	19,047
F Total			\$ 7,573,280

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



UTILITY NAME: Water Management Services, 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					
CCB (GMC) (237.18)	\$ 124	427.2.3	\$ 1,808	\$ 1,837	\$ 95
FCCU (GMC) (237.33)	0	427.2.3	1,112	1,022	90
Envision Chevy (237.34)	0	427.2.3	958	922	36
FMB - Baekhoe (237.41)	240	427.2.3	2,696	2,772	164
DEP (237.60)	18,397	427	143,553	143,945	18,005
Gulf State Bank (237.65)	4,751	427.2.3	122,728	122,483	4,997
Total Account 237.1	\$ 23,512		\$ 272,856	\$ 272,981	\$ 23,386
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits	0	427.4	\$ 6,785	\$ 6,785	0
Vendors	0	427.5	7,222	7,222	0
Note: Items marked with an * were expensed but not accrued. They are included only to show the total interest expensed in Acct. 427.					
Total Account 237.2	\$ 0		\$ 14,007	\$ 14,007	\$ 0
Total Account 237 (1)	\$ 23,512		\$ 286,863	\$ 286,989	\$ 23,386
INTEREST EXPENSED:					
Total accrual Account 237.1		237.1	\$ 272,856		
Net Interest Expensed to Account No. 427 (2)			\$ 286,863		

(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

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT December 31, 2009
-------------------------------------

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES  
ACCOUNT 241**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Accrued Wages	\$ 9,521
Total Miscellaneous Current and Accrued Liabilities	\$ 9,521

**ADVANCES FOR CONSTRUCTION  
ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
Fla. Dept. of Environmental Protection	\$ 21,037			\$ 300	\$ 20,737
Total	\$ 21,037			\$ 300	\$ 20,737

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

UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2009
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**OTHER DEFERRED CREDITS  
ACCOUNT 253**

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

UTILITY NAME: Water Management Services, 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	\$ 3,212,574	\$ _____	\$ _____	\$ 3,212,574
Add credits during year:	\$ 26,939	\$ _____	\$ _____	\$ 26,939
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ 3,239,513	\$ _____	\$ _____	\$ 3,239,513

**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	\$ 1,281,529	\$ _____	\$ _____	\$ 1,281,529
Debits during the year:	\$ 92,178	\$ _____	\$ _____	\$ 92,178
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 1,373,707	\$ _____	\$ _____	\$ 1,373,707



UTILITY NAME: Water Management Services, Inc.

<b>YEAR OF REPORT</b> December 31, 2009
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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)**

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

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ (331,692)
Reconciling items for the year:		
Taxable income not reported on books:		
Net additions to CIAC	F-22	(65,239)
Deductions recorded on books not deducted for return:		
Penalties and Interest	F-3(c)	11,637
Life Insurance, key man	W-10	12,015
Income recorded on books not included in return:		
Interest Income	F-3(c)	
Deduction on return not charged against book income:		
Federal tax net income		\$ (373,278)

Computation of tax : No Tax Due because of Net Operating Loss Carry Forwards from prior years.

**WATER  
OPERATION  
SECTION**



UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
December 31, 2009

SYSTEM NAME / COUNTY : Franklin

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service (includes CWIP)	W-4(b)	\$ 8,993,851
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	3,362,005
110	Accumulated Amortization		
271	Contributions In Aid of Construction	W-7	3,239,514
252	Advances for Construction	F-20	20,737
Subtotal			\$ 2,371,595
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 1,373,707
Subtotal			\$ 3,745,302
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		132,150
	Other (Specify):		
WATER RATE BASE			\$ 3,877,452
WATER OPERATING INCOME		W-3	\$ (28,242)
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			<u>-0.73%</u>

NOTES :

