

CLASS "A" OR "B"

OFFICIAL COPY
Public Service Commission
Do Not Remove From This Office

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

ANNUAL REPORT

OF

WS571 - 09 - AR

Service Management Systems, Inc.

Exact Legal Name of Respondent

517-W 450-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



10 JUL 30 PM 2:43
ECONOMIC REGULATION

FOR THE

YEAR ENDED DECEMBER 31, 2009

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.

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	Business Contracts with Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers and Directors	E-8
Directory of Personnel Who Contact the FPSC	E-3	Businesses which are a Byproduct, Coproduct or Joint Product Result of Providing Service	E-9
Company Profile	E-4	Business Transactions with Related Parties. Part I and II	E-10
Parent / Affiliate Organization Chart	E-5		
Compensation of Officers & Directors	E-6		
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Unamortized Debt Discount / Expense / Premium	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Extraordinary Property Losses	F-13
Comparative Operating Statement	F-3	Miscellaneous Deferred Debits	F-14
Year End Rate Base	F-4	Capital Stock	F-15
Year End Capital Structure	F-5	Bonds	F-15
Capital Structure Adjustments	F-6	Statement of Retained Earnings	F-16
Utility Plant	F-7	Advances from Associated Companies	F-17
Utility Plant Acquisition Adjustments	F-7	Other Long Term Debt	F-17
Accumulated Depreciation	F-8	Notes Payable	F-18
Accumulated Amortization	F-8	Accounts Payable to Associated Companies	F-18
Regulatory Commission Expense - Amortization of Rate Case Expense	F-9	Accrued Interest and Expense	F-19
Nonutility Property	F-9	Miscellaneous Current & Accrued Liabilities	F-20
Special Deposits	F-9	Advances for Construction	F-20
Investments and Special Funds	F-10	Other Deferred Credits	F-21
Accounts and Notes Receivable - Net	F-11	Contributions In Aid of Construction	F-22
Accounts Receivable from Associated Companies	F-12	Accumulated Amortization of CIAC	F-22
Notes Receivable from Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	F-23
Miscellaneous Current & Accrued Assets	F-12		

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
WATER OPERATION SECTION			
Water Listing of System Groups	W-1	CIAC Additions / Amortization	W-8
Year End Water Rate Base	W-2	Water Operating Revenue	W-9
Water Operating Statement	W-3	Water Utility Expense Accounts	W-10
Water Utility Plant Accounts	W-4	Pumping and Purchased Water Statistics, Source Supply	W-11
Basis for Water Depreciation Charges	W-5	Water Treatment Plant Information	W-12
Analysis of Entries in Water Depreciation Reserve	W-6	Calculation of ERCs	W-13
Contributions In Aid of Construction	W-7	Other Water System Information	W-14
WASTEWATER OPERATION SECTION			
Wastewater Listing of System Groups	S-1	Contributions In Aid of Construction	S-7
Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Operating Revenue	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Utility Expense Accounts	S-10
Basis for Wastewater Depreciation Charges	S-5	Calculation of ERCs	S-11
Analysis of Entries in Wastewater Depreciation Reserve	S-6	Wastewater Treatment Plant Information	S-12
		Other Wastewater System Information	S-13

EXECUTIVE SUMMARY

UTILITY NAME: Service Management Systems, Inc.

CERTIFICATION OF ANNUAL REPORT

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

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

Items Certified			
1.	2.	3.	4.
X	X	X	X



 (Signature of Chief Executive Officer of the utility) *

1.	2.	3.	4.

 (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

Service Management Systems, Inc.
(Exact Name of Utility)

County: Brevard

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

826 Creel Street
Melbourne FL 32935-5992

Telephone: (321)-751-4500

E Mail Address:

WEB Site:

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

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

John E Butler, P.A.
200 Oak Street
Melbourne Beach FL 32951-2034

Telephone: (321) 723-3333

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

826 Creel Street
Melbourne FL 32935-5992

Telephone: (321) 751-4500

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

Note. The financial records were prepared by the former operator of the system. There have been no errors or omissions discovered in the preparation of this report. The operating data has been provided by the operator of the system then and now.

Date of original organization of the utility: In 1984

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.	Service Management Systems, Inc. (Compass Bank)	100%
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

UTILITY NAME: _____

Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2009

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. The Utility was organized in 1989 to provide service to the Aquarina and St. Andrews Village developments.
- B. The Utility provides water, wastewater, and non-potable irrigation services.
- C. To provide quality utility services to its customers while earning a fair return for its stockholders.
- D. The Utility has three (3) divisions: water, wastewater, and non-potable irrigation. Water in this report consists of potable and non-potable.
- E. The Utility anticipates five (5) new customers annually.
- F. The company was in default on a note payable to Compass Bank. The Circuit Court appointed Dennis Basile as Receiver as of February 10, 2010. The PSC acknowledged the appointment of the Receiver by Order No. PSC-10-0329-FOP-WS issued May 14, 2010. The Bank has foreclosed on the note.

