

# CLASS "C"

## WATER AND/OR WASTEWATER UTILITIES

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

# ANNUAL REPORT

OF

SU535-05-AR / WU536-05-AR  
Herbert Hein  
East Marion Sanitary Systems, Inc.  
G-4225 Miller Road #190  
Flint, MI 48507

Submitted To The

## STATE OF FLORIDA



## PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2005

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
DEPARTMENT OF  
ECONOMIC REGULATION

06 DEC -4 PM 3:20

## GENERAL INSTRUCTIONS

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

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

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

## GENERAL DEFINITIONS

**ADVANCES FOR CONSTRUCTION** - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

**ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION ( AFUDC )** - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (Rule 25-30.116, Florida Administrative Code)

**AMORTIZATION** - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

**CONTRIBUTIONS IN AID OF CONSTRUCTION ( CIAC )** - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

**CONSTRUCTION WORK IN PROGRESS ( CWIP )** - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

**DEPRECIATION** - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

**EFFLUENT REUSE** - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

**EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER)** - (Rule 25-30.515 (8), Florida Administrative Code)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

**EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER)** - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

**GUARANTEED REVENUE CHARGE** - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

**LONG TERM DEBT** - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

**PROPRIETARY CAPITAL ( For proprietorships and partnerships only )** - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

**RETAINED EARNINGS** - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

# FINANCIAL SECTION

REPORT OF

EAST MARION SANITARY SYSTEMS, INC

(EXACT NAME OF UTILITY)

P O BOX 245; SILVER SPRINGS, FL 34489-0245	600 N E 130 TRAIL	MARION
Mailing Address	Street Address	County

Telephone Number 352-625-0117 Date Utility First Organized 06/24/86

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

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

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

Individual     Sub Chapter S Corporation     1120 Corporation     Partnership

Name, Address and phone where records are located: EAST MARION SANITARY SYSTEMS, INC.  
G4425 B4 MILLER ROAD, SUITE 190; FLINT, MI 48507 810-733-6342 or 810-241-8789

Name of subdivisions where services are provided: LAKEVIEW WOODS/TRAILS EAST

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>HERBERT HEIN</u>	_____	<u>see above</u>	0
Person who prepared this report: <u>JOSEPH E. BRANNON, CPA</u>	_____	<u>106 N E 14 AVENUE</u> <u>OCALA, FL 34470</u>	0
Officers and Managers: <u>HERBERT HEIN</u>	<u>PRESIDENT</u>	<u>see above</u>	\$ <u>12301</u> \$ <u>(mgmt fee)</u> \$ _____ \$ _____ \$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
<u>HERBERT HEIN</u>	<u>100%</u>	<u>see above</u>	\$ <u>12,301</u> \$ <u>(mgmt fee)</u> \$ _____ \$ _____ \$ _____ \$ _____ \$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

UTILITY NAME: EAST MARION SANITARY SYSTEMS, INC

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 18002.00	\$ 30411.00	\$ _____	\$ 48413.00
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_		_____	_____	_____	_____
Other (Specify)_____		568.00	567.00	_____	1135.00
Total Gross Revenue__		\$ 18570.00	\$ 30978.00	\$ _____	\$ 49548.00
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 20575.00	\$ 19432.00	\$ _____	\$ 40007.00
Depreciation Expense_____	F-5	4050.00	7783.00	_____	11833.00
CIAC Amortization Expense_	F-8	(997.00)	(1471.00)	_____	(2468.00)
Taxes Other Than Income__	F-7	1188.00	2905.00	_____	4093.00
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 24816.00	28649.00	_____	\$ 53465.00
Net Operating Income (Loss)		\$ (6246.00)	\$ 2329.00	\$ _____	\$ (3917.00)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ 0.00
Late Fees		135.00	135.00	_____	270.00
Interest Income		_____	_____	91.00	91.00
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		771.00	772.00	_____	1543.00
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (6882.00)	\$ 1692.00	\$ 91.00	\$ (5099.00)