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

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT

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Revised : 6/7/06

SYSTEM NAME / COUNTY : Franklin

**WATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
<b>UTILITY OPERATING INCOME</b>			
400	Operating Revenues	W-9	\$ 1,319,558
469	Less: Guaranteed Revenue and AFPI	W-9	(246)
Net Operating Revenues			\$ 1,319,313
401	Operating Expenses	W-10(a)	\$ 1,057,196
403	Depreciation Expense	W-6(a)	267,723
	Less: Amortization of CIAC	W-8(a)	92,178
Net Depreciation Expense			\$ 175,545
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Def. Prop. loss, Acct. 186.1)		14,616
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		59,380
408.11	Property Taxes		4,770
408.12	Payroll Taxes		33,265
408.13	Other Taxes and Licenses		2,782
408	Total Taxes Other Than Income		\$ 100,197
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			\$ 1,347,555
Utility Operating Income			\$ (28,242)
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$ 246
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		4,500
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ (23,496)

UTILITY NAME:

Water Management Services, Inc.

SYSTEM NAME / COUNTY :

YEAR OF REPORT  
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**WATER UTILITY PLANT ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	ADJ/RECLASS (di)	RETIREMENTS (e)
301	Organization	\$	\$		\$
302	Franchises				
303	Land and Land Rights				
304	Structures and Improvements	90,994	0		0
305	Collecting and Impounding Reservoirs	341,190	15,138		0
306	Lake, River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels	405,021	0		0
309	Supply Mains				
310	Power Generation Equipment	3,984,508	0		0
311	Pumping Equipment	113,061	0		0
320	Water Treatment Equipment	224,689	0		0
330	Distribution Reservoirs and Standpipes	73,403	0		0
331	Transmission and Distribution Mains	362,073	0		0
333	Services	2,524,926	0		0
334	Meters and Meter Installations	233,928	1,688		0
335	Hydrants	210,692	1,321		0
336	Backflow Prevention Devices	129,640	0		0
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment	74,071	2,596		0
342	Stores Equipment	149,018	0		(45,091)
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment	35,690	742		0
345	Power Operated Equipment				
346	Communication Equipment	64,551	0		0
347	Miscellaneous Equipment				
348	Other Tangible Plant	0	0		0
<b>TOTAL WATER PLANT</b>		<b>\$ 9,017,455</b>	<b>\$ 21,487</b>		<b>\$ (45,091)</b>

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

YEAR OF REPORT  
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UTILITY NAME: Water Management Services, Inc.  
SYSTEM NAME / COUNTY: Franklin

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 INTANGIBLE PLANT	.2 SOURCE OF SUPPLY AND PUMPING PLANT	.3 WATER TREATMENT PLANT	.4 TRANSMISSION AND DISTRIBUTION PLANT	.5 GENERAL PLANT
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
301	Organization	0					
302	Franchises						
303	Land and Land Rights	90,994					
304	Structures and Improvements	356,329		67,443		20,151	3,400
305	Collecting and Impounding Reservoirs			73,471	134,122		148,735
306	Lake, River and Other Intakes						
307	Wells and Springs	405,021		405,021			
308	Infiltration Galleries and Tunnels						
309	Supply Mains						
310	Power Generation Equipment	3,984,508		3,984,508			
311	Pumping Equipment	113,061		113,061			
320	Water Treatment Equipment	224,689		224,689			
330	Distribution Reservoirs and Standpipes	73,403			73,403		
331	Transmission and Distribution Mains	362,073				362,073	
333	Services	2,524,926				2,524,926	
334	Meters and Meter Installations	235,616				235,616	
335	Hydrants	212,013				212,013	
336	Backflow Prevention Devices	129,640				129,640	
339	Other Plant Miscellaneous Equipment	0				0	
340	Office Furniture and Equipment	76,667					76,667
341	Transportation Equipment	103,927					103,927
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	36,433					36,433
344	Laboratory Equipment						
345	Power Operated Equipment	64,551					64,551
346	Communication Equipment						
347	Miscellaneous Equipment	0					0
348	Other Tangible Plant						
TOTAL WATER PLANT		8,993,851		4,868,194	207,525	3,484,420	433,712

W-4(b)  
GROUP

UTILITY NAME:

Water Management Services, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / COUNTY :