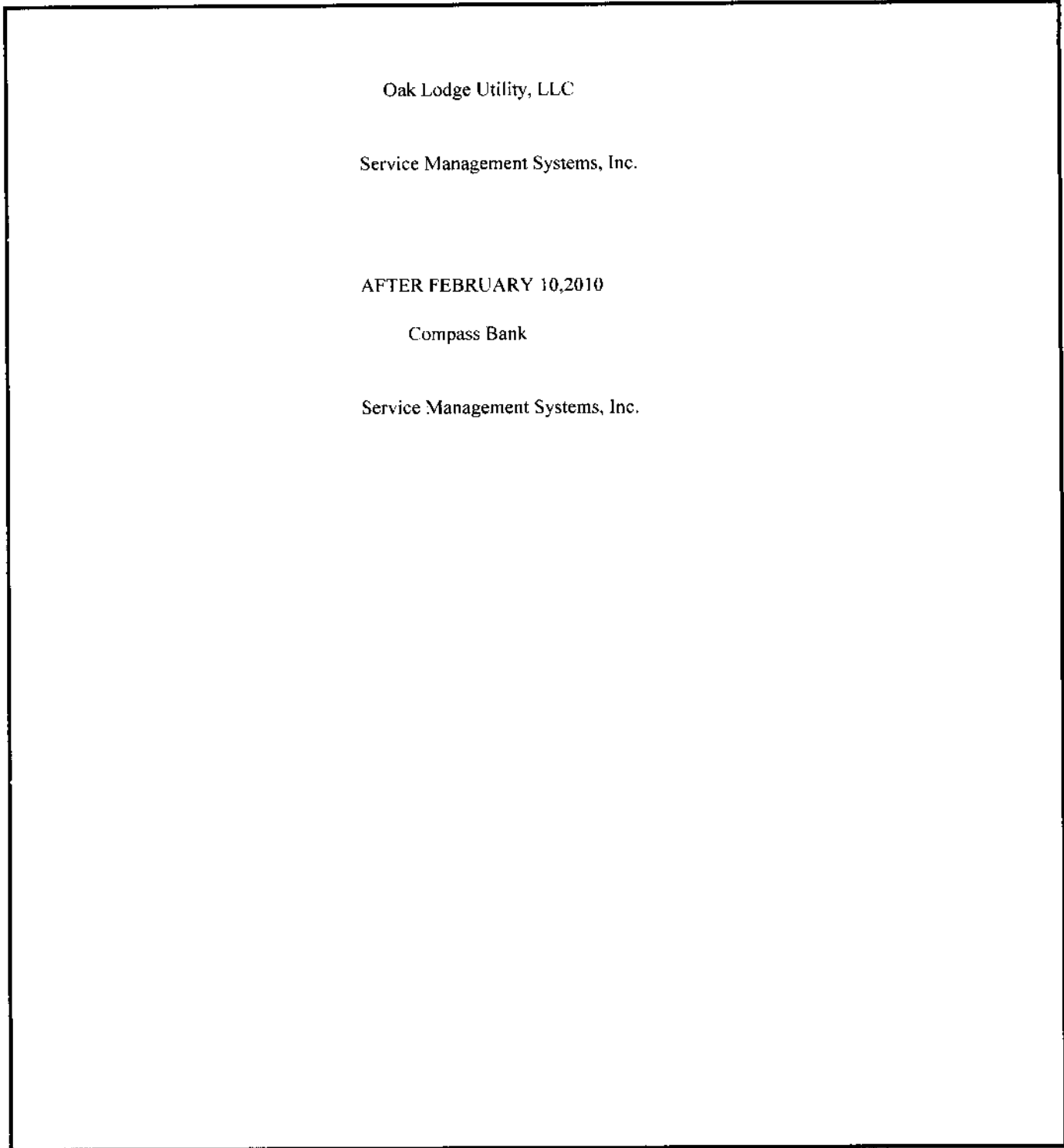
This report is based on the financial records prepared by the former operators of the system. These records have not been audited or compiled by the Receiver or his accountant; however, there have not been any errors or omissions discovered in the preparation of this report except for omission of the Compass Bank loan mentioned above.

UTILITY NAME: Service Management Systems, Inc.

PARENT / AFFILIATE ORGANIZATION CHART

Current as of 12/31/09

Complete below an organizational chart that shows 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).



UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT December 31, 2009
--

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)
Dennis Basile	Receiver	None. (Appointed on February 10, 2010)	None in 2009 \$ _____

COMPENSATION OF DIRECTORS

For each director, list the number of directors' 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)
Dennis Basile	Receiver	None	\$ None in 2009

FINANCIAL

SECTION

UTILITY NAME: Service Management Systems, Inc.

**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	\$ _____	\$ 4,483,463
108-110	Less: Accumulated Depreciation and Amortization	F-8		0
Net Plant			\$ 0	\$ 4,483,463
114-115	Utility Plant Acquisition adjustment (Net)	F-7		0
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 0	\$ 4,483,463
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ _____	\$ 0
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$ 0	\$ 0
123	Investment in Associated Companies	F-10		0
124	Utility Investments	F-10		0
125	Other Investments	F-10		0
126-127	Special Funds	F-10		0
Total Other Property & Investments			\$ 0	\$ 0
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ _____	\$ _____
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		324,628
145	Accounts Receivable from Associated Companies	F-12		0
146	Notes Receivable from Associated Companies	F-12		0
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Miscellaneous Current and Accrued Assets	F-12		11,000
Total Current and Accrued Assets			\$ 0	\$ 335,628

* Not Applicable for Class B Utilities

UTILITY NAME: Service Management Systems, Inc.

**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
182	Extraordinary Property Losses	F-13	_____	_____ 0
183	Preliminary Survey & Investigation Charges		_____	_____
184	Clearing Accounts		_____	_____
185 *	Temporary Facilities		_____	_____
186	Miscellaneous Deferred Debits	F-14	_____	_____ 0
187 *	Research & Development Expenditures		_____	_____
190	Accumulated Deferred Income Taxes		_____	_____
	Total Deferred Debits		\$ _____ 0	\$ _____ 0
	TOTAL ASSETS AND OTHER DEBITS		\$ _____ 0	\$ _____ 4,819,091

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

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

This report does not include a \$1,000,000.00 loan from Compass Bank on or about December 19, 2003 for a reverse osmosis plant and other utility facilities.