**East Marion Sanitary Systems, Inc.**

Page F-3, Other income

December 31, 2005

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Income</b>			
<b>Bad Check fees</b>	13	12	25.00
<b>Connect/Disconnect fees</b>	215	215	430.00
<b>Transfer Fees</b>	340	340	680.00
<b>Total Income</b>	568	567	1,135



UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>392934</u>	\$ <u>391284</u>
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>(140905)</u>	<u>(129072)</u>
<b>Net Utility Plant</b> _____		\$ <u>252029</u>	\$ <u>262212</u>
Cash _____		<u>44012</u>	<u>33583</u>
Customer Accounts Receivable (141) _____		<u>4101</u>	<u>3554</u>
Other Assets (Specify): _____			
Deferred Rate Case Expense (Net) _____		<u>95</u>	<u>1555</u>
Prepaid Expenses _____		<u>1100</u>	
_____			
_____			
<b>Total Assets</b> _____		\$ <u><u>301337</u></u>	\$ <u><u>300904</u></u>
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) _____	F-6	<u>1000</u>	<u>1000</u>
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____		<u>313018</u>	<u>313018</u>
Retained Earnings (215) _____	F-6	<u>(141748)</u>	<u>(136649)</u>
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
<b>Total Capital</b> _____		\$ <u>172270</u>	\$ <u>177369</u>
Long Term Debt (224) _____	F-6	\$ <u>23866</u>	\$ <u>28371</u>
Accounts Payable (231) _____		<u>3600</u>	<u>13815</u>
Notes Payable (232) _____			
Customer Deposits (235) _____		<u>1097</u>	<u>1097</u>
Accrued Taxes (236) _____		<u>2230</u>	<u>1814</u>
Other Liabilities (Specify) _____			
Loans Related Parties _____		<u>18546</u>	<u>13298</u>
_____			
_____			
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>79728</u>	<u>65140</u>
<b>Total Liabilities and Capital</b> _____		\$ <u><u>301337</u></u>	\$ <u><u>300904</u></u>

UTILITY NAME: East Marion Sanitary Systems, Inc

YEAR OF REPORT December 31, 2005
-------------------------------------

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>129290</u>	\$ <u>241262</u>	\$ _____	\$ <u>370552</u>
Construction Work in Progress (105) _____	_____	_____	_____	0
	_____	_____	_____	0
Other (Specify) Shed	_____	<u>950</u>	_____	950
Office Equipment	<u>183</u>	_____	_____	183
Fencing	<u>10624</u>	<u>10625</u>	_____	21249
Total Utility Plant _____	\$ <u>140097</u>	\$ <u>252837</u>	\$ <u>0</u>	\$ <u>392934</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>37949</u>	\$ <u>91123</u>	\$ _____	\$ <u>129072</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ <u>4050</u>	\$ <u>7783</u>	\$ _____	\$ <u>11833</u>
Salvage _____	_____	_____	_____	0
Other Credits (specify) _____	_____	_____	_____	0
	_____	_____	_____	0
Total Credits _____	\$ <u>4050</u>	\$ <u>7783</u>	\$ <u>0</u>	\$ <u>11833</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>41999</u>	\$ <u>98906</u>	\$ <u>0</u>	\$ <u>140905</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

CAPITAL STOCK ( 201 - 204 )

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	1000	_____
Total par value of stock issued _____	1000	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS ( 215 )

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ (136649)
Changes during the year (Specify):		
<u>Operating Loss</u> _____	_____	(5099)
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ (141748)

PROPRIETARY CAPITAL ( 218 )

<u>N/A</u>	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
Changes during the year (Specify):		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT ( 224 )

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
<u>AmSouth Bank Note dated 5/14/03 due 5/14/10</u>	5.75	84	\$ 23866
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 23866

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

**TAX EXPENSE**

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	262	1402	_____	1664
Regulatory assessment fee _____	844	1420	_____	2264
Other (Specify) _____	_____	_____	_____	_____
License & Taxes _____	82	83	_____	165
<b>Total Tax Expense _____</b>	<b>\$ 1188</b>	<b>\$ 2905</b>	<b>\$ _____</b>	<b>\$ 4093</b>

**PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
Hien-Parket Property Trust	\$ 3600	\$ 3600	Property Rents
Hien-Waldena Trust	\$ 1000	\$ 1000	Office Equip Rents
Herbert Hein	\$ 2162	\$ 2163	Management Fees/Labor
Hien-Parket Management	\$ 5126	\$ 2850	Mgmt Bill/Test/Repair/Meter Read
Joseph E. Brannon CPA	\$ 1562	\$ 1563	Accounting & Tax Services
Central FL Lawn Svc	\$ 1050	\$ 1050	Lawn care
Harold Elzey Plumbing	\$ _____	\$ 1272	Repairs
Paul Guilfoil PA	\$ 475	\$ 475	Legal Counsel
Pro Tech Water	\$ 3039	\$ 2452	Plant operation/Testing
American Pipe & Tank	\$ _____	\$ 692	Sludge Hauling
_____	\$ _____	\$ _____	_____

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

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ <u>26045</u>	\$ <u>50065</u>	\$ 76110
2) Add credits during year_____	\$ <u>5681</u>	\$ <u>11375</u>	\$ 17056
3) Total_____	<u>31726</u>	<u>61440</u>	<u>93166</u>
4) Deduct charges during the year_____			
5) Balance end of year_____	<u>31726</u>	<u>61440</u>	93166
6) Less Accumulated Amortization_____	<u>(5454)</u>	<u>(7984)</u>	<u>(13438)</u>
7) Net CIAC_____	\$ <u><u>26272</u></u>	\$ <u><u>53456</u></u>	\$ <u><u>79728</u></u>

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

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total_____		\$ <u>N/A</u>	\$ <u>N/A</u>
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
Water Connections	<u>13</u>	\$ <u>437</u>	\$ <u>5681</u>
Sewer Connections	<u>13</u>	<u>875</u>	<u>11375</u>
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.)_____		\$ <u><u>5681</u></u>	\$ <u><u>11375</u></u>

**ACCUMULATED AMORTIZATION OF CIAC (272)**

	Water	Wastewater	Total
Balance First of Year_____	\$ <u>4457</u>	\$ <u>6513</u>	\$ 10970
Add Debits During Year:_____	<u>997</u>	<u>1471</u>	<u>2468</u>
Deduct Credits During Year:_____			
Balance End of Year (Must agree with line #6 above.)	\$ <u><u>5454</u></u>	\$ <u><u>7984</u></u>	\$ <u><u>13438</u></u>

**\*\* COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR \*\***

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

**N/A**

**SCHEDULE "A"**

**N/A**

**SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)**

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [ c x d ] (e)
Common Equity	\$ _____	_____ %	%	_____ %
Preferred Stock	_____	_____ %	%	_____ %
Long Term Debt	_____	_____ %	%	_____ %
Customer Deposits	_____	_____ %	%	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	%	_____ %
Deferred Income Taxes	_____	_____ %	%	_____ %
Other (Explain)	_____	_____ %	%	_____ %
Total	\$ _____	<u>100.00</u> %		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

**APPROVED AFUDC RATE**

Current Commission approved AFUDC rate: _____ %
Commission Order Number approving AFUDC rate: _____

\*\* COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR \*\*

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

**N/A**

SCHEDULE "B"

**N/A**

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
<b>Total</b>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>

(1) Explain below all adjustments made in Column (e):

<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
---

**WATER  
OPERATING  
SECTION**



UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

**WATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ 950	\$ _____	\$ _____	\$ 950
302	Franchises_____				
303	Land and Land Rights_____	35000			35000
304	Structures and Improvements_____	4900			4900
305	Collecting and Impounding Reservoirs_____				
306	Lake, River and Other Intakes_____				
307	Wells and Springs_____	8100			8100
308	Infiltration Galleries and Tunnels_____				
309	Supply Mains_____				
310	Power Generation Equipment_____				
311	Pumping Equipment_____	14200			14200
320	Water Treatment Equipment_____	2805			2805
330	Distribution Reservoirs and Standpipes_____				
331	Transmission and Distribution Lines_____	46378			46378
333	Services_____	8622			8622
334	Meters and Meter Installations_____	6211	5681		11892
335	Hydrants_____				
336	Backflow Prevention Devices_____				
339	Other Plant and Miscellaneous Equipment_____				
340	Office Furniture and Equipment_____	183			183
341	Transportation Equipment_____				
342	Stores Equipment_____				
343	Tools, Shop and Garage Equipment_____				
344	Laboratory Equipment_____				
345	Power Operated Equipment_____				
346	Communication Equipment_____				
347	Miscellaneous Equipment_____	474			474
348	Other Tangible Plant-fencing_____	10625			10625
	Total Water Plant_____	\$ 138448	\$ 5681	\$ _____	\$ 144129