Franklin

**BASIS FOR WATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	33		3.03%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs			
308	Infiltration Galleries and Tunnels	30		3.33%
309	Supply Mains			
310	Power Generation Equipment	35		2.86%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	20		5.00%
330	Distribution Reservoirs and Standpipes	22		4.55%
331	Transmission and Distribution Mains	37		2.70%
333	Services	43		2.33%
334	Meters and Meter Installations	40		2.50%
335	Hydrants	20		5.00%
336	Backflow Prevention Devices	45		2.22%
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equipment	25		4.00%
341	Transportation Equipment	15		6.67%
342	Stores Equipment	6		16.67%
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment	16		6.25%
345	Power Operated Equipment	12		8.33%
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15		6.67%
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:

Water Management Services, Inc.

YEAR OF REPORT  
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SYSTEM NAME / COUNTY:

Franklin

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d+e) (f)
304	Structures and Improvements	\$ 97,455	\$ 9,403		\$ 9,403
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	178,344	11,949		11,949
308	Infiltration Galleries and Tunnels				
309	Supply Mains	735,024	128,282		128,282
310	Power Generation Equipment	76,313	6,255		6,255
311	Pumping Equipment	147,031	10,048		10,048
320	Water Treatment Equipment	38,892	2,087		2,087
330	Distribution Reservoirs and Standpipes	231,543	10,729		10,729
331	Transmission and Distribution Mains	1,158,568	41,673		41,673
333	Services	138,601	6,467		6,467
334	Meters and Meter Installations	148,530	5,204		5,204
335	Hydrants	67,866	3,131		3,131
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	21,839	4,739		4,739
341	Transportation Equipment	54,164	19,992		19,992
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	14,635	2,386		2,386
344	Laboratory Equipment				
345	Power Operated Equipment	26,559	5,379		5,379
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				0
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 3,135,367	\$ 267,723		\$ 267,723

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

W-6(a)  
GROUP

UTILITY NAME:

Water Management Services, Inc.

SYSTEM NAME / COUNTY:

YEAR OF REPORT  
December 31, 2009

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	BALANCE AT END OF YEAR
(a)	(b)	(g)	(h)	(i)	(j)	(k)
304	Structures and Improvements					106,858
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					190,293
308	Infiltration Galleries and Tunnels					
309	Supply Mains					
310	Power Generation Equipment					863,306
311	Pumping Equipment					82,567
320	Water Treatment Equipment					157,079
330	Distribution Reservoirs and Standpipes					40,980
331	Transmission and Distribution Mains					242,272
333	Services					1,200,241
334	Meters and Meter Installations					145,068
335	Hydrants					153,734
336	Backflow Prevention Devices					70,997
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment					
341	Transportation Equipment	(12,017)				
342	Stores Equipment		(29,068)		(41,085)	26,579
343	Tools, Shop and Garage Equipment					33,070
344	Laboratory Equipment					
345	Power Operated Equipment					17,022
346	Communication Equipment					
347	Miscellaneous Equipment					31,939
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION		(12,017)	(29,068)		(41,085)	3,362,005

W-6(b)  
GROUP







UTILITY NAME: Water Management Services, Inc.

**YEAR OF REPORT**  
December 31, 2009

SYSTEM NAME / COUNTY : \_\_\_\_\_

**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue	0	0	\$
	Metered Water Revenue:			
461.1	Sales to Residential Customers	1,697	1,681	1,070,480
461.2	Sales to Commercial Customers	88	88	151,659
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities	3	3	42,673
461.5	Sales Multiple Family Dwellings	30	33	51,590
	<b>Total Metered Sales</b>	<b>1,818</b>	<b>1,805</b>	<b>\$ 1,316,402</b>
	Fire Protection Revenue:			
462.1	Public Fire Protection			
462.2	Private Fire Protection			
	<b>Total Fire Protection Revenue</b>			<b>\$</b>
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
	<b>Total Water Sales</b>	<b>1,818</b>	<b>1,805</b>	<b>\$ 1,316,402</b>
	Other Water Revenues:			
469	Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ 246
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			2,911
472	Rents From Water Property			0
473	Interdepartmental Rents			
474	Other Water Revenues			
	<b>Total Other Water Revenues</b>			<b>\$ 3,157</b>
	<b>Total Water Operating Revenues</b>			<b>\$ 1,319,558</b>

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

UTILITY NAME:

Water Management Services, Inc.