UTILITY NAME:

Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2009

**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	\$ _____	\$ 10,000
204	Preferred Stock Issued	F-15	_____	0
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		_____	_____
212	Discount On Capital Stock		_____	_____
213	Capital Stock Expense		_____	_____
214-215	Retained Earnings	F-16	_____	(166,975)
216	Reacquired Capital Stock		_____	_____
218	Proprietary Capital (Proprietorship and Partnership Only)		_____	_____
Total Equity Capital			\$ 0	\$ (156,975)
LONG TERM DEBT				
221	Bonds	F-15	_____	0
222 *	Reacquired Bonds		_____	_____
223	Advances from Associated Companies	F-17	_____	0
224	Other Long Term Debt	F-17	_____	0
Total Long Term Debt			\$ 0	\$ 0
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		_____	_____
232	Notes Payable	F-18	_____	0
233	Accounts Payable to Associated Companies	F-18	_____	0
234	Notes Payable to Associated Companies	F-18	_____	0
235	Customer Deposits		_____	_____
236	Accrued Taxes	W/S-3	_____	_____
237	Accrued Interest	F-19	_____	0
238	Accrued Dividends		_____	_____
239	Matured Long Term Debt		_____	_____
240	Matured Interest		_____	_____
241	Miscellaneous Current & Accrued Liabilities	F-20	_____	0
Total Current & Accrued Liabilities			\$ 0	\$ 0

* Not Applicable for Class B Utilities

UTILITY NAME: _____

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

**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	\$ _____	\$ _____ 0
252	Advances For Construction	F-20	_____	_____ 0
253	Other Deferred Credits	F-21	_____	_____ 0
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			\$ _____ 0	\$ _____ 0
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____ 0	\$ _____ 0
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ _____	\$ _____ 1,567,222
272	Accumulated Amortization of Contributions in Aid of Construction	F-22		(597,536)
Total Net CIAC			\$ _____ 0	\$ _____ 969,686
ACCUMULATED DEFERRED INCOME TAXES				
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			\$ _____ 0	\$ _____ 0
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ _____ 0	\$ _____ 812,711

UTILITY NAME: _____

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

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)	\$ _____	\$ 364,134
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		120
Net Operating Revenues			\$ 0	\$ 364,014
401	Operating Expenses	F-3(b)	\$ _____	\$ 363,735
403	Depreciation Expense:	F-3(b)	\$ _____	\$ 167,374
	Less: Amortization of CIAC	F-22		0
Net Depreciation Expense			\$ 0	\$ 167,374
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		0
407	Amortization Expense (Other than CIAC)	F-3(b)		0
408	Taxes Other Than Income	W/S-3		0
409	Current Income Taxes	W/S-3		0
410.1	Deferred Federal Income Taxes	W/S-3		0
410.11	Deferred State Income Taxes	W/S-3		0
411.1	Provision for Deferred Income Taxes - Credit	W/S-3		0
412.1	Investment Tax Credits Deferred to Future Periods	W/S-3		0
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		0
Utility Operating Expenses			\$ 0	\$ 531,109
Net Utility Operating Income			\$ 0	\$ (167,095)
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		120
413	Income From Utility Plant Leased to Others			0
414	Gains (losses) From Disposition of Utility Property			0
420	Allowance for Funds Used During Construction			0
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 0	\$ (166,975)

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

UTILITY NAME: Service Management System

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ <u>220,233</u> 0	\$ <u>143,901</u> 120	\$ _____
\$ <u>220,233</u>	\$ <u>143,781</u>	\$ <u>0</u>
\$ 229,282	\$ 134,453	\$ _____
<u>69,947</u> 0	<u>97,427</u> 0	_____
\$ <u>69,947</u>	\$ <u>97,427</u>	\$ <u>0</u>
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
\$ <u>299,229</u>	\$ <u>231,880</u>	\$ <u>0</u>
\$ <u>(78,996)</u>	\$ <u>(88,099)</u>	\$ <u>0</u>
<u>0</u>	<u>120</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
<u>0</u>	<u>0</u>	_____
\$ <u>(78,996)</u>	\$ <u>(87,979)</u>	\$ <u>0</u>

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

UTILITY NAME: Service Management Systems, Inc.

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)]			\$ 0	\$ (166,975)
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		_____	_____
421	Nonutility Income		_____	_____
426	Miscellaneous Nonutility Expenses		_____	_____
Total Other Income and Deductions			\$ 0	\$ 0
TAXES APPLICABLE TO OTHER INCOME				
408.2	Taxes Other Than Income		\$	\$
409.2	Income Taxes		_____	_____
410.2	Provision for Deferred Income Taxes		_____	_____
411.2	Provision for Deferred Income Taxes - Credit		_____	_____
412.2	Investment Tax Credits - Net		_____	_____
412.3	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ 0	\$ 0
INTEREST EXPENSE				
427	Interest Expense	F-19	\$	\$ 0
428	Amortization of Debt Discount & Expense	F-13	_____	0
429	Amortization of Premium on Debt	F-13	_____	0
Total Interest Expense			\$ 0	\$ 0
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions		_____	_____
409.3	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ 0	\$ 0
NET INCOME			\$ 0	\$ (166,975)

Explain Extraordinary Income:

UTILITY NAME: _____

Service Management Systems, 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	F-7	\$ 2,243,019	\$ 2,240,444
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	0	0
110	Accumulated Amortization	F-8	0	0
271	Contributions in Aid of Construction	F-22	803,652	763,570
252	Advances for Construction	F-20		
Subtotal			\$ 1,439,367	\$ 1,476,874
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	282,137	315,399
Subtotal			\$ 1,721,504	\$ 1,792,273
114	Plus or Minus: Acquisition Adjustments (2)	F-7	0	0
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	0	0
	Working Capital Allowance (3)		0	0
	Other (Specify): _____ _____ _____			
RATE BASE			\$ 1,721,504	\$ 1,792,273
NET UTILITY OPERATING INCOME			\$ (78,996)	\$ (88,099)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-4.59%	-4.92%

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%		0.00%
Preferred Stock	0	0.00%		0.00%
Long Term Debt	0	0.00%		0.00%
Customer Deposits	0	0.00%		0.00%
Tax Credits - Zero Cost	0	0.00%		0.00%
Tax Credits - Weighted Cost	0	0.00%		0.00%
Deferred Income Taxes	0	0.00%		0.00%
Other (Explain)	0	0.00%		0.00%
	0	0.00%		0.00%
Total	\$ <u>0</u>	<u>0.00%</u>		<u>0.00%</u>

(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>9.94%</u>
Commission order approving Return on Equity:	<u>PSC-03-1342-PAA-WS</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	<u>None.</u>
Commission order approving AFUDC rate:	_____

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: _____

Service Management Systems, Inc.