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Organization Cost	40		2.5 %	\$ 325	\$	24	\$ 349
305	Structures and Improvements	33	%	3.03 %	2000		148	2148
	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	30	%	3.33 %	3645		270	3915
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment	20	%	5 %	9585		710	10295
320	Water Treatment Equipment	20	%	5 %	1662		128	1790
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains	43	%	2.33 %	14564		1079	15643
333	Services	40	%	2.5 %	2914		216	3130
334	Meter & Meter Installations	20	%	5 %	1671		393	2064
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment		%					
340	Office Furniture and Equipment		%					
341	Transportation Equipment	10	%	10 %	45		18	63
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment		%					
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment	5	%	20 %	474			474
348	Other Tangible Plant-fencing Rounding	10	%	10 %	1066		1062	2128
	Totals				\$ 37949	\$	\$ 4050	\$ 41999

\* This amount should tie to Sheet F-5.

**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders-Mgmt fees_____	2162
604	Employee Pensions and Benefits_____	_____
610	Purchased Water_____	_____
615	Purchased Power_____	530
616	Fuel for Power Production_____	_____
618	Chemicals_____	1520
620	Materials and Supplies_____	_____
630	Contractual Services:	
	Billing_____	2356
	Professional_____	2137
	Testing_____	990
	Other__ Plant Operation, Meter Reading &Mgmt Services_____	3836
640	Rents_____	4600
650	Transportation Expense_____	_____
655	Insurance Expense_____	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	730
670	Bad Debt Expense_____	_____
675	Miscellaneous Expenses- Scheduled W-3a Attached_____	1714
	Total Water Operation And Maintenance Expense_____	\$ 20575 *

\* This amount should tie to Sheet F-3.

**WATER CUSTOMERS**

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
<b>Residential Service</b>					
5/8"	D	1.0	72	8	80
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
<b>General Service</b>					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			<b>Total</b>	72	8
				8	80

**East Marion Sanitary Systems, Inc.**

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2005

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Bank charges</b>	\$ -	-	-
<b>Repairs &amp; maint</b>	1,181	(271)	910
<b>Dues and subscriptions</b>	128	128	256
<b>Computer expense</b>	137	-	137
<b>Office expense</b>	268	320	588
	<u>\$ 1,714</u>	<u>\$ 177</u>	<u>\$ 1,891</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	(b) Water Purchased For Resale (Omit 000's)	(c) Finished Water From Wells (Omit 000's)	(d) Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	(e) Total Water Pumped And Purchased (Omit 000's) [ (b)+(c)-(d) ]	(f) Water Sold To Customers (Omit 000's)
January	_____	_____	_____	_____	247.8
February	_____	_____	_____	_____	373.3
March	_____	_____	_____	_____	297.4
April	_____	_____	_____	_____	443.1
May	_____	_____	_____	_____	408.6
June	_____	_____	_____	_____	286.1
July	_____	_____	_____	_____	370.7
August	_____	_____	_____	_____	374.4
September	_____	_____	_____	_____	447.3
October	_____	_____	_____	_____	301
November	_____	_____	_____	_____	406.6
December	_____	_____	_____	_____	309.4
Total for Year	=====	=====	=====	=====	4265.7

If water is purchased for resale, indicate the following:

Vendor \_\_\_\_\_ **N/A**

Point of delivery \_\_\_\_\_ **N/A**

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

**N/A**

**MAINS (FEET)**

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	6"	200	_____	_____	200
PVC	4"	8450	_____	_____	8450
PVC	2"	1675	_____	_____	1675
PVC	1.5"	375	_____	_____	375
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**WELLS AND WELL PUMPS**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1986	_____	_____	_____
Types of Well Construction and Casing _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	_____	_____	_____	_____
Diameters of Wells _____	6"	_____	_____	_____
Pump - GPM _____	250	_____	_____	_____
Motor - HP _____	20	_____	_____	_____
Motor Type * _____	submersible	_____	_____	_____
Yields of Wells in GPD _____	360000	_____	_____	_____
Auxiliary Power _____	N/A	_____	_____	_____
* Submersible, centrifugal, etc.				

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	steel	_____	_____	_____
Capacity of Tank _____	6000	_____	_____	_____
Ground or Elevated _____	ground	_____	_____	_____

**HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer _____	N/A	_____	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<u>Pumps</u>				
Manufacturer _____	N/A	_____	_____	_____
Type _____	_____	_____	_____	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Permitted Gals. per day_____	360000	_____	_____
Type of Source_____	ground	_____	_____

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type_____	N/A	_____	_____
Make_____	N/A	_____	_____
Permitted Capacity (GPD)_____	N/A	_____	_____
High service pumping	N/A	_____	_____
Gallons per minute_____	N/A	_____	_____
Reverse Osmosis_____	N/A	_____	_____
Lime Treatment			
Unit Rating_____	N/A	_____	_____
Filtration			
Pressure Sq. Ft._____	N/A	_____	_____
Gravity GPD/Sq.Ft._____	N/A	_____	_____
Disinfection			
Chlorinator_____	chemeter(30GPD)	_____	_____
Ozone_____	N/A	_____	_____
Other_____	N/A	_____	_____
Auxiliary Power_____	N/A	_____	_____

SYSTEM NAME: \_\_\_\_\_

GENERAL 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. \_\_\_\_\_ 1286
- 2. Maximum number of ERCs\* which can be served. \_\_\_\_\_ 1286 \_\_\_\_\_
- 3. Present system connection capacity (in ERCs \*) using existing lines. \_\_\_\_\_ 1286 \_\_\_\_\_
- 4. Future connection capacity (in ERCs \*) upon service area buildout. \_\_\_\_\_ 1286 \_\_\_\_\_
- 5. Estimated annual increase in ERCs \*. \_\_\_\_\_ 10 \_\_\_\_\_
- 6. Is the utility required to have fire flow capacity? \_\_\_\_\_ NO \_\_\_\_\_  
If so, how much capacity is required? \_\_\_\_\_
- 7. Attach a description of the fire fighting facilities.
- 8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.  
\_\_\_\_\_ NONE \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 9. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_ NONE \_\_\_\_\_
- 10. If the present system does not meet the requirements of DEP rules, submit the following:
  - a. Attach a description of the plant upgrade necessary to meet 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 # 3424789 \_\_\_\_\_
- 12. Water Management District Consumptive Use Permit # 2-083-0042 WFM \_\_\_\_\_
  - a. Is the system in compliance with the requirements of the CUP? \_\_\_\_\_ YES \_\_\_\_\_
  - b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* An ERC is determined based on one of the following methods:

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



**WASTEWATER  
OPERATING  
SECTION**

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

**WASTEWATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ 950	\$ _____	\$ _____	\$ 950
352	Franchises_____	_____	_____	_____	_____
353	Land and Land Rights_____	50000	_____	_____	50000
354	Structures and Improvements_____	950	_____	_____	950
355	Power Generation Equipment_____	_____	_____	_____	_____
360	Collection Sewers - Force_____	37363	_____	_____	37363
361	Collection Sewers - Gravity_____	80831	_____	_____	80831
362	Special Collecting Structures_____	_____	_____	_____	_____
363	Services to Customers_____	14118	_____	_____	14118
364	Flow Measuring Devices_____	_____	_____	_____	_____
365	Flow Measuring Installations_____	_____	_____	_____	_____
370	Receiving Wells_____	_____	_____	_____	_____
371	Pumping Equipment_____	_____	_____	_____	_____
380	Treatment and Disposal Equipment_____	58000	_____	_____	58000
381	Plant Sewers_____	_____	_____	_____	_____
382	Outfall Sewer Lines_____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
390	Office Furniture and Equipment_____	_____	_____	_____	_____
391	Transportation Equipment_____	_____	_____	_____	_____
392	Stores Equipment_____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
394	Laboratory Equipment_____	_____	_____	_____	_____
395	Power Operated Equipment_____	_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____	_____
397	Miscellaneous Equipment_____	_____	_____	_____	_____
398	Other Tangible Plant-fencing_____	10625	_____	_____	10625
	Total Wastewater Plant_____	\$ 252837	\$ 0	\$ _____	\$ 252837 *