YEAR OF REPORT  
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SYSTEM NAME / COUNTY :

**WATER EXPENSE ACCOUNT MATRIX**

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ 8,700	\$ 3,774	\$ 37,698	\$ 30,193	\$ 77,026	\$ 141,690
1,768	464	7,659	3,709	24,410	141,684
42,814		158			89,739
13,565					2,432
332	996	332	7,970		
9,167		9,167		2,478	3,029
					4,225
1,088		4,713			4,809
1,633					
	16,836		16,836		12,735
				7,285	22,002
2,382	2,382	2,382	2,382	4,440	6,705
873	873	873	873	1,975	4,440
2,625	2,625	2,625	2,625	5,009	1,975
220	96	954	764	1,950	5,009
819	819	819	819		3,587
					12,015
					420
					24,184
				1,500	
817	883	3,542	48,727	6,001	20,559
\$ 86,801	\$ 29,747	\$ 70,922	\$ 114,897	\$ 132,075	\$ 501,239

UTILITY NAME:

Water Management Services, Inc.

YEAR OF REPORT  
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SYSTEM NAME / COUNTY :

Franklin

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 314,455	\$ 11,599	\$ 3,774
603	Salaries and Wages - Officers, Directors and Majority Stockholders	141,684		
604	Employee Pensions and Benefits	130,569	2,357	464
610	Purchased Water			
615	Purchased Power	75,567	30,164	
616	Fuel for Power Purchased	2,284	2,284	
618	Chemicals	13,565		
620	Materials and Supplies	18,790	332	3,321
631	Contractual Services-Engineering	27,500	9,167	
632	Contractual Services - Accounting	4,225		
633	Contractual Services - Legal	4,809		
634	Contractual Services - Mgt. Fees	7,250	1,450	
635	Contractual Services - Testing	3,265	1,633	
636	Contractual Services - Other	46,407		
641	Rental of Building/Real Property	22,002		
642	Rental of Equipment	13,990		
650	Transportation Expenses	23,168	2,382	2,382
656	Insurance - Vehicle	9,188	873	873
657	Insurance - General Liability	25,768	2,625	2,625
658	Insurance - Workman's Comp.	7,962	294	96
659	Insurance - Other	16,927	819	819
660	Advertising Expense	420		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	24,184		
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	1,500		
675	Miscellaneous Expenses	121,716	1,090	40,096
Total Water Utility Expenses		\$ 1,057,196	\$ 67,067	\$ 54,448



UTILITY NAME:

Water Management Services, Inc.

**YEAR OF REPORT**  
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Franklin

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE ( Omit 000's ) (b)	FINISHED WATER PUMPED FROM WELLS ( Omit 000's ) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED ( Omit 000's ) [ (b)+(c)-(d) ] (e)	WATER SOLD TO CUSTOMERS ( Omit 000's ) (f)
January	0	13,790,000	3,116,000	10,674,000	8,697,000
February	0	13,013,000	2,178,000	10,835,000	9,063,000
March	0	13,619,000	2,242,000	11,377,000	10,216,000
April	0	14,572,000	1,299,000	13,273,000	12,062,000
May	0	16,875,000	540,000	16,335,000	15,555,000
June	0	21,864,000	4,039,000	17,825,000	16,505,000
July	0	24,812,000	442,000	24,370,000	23,622,000
August	0	19,183,000	3,153,000	16,030,000	14,734,000
September	0	13,889,000	2,506,000	11,383,000	10,178,000
October	0	14,908,000	290,000	14,618,000	13,862,000
November	0	12,811,000	3,219,000	9,592,000	7,681,000
December	0	10,564,000	490,000	10,074,000	8,961,000
<b>Total for Year</b>	<b>0</b>	<b>189,900,000 *</b>	<b>23,514,000</b>	<b>166,386,000</b>	<b>151,136,000</b>

If water is purchased for resale, indicate the following:

Vendor N/A

Point of delivery \_\_\_\_\_

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

N/A

\* Water is pumped from four wells. The flow meters on each well were calibrated and it was found that wells 1,3 and 4 were reading 3%, 3% and 4% high, respectively, and well 2 was reading 1% low. The gallons shown in col (c) reflect the adjustment to each daily reading in 2009 for the recalibration. DEP is being notified of these corrections.