YEAR OF REPORT December 31, 2009
--

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 2,243,019	\$ 2,240,444	\$ _____	\$ 4,483,463
102	Utility Plant Leased to Other	_____	_____	_____	0
103	Property Held for Future Use	_____	_____	_____	0
104	Utility Plant Purchased or Sold	_____	_____	_____	0
105	Construction Work in Progress	_____	_____	_____	0
106	Completed Construction Not Classified	_____	_____	_____	0
	Total Utility Plant	\$ 2,243,019	\$ 2,240,444	\$ 0	\$ 4,483,463

**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. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ _____	\$ _____	\$ _____	\$ 0
		_____	_____	_____	0
		_____	_____	_____	0
		_____	_____	_____	0
	Total Plant Acquisition Adjustments	\$ 0	\$ 0	\$ 0	\$ 0
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ 0
		_____	_____	_____	0
		_____	_____	_____	0
		_____	_____	_____	0
	Total Accumulated Amortization	\$ 0	\$ 0	\$ 0	\$ 0
	Net Acquisition Adjustments	\$ 0	\$ 0	\$ 0	\$ 0

UTILITY NAME: _____

Service Management Systems, Inc.

YEAR OF REPORT December 31, 2009
--

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	\$ _____	\$ _____	\$ _____	\$ _____
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ _____	\$ _____	\$ _____	\$ _____ 0
Account 108.2 (2)	_____	_____	_____	_____ 0
Account 108.3 (2)	_____	_____	_____	_____ 0
Other Accounts (specify):	_____	_____	_____	_____ 0
_____	_____	_____	_____	_____ 0
_____	_____	_____	_____	_____ 0
Salvage	_____	_____	_____	_____ 0
Other Credits (Specify):	_____	_____	_____	_____ 0
_____	_____	_____	_____	_____ 0
Total Credits	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0
Debits during year:				
Book cost of plant retired	_____	_____	_____	_____ 0
Cost of Removal	_____	_____	_____	_____ 0
Other Debits (specify):	_____	_____	_____	_____ 0
_____	_____	_____	_____	_____ 0
Total Debits	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0
Balance end of year	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$ _____	\$ _____	\$ _____	\$ _____ 0
Credit during year:				
Accruals charged to:				
Account 110.2 (3)	\$ _____	\$ _____	\$ _____	\$ _____ 0
Other Accounts (specify):	_____	_____	_____	_____ 0
_____	_____	_____	_____	_____ 0
Total credits	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0
Debits during year:				
Book cost of plant retired	_____	_____	_____	_____ 0
Other debits (specify):	_____	_____	_____	_____ 0
_____	_____	_____	_____	_____ 0
Total Debits	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0
Balance end of year	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT December 31, 2009
--

**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)
_____	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total	\$ <u>0</u>		\$ <u>0</u>

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	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

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): _____ _____ _____	\$ _____ _____ _____
Total Special Deposits	\$ <u>0</u>
OTHER SPECIAL DEPOSITS (Account 133): _____ _____ _____	\$ _____ _____ _____
Total Other Special Deposits	\$ <u>0</u>

UTILITY NAME: Service Management Systems, Inc.

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

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT December 31, 2009
--

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	\$ 324,628	
Wastewater	_____	
Other	_____	
Total Customer Accounts Receivable		\$ 324,628
OTHER ACCOUNTS RECEIVABLE (Account 142):		
_____	\$ _____	
_____	_____	
_____	_____	
Total Other Accounts Receivable		\$ 0
NOTES RECEIVABLE (Account 144):		
_____	\$ _____	
_____	_____	
_____	_____	
Total Notes Receivable		\$ 0
Total Accounts and Notes Receivable		\$ 324,628
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ _____	
Add: Provision for uncollectibles for current year	\$ _____	
Collection of accounts previously written off	_____	
Utility Accounts	_____	
Others	_____	
Total Additions		\$ 0
Deduct accounts written off during year:		
Utility Accounts	_____	
Others	_____	
Total accounts written off		\$ 0
Balance end of year		\$ 0
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 324,628

UTILITY NAME: Service Management Systems, Inc.

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

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____ _____ _____	\$ _____ _____ _____
Total Extraordinary Property Losses	\$ <u>0</u>

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT

**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)		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Deferred Rate Case Expense	\$ <u>0</u>	\$ <u>0</u>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Debits	\$ <u>0</u>	\$ <u>0</u>
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Assets	\$ <u>0</u>	\$ <u>0</u>
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ <u>0</u>	\$ <u>0</u>

UTILITY NAME: Service Management Systems, Inc.

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	1 %	\$ 1
Shares authorized		10,000
Shares issued and outstanding		10,000
Total par value of stock issued	%	\$ 10,000
Dividends declared per share for year	0 %	\$ 0
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)	
None	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 0

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

UTILITY NAME: Service Management Systems, Inc.

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	\$
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ _____
	Total Credits:	\$ 0
	Debits: _____	\$ _____
	Total Debits:	\$ 0
435	Balance Transferred from Income	\$ (166,975)
436	Appropriations of Retained Earnings: _____	_____
	Total Appropriations of Retained Earnings	\$ 0
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____
	Total Dividends Declared	\$ 0
215	Year end Balance	\$ (166,975)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	\$ 0
	Total Retained Earnings	\$ (166,975)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Service Management Systems, Inc.

**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ <u>0</u>

**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)	
_____	%	_____	\$ _____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
Total			\$ <u>0</u>

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

UTILITY NAME: Service Management Systems, Inc.

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

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST 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	\$ _____		\$ _____	\$ _____	\$ _____
_____	_____		_____	_____	_____
_____	_____		_____	_____	_____
_____	_____		_____	_____	_____
Total Account 237.1	\$ _____ 0		\$ _____ 0	\$ _____ 0	\$ _____ 0
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities	\$ _____	427	\$ _____	\$ _____	\$ _____
Customer Deposits	_____		_____	_____	_____
_____	_____		_____	_____	_____
_____	_____		_____	_____	_____
Total Account 237.2	\$ _____ 0		\$ _____ 0	\$ _____ 0	\$ _____ 0
Total Account 237 (1)	\$ _____ 0		\$ _____ 0	\$ _____ 0	\$ _____ 0
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ _____		
Less Capitalized Interest Portion of AFUDC:			_____		
_____			_____		
_____			_____		
Net Interest Expensed to Account No. 427 (2)			\$ _____ 0		\$ _____ 0

(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: Service Management Systems, Inc.