\* This amount should tie to sheet F-5.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
351	Organization	40	%	2.5 %	\$ 326	\$	24	\$ 350
354	Structures and Improvements	15	%	6.67 %	158		63	221
355	Power Generation Equipment		%		0			0
360	Collection Sewers - Force	30	%	3.33 %	16809		1245	18054
361	Collection Sewers - Gravity	45	%	2.22 %	24247		1796	26043
362	Special Collecting Structures		%					
363	Services to Customers	38	%	2.63 %	5021		372	5393
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	18	%	5.56 %	43498		3222	46720
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%					
391	Transportation Equipment		%					
392	Stores Equipment		%					
393	Tools, Shop and Garage Equipment		%					
394	Laboratory Equipment		%					
395	Power Operated Equipment		%					
396	Communication Equipment		%					
397	Miscellaneous Equipment		%					
398	Other Tangible Plant-fencing Rounding Totals	10	%	10 %	1064		1063	2127
					\$ 91123	\$	7783	\$ 98906 *

\* This amount should tie to Sheet F-5.

**WASTEWATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ _____
703	Salaries and Wages - Officers, Directors, and Majority Stockholders-Mgmt Fees	_____ 2162
704	Employee Pensions and Benefits	_____
710	Purchased Wastewater Treatment	_____
711	Sludge Removal Expense	_____
715	Purchased Power	_____ 3676
716	Fuel for Power Production	_____
718	Chemicals	_____
720	Materials and Supplies	_____
730	Contractual Services:	_____
	Billing	_____ 2355
	Professional	_____ 2137
	Testing	_____ 450
	Other-Plant Operation, Sludge Hauling & Mgmt Services	_____ 3145
740	Rents	_____ 4600
750	Transportation Expense	_____
755	Insurance Expense	_____
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____ 730
770	Bad Debt Expense	_____
775	Miscellaneous Expenses-See S-3a Attached	_____ 177
	<b>Total Wastewater Operation And Maintenance Expense</b>	<b>\$ _____ 19432 *</b>

\* This amount should tie to Sheet F-3.

**WASTEWATER CUSTOMERS**

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Equivalent (c x e) (f)
			Start of Year (d)	End of Year (e)	
<b>Residential Service</b>					
All meter sizes	D	1.0	69	77	77
<b>General Service</b>					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers Other (Specify)	_____	_____	_____	_____	_____
<b>Total</b>			<u>69</u>	<u>77</u>	<u>77</u>

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

**East Marion Sanitary Systems, Inc.**

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2005

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Bank charges</b>	\$ -	-	-
<b>Repairs &amp; maint</b>	1,181	(271)	910
<b>Dues and subscriptions</b>	128	128	256
<b>Computer expense</b>	137	-	137
<b>Office expense</b>	268	320	588
	<u>\$ 1,714</u>	<u>\$ 177</u>	<u>\$ 1,891</u>

**PUMPING EQUIPMENT**

Lift Station Number _____ Make or Type and nameplate data on pump _____ _____	_____	_____	_____	_____	_____
Year installed _____	1985	_____	_____	_____	_____
Rated capacity _____	_____	_____	_____	_____	_____
Size _____	_____	_____	_____	_____	_____
Power:					
Electric _____	_____	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____

**SERVICE CONNECTIONS**

Size (inches) _____	3"	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	PVC	_____	_____	_____	_____
Average length _____	40'	_____	_____	_____	_____
Number of active service connections _____	69	_____	_____	_____	_____
Beginning of year _____	69	_____	_____	_____	_____
Added during year _____	8	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____
End of year _____	77	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____