List for each source of supply:	24 Hour CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well No. 1 (1975)	360,000 gpd	360,000	Floridan Aquifer
Well No. 2 (1985)	360,000 gpd	360,000	Floridan Aquifer
Well No. 3 (1993)	720,000 gpd	720,000	Floridan Aquifer
Well No. 4 (2000)	720,000 gpd	720,000	Floridan Aquifer
		<b>2,160,000</b>	

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT  
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SYSTEM NAME / COUNTY : Franklin

**WATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>1,100,000</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Storage Tank</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>Aeration and Chlorination, Ground &amp; Elevated Storage Tanks</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon):	<u>Not Applicable</u> Manufacturer: <u>Not Applicable</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet):	<u>Not Applicable</u> Manufacturer: <u>Not Applicable</u>
Gravity (in GPM/square feet):	<u>Not Applicable</u> Manufacturer: <u>Not Applicable</u>

UTILITY NAME: Water Management Services, Inc.

YEAR OF REPORT  
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SYSTEM NAME / COUNTY : Franklin

**CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential				
5/8"	Displacement	1.0	1,681	1,681
3/4"	Displacement	1.0	75	75
1"	Displacement	1.5	2	3
1 1/2"	Displacement	2.5	29	73
2"	Displacement or Turbine	5.0	9	45
2"	Displacement, Compound or Turbine	8.0	5	40
3"	Displacement	15.0		
3"	Compound	16.0	2	32
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	1	25
4"	Turbine	30.0		
6"	Displacement or Compound	50.0	1	50
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
			1,805	
Total Water System Meter Equivalents				2,024

**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:

151,136,000 total gallons / 365/350 GPD/ERC = 1,183 ERCs

W10BW10B

UTILITY NAME:

Water Management Services, Inc.

YEAR OF REPORT  
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SYSTEM NAME / COUNTY :

Franklin

OTHER WATER SYSTEM INFORMATION

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

- 1. Present ERC's \* the system can efficiently serve. 4,111 \*\*
- 2. Maximum number of ERCs \* which can be served. 4,111 \*\*
- 3. Present system connection capacity (in ERCs \*) using existing lines. 4,111 \*\*
- 4. Future connection capacity (in ERCs \*) upon service area buildout. 3,400 (est) \*\*\*
- 5. Estimated annual increase in ERCs \* . \_\_\_minus 17, last three years\_\_\_ (15)
- 6. Is the utility required to have fire flow capacity? No  
If so, how much capacity is required? N/A
- 7. Attach a description of the fire fighting facilities - Storage, pumping, looped mains, 122 fire hydrants, high pressure pumps, looped water lines, cut-off valves.
- 8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. \_\_\_\_\_  
New 300,000 gallon ground storage tank, new 12" supply main, new electrical equipment and improvements to distribution system. Cost \$3,200,000; completion date 9/30/2011.

9. When did the company last file a capacity analysis report with the DEP? September 24, 1999

10. If the present system does not meet the requirements of DEP rules: Not Applicable

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? \_\_\_\_\_

c. When will construction begin? \_\_\_\_\_

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? \_\_\_\_\_

11. Department of Environmental Protection ID # 1190789

12. Water Management District Consumptive Use Permit # 830074

a. Is the system in compliance with the requirements of the CUP? Yes

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

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

\*\* Based on engineer's analysis of physical components of system; new capacity study will be completed April, 2010.

\*\*\* Based on WMSI's estimate

**WASTEWATER  
OPERATION  
SECTION**

*This is a water only utility.*