**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	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2): _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Other Deferred Liabilities	\$ _____	\$ _____
TOTAL OTHER DEFERRED CREDITS	\$ _____	\$ _____

UTILITY NAME: _____

Service Management Systems, Inc.

YEAR OF REPORT December 31, 2009
--

**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>802,372</u>	\$ <u>763,570</u>	\$ _____	\$ <u>1,565,942</u>
Add credits during year:	\$ <u>1,280</u>	\$ <u>0</u>	\$ _____	\$ <u>1,280</u>
Less debit charged during the year	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Total Contribution In Aid of Construction	\$ <u><u>803,652</u></u>	\$ <u><u>763,570</u></u>	\$ <u><u>0</u></u>	\$ <u><u>1,567,222</u></u>

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>282,137</u>	\$ <u>315,399</u>	\$ _____	\$ <u>597,536</u>
Debits during the year:	\$ _____	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Credits during the year	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u><u>282,137</u></u>	\$ <u><u>315,399</u></u>	\$ <u><u>0</u></u>	\$ <u><u>597,536</u></u>

UTILITY NAME: _____

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

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)	\$ (166,975)
Reconciling items for the year:		
Taxable income not reported on books:		
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
_____		_____
_____		_____
_____		_____
Income recorded on books not included in return:		
_____		_____
_____		_____
_____		_____
Deduction on return not charged against book income:		
_____		_____
_____		_____
_____		_____
Federal tax net income		\$ (166,975)

Computation of tax :

**WATER
OPERATION
SECTION**

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / 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)	\$ 2,243,019
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	<u>1,432,289</u>
110	Accumulated Amortization	F-8	<u>0</u>
271	Contributions in Aid of Construction	W-7	<u>803,652</u>
252	Advances for Construction	F-20	
Subtotal			\$ <u>7,078</u>
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 282,137
Subtotal			\$ <u>289,215</u>
114	Plus or Minus: Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		
	Other (Specify):		
WATER RATE BASE			\$ <u>289,215</u>
WATER OPERATING INCOME		W-3	\$ <u>(78,996)</u>
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			<u>-27.31%</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:

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / COUNTY :

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	\$ 220,233
469	Less: Guaranteed Revenue and AFPI	W-9	0
	Net Operating Revenues		\$ 220,233
401	Operating Expenses	W-10(a)	\$ 229,282
403	Depreciation Expense	W-6(a)	69,947
	Less: Amortization of CIAC	W-8(a)	0
	Net Depreciation Expense		\$ 69,947
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	0
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		\$ 0
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		\$ 299,229
	Utility Operating Income		\$ (78,996)
469	Add Back:		
	Guaranteed Revenue (and AFPI)	W-9	\$ 0
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		\$ (78,996)

YEAR OF REPORT
December 31, 2009

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / COUNTY: _____

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 1,050	\$ 14,095	\$	\$ 15,145
302	Franchises				0
303	Land and Land Rights	62,080			62,080
304	Structures and Improvements	16,415	16,599		33,014
305	Collecting and Impounding Reservoirs				0
306	Lake, River and Other Intakes				0
307	Wells and Springs	230,861			230,861
308	Infiltration Galleries and Tunnels				0
309	Supply Mains	141,736			141,736
310	Power Generation Equipment				0
311	Pumping Equipment	169,028			169,028
320	Water Treatment Equipment	451,115			451,115
330	Distribution Reservoirs and Standpipes	629,183			629,183
331	Transmission and Distribution Mains	281,096			281,096
333	Services	167,547			167,547
334	Meters and Meter Installations	19,883			19,883
335	Hydrants	13,300			13,300
336	Backflow Prevention Devices				0
339	Other Plant Miscellaneous Equipment	27,916			27,916
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	1,115			1,115
348	Other Tangible Plant				0
TOTAL WATER PLANT		\$ 2,212,325	\$ 30,694	\$ 0	\$ 2,243,019

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

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / 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	\$ 15,145	\$ 15,145	\$	\$	\$	\$
302	Franchises	0					
303	Land and Land Rights	62,080		62,080			
304	Structures and Improvements	33,014		33,014			
305	Collecting and Impounding Reservoirs	0					
306	Lake, River and Other Intakes	0					
307	Wells and Springs	230,861		230,861			
308	Infiltration Galleries and Tunnels	0					
309	Supply Mains	141,736		141,736			
310	Power Generation Equipment	0					
311	Pumping Equipment	169,028		169,028			
320	Water Treatment Equipment	451,115			451,115		
330	Distribution Reservoirs and Standpipes	629,183				629,183	
331	Transmission and Distribution Mains	281,096				281,096	
333	Services	167,547				167,547	
334	Meters and Meter Installations	19,883				19,883	
335	Hydrants	13,300				13,300	
336	Backflow Prevention Devices	0					
339	Other Plant Miscellaneous Equipment	27,916				27,916	
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	1,115					1,115
348	Other Tangible Plant	0					
TOTAL WATER PLANT		\$ 2,243,019	\$ 15,145	\$ 636,719	\$ 451,115	\$ 1,138,925	\$ 1,115

W-4(b)
GROUP

UTILITY NAME:

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / 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	40		2.50%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	27		3.70%
308	Infiltration Galleries and Tunnels			
309	Supply Mains	32		3.13%
310	Power Generation Equipment			
311	Pumping Equipment	17		5.88%
320	Water Treatment Equipment	17		5.88%
330	Distribution Reservoirs and Standpipes	30		3.33%
331	Transmission and Distribution Mains	38		2.63%
333	Services	35		2.86%
334	Meters and Meter Installations	12		8.33%
335	Hydrants	40		2.50%
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment	20		5.00%
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	5		20.00%
348	Other Tangible Plant			
Water Plant Composite Depreciation Rate *				

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

YEAR OF REPORT
December 31, 2009

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / 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	\$ 15,606	390		\$ 390
305	Collecting and Impounding Reservoirs				0
306	Lake, River and Other Intakes				0
307	Wells and Springs	203,478	7,529		7,529
308	Infiltration Galleries and Tunnels				0
309	Supply Mains	64,551	2,020		2,020
310	Power Generation Equipment				0
311	Pumping Equipment	77,509	4,558		4,558
320	Water Treatment Equipment	377,411	22,192		22,192
330	Distribution Reservoirs and Standpipes	468,530	27,550		27,550
331	Transmission and Distribution Mains	62,292	2,074		2,074
333	Services	66,517	1,902		1,902
334	Meters and Meter Installations	15,909	1,325		1,325
335	Hydrants	2,542	63		63
336	Backflow Prevention Devices				0
339	Other Plant Miscellaneous Equipment	6,882	344		344
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	1,115			0
348	Other Tangible Plant				0
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,362,342	69,947	0	69,947

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

YEAR OF REPORT
December 31, 2009

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / 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-j) (k)
304	Structures and Improvements	\$	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs				0	15,996
306	Lake, River and Other Intakes				0	0
307	Wells and Springs				0	0
308	Infiltration Galleries and Tunnels				0	211,007
309	Supply Mains				0	0
310	Power Generation Equipment				0	66,571
311	Pumping Equipment				0	0
320	Water Treatment Equipment				0	82,067
330	Distribution Reservoirs and Standpipes				0	399,603
331	Transmission and Distribution Mains				0	496,080
333	Services				0	64,366
334	Meters and Meter Installations				0	68,419
335	Hydrants				0	17,234
336	Backflow Prevention Devices				0	2,605
339	Other Plant Miscellaneous Equipment				0	0
340	Office Furniture and Equipment				0	7,226
341	Transportation Equipment				0	0
342	Stores Equipment				0	0
343	Tools, Shop and Garage Equipment				0	0
344	Laboratory Equipment				0	0
345	Power Operated Equipment				0	0
346	Communication Equipment				0	0
347	Miscellaneous Equipment				0	0
348	Other Tangible Plant				0	1,115
TOTAL WATER ACCUMULATED DEPRECIATION		\$	\$	\$	\$	\$
		0	0	0	0	1,432,289

W-6(b)
GROUP

UTILITY NAME:

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / 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)
Plant Capacity Charge	1	\$ 1,280	\$ 1,280
			0
			0
			0
			0
			0
			0
			0
			0
Total Credits			\$ 1,280

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 282,137
Debits during the year: Accruals charged to Account 272	\$
Other debits (specify):	
Total debits	\$ 0
Credits during the year (specify):	\$
Total credits	\$ 0
Balance end of year	\$ 282,137

W-8(a)

GROUP _____

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / 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		\$ _____ 0

UTILITY NAME:

Service Management Systems, 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			\$
461.1	Metered Water Revenue: Sales to Residential Customers	273	274	137,699
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		273	274	\$ 137,699
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	94	94	82,414
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		367	368	\$ 220,113
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			120
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
Total Other Water Revenues				\$ 120
Total Water Operating Revenues				\$ 220,233

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

UTILITY NAME:

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / COUNTY :

WATER UTILITY EXPENSE ACCOUNT MATRIX

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	\$ 39,532	\$	\$
603	Salaries and Wages - Officers, Directors and Majority Stockholders	0		
604	Employee Pensions and Benefits	0		
610	Purchased Water	0		
615	Purchased Power	49,249		
616	Fuel for Power Production	0		
618	Chemicals	685		
620	Materials and Supplies	2,081		2,081
631	Contractual Services-Engineering	0		
632	Contractual Services - Accounting	0		
633	Contractual Services - Legal	14,462		
634	Contractual Services - Mgt. Fees	56,976		
635	Contractual Services - Testing	6,545		
636	Contractual Services - Other	6,632		
641	Rental of Building/Real Property	0		
642	Rental of Equipment	0		
650	Transportation Expenses	3,385		
656	Insurance - Vehicle	0		
657	Insurance - General Liability	8,725		
658	Insurance - Workman's Comp.	0		
659	Insurance - Other	0		
660	Advertising Expense	0		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	0		
667	Regulatory Commission Exp.-Other	15,435		
668	Water Resource Conservation Exp.	0		
670	Bad Debt Expense	0		
675	Miscellaneous Expenses	25,575		
Total Water Utility Expenses		\$ 229,282	\$ 0	\$ 2,081

UTILITY NAME:

Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2009

SYSTEM NAME / 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		2		2	2
February		1		1	1
March		1		1	1
April		1		1	1
May		1		1	1
June		1		1	1
July		1		1	1
August		1		1	1
September		1		1	1
October		1		1	1
November		1		1	1
December				0	1
Total for Year	0	12	0	12	13

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

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

SOURCE OF SUPPLY

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Drinking Water Well	1.0 MGD	1.0	Aquifer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2009

SYSTEM NAME / COUNTY : _____

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>0.11 MGD</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>Reverse Osmosis</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
FILTRATION	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / 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	267	267
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	14	112
3"	Displacement	15.0		
3"	Compound	16.0	3	48
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				427

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:

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2009

SYSTEM NAME / 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. 466
2. Maximum number of ERCs * which can be served. 468
3. Present system connection capacity (in ERCs *) using existing lines. 600
4. Future connection capacity (in ERCs *) upon service area buildout. 1300
5. Estimated annual increase in ERCs *. 5
6. Is the utility required to have fire flow capacity?
If so, how much capacity is required? Yes
1100 GPM
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? 1999
10. 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
11. Department of Environmental Protection ID # 3054060
12. Water Management District Consumptive Use Permit # 1719
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? N/A

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

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / COUNTY : _____

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 2,240,444
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	1,820,816
110	Accumulated Amortization	F-8	0
271	Contributions in Aid of Construction	S-7	763,570
252	Advances for Construction	F-20	
Subtotal			\$ (343,942)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 315,399
Subtotal			\$ (28,543)
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		
	Other (Specify):		
WASTEWATER RATE BASE			\$ (28,543)
WASTEWATER OPERATING INCOME		S-3	\$ (88,099)
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			308.65%

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: Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2009

SYSTEM NAME / COUNTY : _____

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9(a)	\$ 143,901
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	120
Net Operating Revenues			\$ 143,781
401	Operating Expenses	S-10(a)	\$ 134,453
403	Depreciation Expense	S-6(a)	97,427
	Less: Amortization of CIAC	S-8(a)	0
Net Depreciation Expense			\$ 97,427
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	0
Taxes Other Than Income			
408.10	Utility Regulatory Assessment Fee		
408.11	Property Taxes		
408.12	Payroll Taxes		
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 0
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			\$ 231,880
Utility Operating Income			\$ (88,099)
Add Back:			
530	Guaranteed Revenue (and AFPI)	S-9(a)	\$ 120
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			\$ (87,979)

UTILITY NAME: _____
 YEAR OF REPORT
 December 31, 2009

Service Management Systems, Inc.

SYSTEM NAME / COUNTY: _____

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 1,050	\$ 14,095	\$	\$ 15,145
352	Franchises				0
353	Land and Land Rights	33,680			33,680
354	Structures and Improvements	23,669	8,300		31,969
355	Power Generation Equipment				0
360	Collection Sewers - Force	206,148			206,148
361	Collection Sewers - Gravity	328,569			328,569
362	Special Collecting Structures				0
363	Services to Customers	171,175			171,175
364	Flow Measuring Devices				0
365	Flow Measuring Installations				0
366	Reuse Services				0
367	Reuse Meters and Meter Installations				0
370	Receiving Wells				0
371	Pumping Equipment	54,502			54,502
374	Reuse Distribution Reservoirs				0
375	Reuse Transmission and Distribution System				0
380	Treatment and Disposal Equipment				0
381	Plant Sewers	1,193,560			1,193,560
382	Outfall Sewer Lines	157,892			0
389	Other Plant Miscellaneous Equipment	14,056			157,892
390	Office Furniture and Equipment				14,056
391	Transportation Equipment				0
392	Stores Equipment				0
393	Tools, Shop and Garage Equipment				0
394	Laboratory Equipment				0
395	Power Operated Equipment				0
396	Communication Equipment				0
397	Miscellaneous Equipment	22,060			0
398	Other Tangible Plant	3,805	7,883		29,943
	Total Wastewater Plant	\$ 2,210,166	\$ 30,278	\$ 0	\$ 2,240,444

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

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / COUNTY: _____

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ 15,145						
352	Franchises							
353	Land and Land Rights							
354	Structures and Improvements				33,680			
355	Power Generation Equipment				31,969			
360	Collection Sewers - Force		206,148					
361	Collection Sewers - Gravity		328,569					
362	Special Collecting Structures							
363	Services to Customers							
364	Flow Measuring Devices		171,175					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells							
371	Pumping Equipment			54,502				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment and Disposal Equipment				1,193,560			
381	Plant Sewers							
382	Outfall Sewer Lines				157,892			
389	Other Plant Miscellaneous Equipment				14,056			
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							29,943
398	Other Tangible Plant							3,805
	Total Wastewater Plant	\$ 15,145	\$ 705,892	\$ 54,502	\$ 1,431,157	\$ 0	\$ 0	\$ 33,748

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

UTILITY NAME:

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / 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	32		3.13%
355	Power Generation Equipment			
360	Collection Sewers - Force	30		3.33%
361	Collection Sewers - Gravity	45		2.22%
362	Special Collecting Structures			
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			
371	Pumping Equipment	18		5.56%
374	Reuse Distribution Reservoirs			
375	Reuse Transmission/Distribution Sys.			
380	Treatment and Disposal Equipment	18		5.56%
381	Plant Sewers			
382	Outfall Sewer Lines	30		3.33%
389	Other Plant Miscellaneous Equipment	32		3.13%
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	15		6.67%
398	Other Tangible Plant	16		6.25%
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: _____
 SYSTEM NAME / COUNTY: _____

YEAR OF REPORT
 December 31, 2009

Service Management Systems, Inc.

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRAUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
354	Structures and Improvements	\$ 19,152	\$ 1,001	\$	\$ 1,001
355	Power Generation Equipment				0
360	Collection Sewers - Force	123,761	6,865		6,865
361	Collection Sewers - Gravity	96,752	7,294		7,294
362	Special Collecting Structures				0
363	Services to Customers	94,452	4,502		4,502
364	Flow Measuring Devices				0
365	Flow Measuring Installations				0
366	Reuse Services				0
367	Reuse Meters and Meter Installations				0
370	Receiving Wells				0
371	Pumping Equipment	21,349	3,030		3,030
374	Reuse Distribution Reservoirs				0
375	Reuse Transmission/Distribution Sys.				0
380	Treatment and Disposal Equipment	1,193,560	66,362		66,362
381	Plant Sewers				0
382	Outfall Sewer Lines	157,892	5,258		5,258
389	Other Plant Miscellaneous Equipment	2,382	440		440
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
396	Communication Equipment				0
397	Miscellaneous Equipment	10,415	2,437		2,437
398	Other Tangible Plant	3,674	238		238
Total Depreciable Wastewater Plant in Service		\$ 1,723,389	\$ 97,427	\$ 0	\$ 97,427

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

YEAR OF REPORT
December 31, 2009

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / 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)	BALANCE AT END OF YEAR (c+f-j) (k)
354	Structures and Improvements	\$	\$	\$	\$ 0	\$ 20,153
355	Power Generation Equipment				0	0
360	Collection Sewers - Force				0	130,626
361	Collection Sewers - Gravity				0	104,046
362	Special Collecting Structures				0	0
363	Services to Customers				0	98,954
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				0	0
371	Pumping Equipment				0	24,379
374	Reuse Distribution Reservoirs				0	0
375	Reuse Transmission/Distribution Sys.				0	0
380	Treatment and Disposal Equipment				0	1,259,922
381	Plant Sewers				0	0
382	Outfall Sewer Lines				0	163,150
389	Other Plant Miscellaneous Equipment				0	2,822
390	Office Furniture and Equipment				0	0
391	Transportation Equipment				0	0
392	Stores Equipment				0	0
393	Tools, Shop and Garage Equipment				0	0
394	Laboratory Equipment				0	0
395	Power Operated Equipment				0	0
396	Communication Equipment				0	0
397	Miscellaneous Equipment				0	12,852
398	Other Tangible Plant				0	3,912
Total Depreciable Wastewater Plant in Service						\$ 1,820,816

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

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT December 31, 2009
--

SYSTEM NAME / 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)
_____	_____	\$ _____	\$ _____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
Total Credits			\$ _____ 0

ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 315,399
Debits during the year:	
Accruals charged to Account 272	\$ _____
Other debits (specify):	_____
_____	_____
_____	_____
Total debits	\$ _____ 0
Credits during the year (specify):	
_____	\$ _____
_____	_____
Total credits	\$ _____ 0
Balance end of year	\$ 315,399

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / 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	_____	_____	\$ _____
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	0	0	\$ 0
Measured Revenues:				
522.1	Residential Revenues	286	291	143,781
522.2	Commercial Revenues	_____	_____	_____
522.3	Industrial Revenues	_____	_____	_____
522.4	Revenues From Public Authorities	_____	_____	_____
522.5	Multiple Family Dwelling Revenues	_____	_____	_____
522	Total Measured Revenues	286	291	\$ 143,781
523	Revenues From Public Authorities	_____	_____	_____
524	Revenues From Other Systems	_____	_____	_____
525	Interdepartmental Revenues	_____	_____	_____
Total Wastewater Sales		<u>286</u>	<u>291</u>	<u>\$ 143,781</u>
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)	_____	_____	\$ _____
531	Sale of Sludge	_____	_____	_____
532	Forfeited Discounts	_____	_____	_____
534	Rents From Wastewater Property	_____	_____	_____
535	Interdepartmental Rents	_____	_____	_____
536	Other Wastewater Revenues	_____	_____	120
Total Other Wastewater Revenues				\$ 120

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

UTILITY NAME:

Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / 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				\$ 143,901

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

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / COUNTY :

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 COLLECTION EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 19,391	\$	\$	\$	\$	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders	0						
704	Employee Pensions and Benefits	(352)						
710	Purchased Sewage Treatment	0						
711	Sludge Removal Expense	0						
715	Purchased Power	24,660					24,660	
716	Fuel for Power Production	342					342	
718	Chemicals	8,293					8,293	
720	Materials and Supplies	17,829						15,729
731	Contractual Services-Engineering	0						
732	Contractual Services - Accounting	0						
733	Contractual Services - Legal	7,231						
734	Contractual Services - Mgt. Fees	0						
735	Contractual Services - Testing	1,423					1,423	
736	Contractual Services - Other	21,804					21,804	
741	Rental of Building/Real Property	0						
742	Rental of Equipment	0						
750	Transportation Expenses	1,717					1,717	
756	Insurance - Vehicle	0						
757	Insurance - General Liability	0						
758	Insurance - Workman's Comp.	0						
759	Insurance - Other	4,232						
760	Advertising Expense	0						
766	Regulatory Commission Expenses							
	- Amortization of Rate Case Expense	0						
767	Regulatory Commission Exp - Other	9,801						
770	Bad Debt Expense	0						
775	Miscellaneous Expenses	18,082						
	Total Wastewater Utility Expenses	\$ 134,453	\$ 0	\$ 0	\$ 0	\$ 0	\$ 58,239	\$ 15,729

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / 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	\$	\$ 19,391	\$	\$	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders						
704	Employee Pensions and Benefits		(352)				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies		2,100				
731	Contractual Services-Engineering						
732	Contractual Services - Accounting						
733	Contractual Services - Legal		7,231				
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		4,232				
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other		9,801				
770	Bad Debt Expense						
775	Miscellaneous Expenses		18,082				
Total Wastewater Utility Expenses		\$ 0	\$ 60,485	\$ 0	\$ 0	\$ 0	\$ 0

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2009

SYSTEM NAME / COUNTY: _____

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	284	284
5/8"	Displacement	1.0		0
3/4"	Displacement	1.5		0
1"	Displacement	2.5		0
1 1/2"	Displacement or Turbine	5.0		0
2"	Displacement, Compound or Turbine	8.0	7	56
3"	Displacement	15.0		0
3"	Compound	16.0		0
3"	Turbine	17.5		0
4"	Displacement or Compound	25.0		0
4"	Turbine	30.0		0
6"	Displacement or Compound	50.0		0
6"	Turbine	62.5		0
8"	Compound	80.0		0
8"	Turbine	90.0		0
10"	Compound	115.0		0
10"	Turbine	145.0		0
12"	Turbine	215.0		0
Total Wastewater System Meter Equivalents				340

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:

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / COUNTY : _____

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	99,000		
Basis of Permit Capacity (1)	AADF		
Manufacturer	Schriber		
Type (2)	Activated Sludge		
Hydraulic Capacity	99,000		
Average Daily Flow	30,672		
Total Gallons of Wastewater Treated	11,195,362		
Method of Effluent Disposal	Drain Field		

(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: Service Management Systems, Inc.

YEAR OF REPORT

December 31, 2009

SYSTEM NAME / 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 335
2. Maximum number of ERCs* which can be served 335
3. Present system connection capacity (in ERCs*) using existing lines 335
4. Future connection capacity (in ERCs*) upon service area buildout 1484
5. Estimated annual increase in ERCs* 5
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
New drainfield

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? Yes

If so, when? When flows reach 99,000 GPD
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? N/A
10. When did the company last file a capacity analysis report with the DEP? Unknown
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? _____
12. Department of Environmental Protection ID # 3005P00330

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