**COLLECTING AND FORCE MAINS**

	Collecting Mains				Force Mains		
Size (inches) _____	8"	_____	_____	_____	3"	4"	_____
Type of main _____	PVC	_____	_____	_____	PVC	PVC	_____
Length of main (nearest foot) _____	9680	_____	_____	_____	825	950	_____
Beginning of year _____	_____	_____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____
End of year _____	9680	_____	_____	_____	825	950	_____

**MANHOLES**

Size (inches) _____	48"	_____	_____	_____
Type of Manhole _____	Concrete	_____	_____	_____
Number of Manholes:				
Beginning of year _____	35	_____	_____	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of Year _____	35	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2005
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**TREATMENT PLANT**

Manufacturer_____	Marlof_____	_____	_____
Type_____	extended air_____	_____	_____
"Steel" or "Concrete"_____	concrete_____	_____	_____
Total Permitted Capacity_____	50000 GPD_____	_____	_____
Average Daily Flow_____	1900 GPD_____	_____	_____
Method of Effluent Disposal_____	Evap/Perc Ponds_____	_____	_____
Permitted Capacity of Disposal_____	_____	_____	_____
Total Gallons of Wastewater treated_____	1900 GPD_____	_____	_____

**MASTER LIFT STATION PUMPS**

Manufacturer_____	Delzotta_____	Delzotta_____	_____	_____	_____	_____
Capacity (GPM's)_____	100_____	175_____	_____	_____	_____	_____
Motor:						
Manufacturer_____	hydramatic_____	hydramatic_____	_____	_____	_____	_____
Horsepower_____	3_____	5_____	_____	_____	_____	_____
Power (Electric or Mechanical)_____	elec_____	elec_____	_____	_____	_____	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	_____	N/A	_____
February_____	_____	_____	_____
March_____	_____	_____	_____
April_____	_____	_____	_____
May_____	_____	_____	_____
June_____	_____	_____	_____
July_____	_____	_____	_____
August_____	_____	_____	_____
September_____	_____	_____	_____
October_____	_____	_____	_____
November_____	_____	_____	_____
December_____	_____	_____	_____
Total for year_____	_____	_____	_____

If Wastewater Treatment is purchased, indicate the vendor: \_\_\_\_\_  
 \_\_\_\_\_

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31,

SYSTEM NAME: \_\_\_\_\_

**GENERAL 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. \_\_\_\_ 77
2. Maximum number of ERCs\* which can be served. \_\_\_\_\_ 179 \_\_\_\_\_
3. Present system connection capacity (in ERCs\*) using existing lines. \_\_\_\_ 1286 \_\_\_\_\_
4. Future connection capacity (in ERCs\*) upon service area buildout. \_\_\_\_\_ 1286 \_\_\_\_\_
5. Estimated annual increase in ERCs\*. \_\_\_\_\_ 10 \_\_\_\_\_
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
\_\_\_\_ NONE \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known.
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? \_\_\_\_ NO \_\_\_\_\_  
If so, when? \_\_\_\_\_
9. Has the utility been required by the DEP or water management district to implement reuse? \_\_\_\_ NO \_\_\_\_\_  
If so, what are the utility's plans to comply with this requirement? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
10. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_ NONE \_\_\_\_\_
11. If the present system does not meet the requirements of DEP rules, submit the following:
  - a. Attach a description of the plant upgrade necessary to meet 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 # \_\_\_\_\_

\* An ERC is determined based on one of the following methods:  
(a) If actual flow data are available from the preceding 12 months:  
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.  
(b) If no historical flow data are available use:  
ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).



UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2005


## CERTIFICATION OF ANNUAL REPORT

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

- |  |                                |    |  |
|--|--------------------------------|----|--|
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.   |
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.  |
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.   |
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

**Items Certified**

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

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

Date: 12/01/06

- |                                |                                |                                |                                |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 1.<br><input type="checkbox"/> | 2.<br><input type="checkbox"/> | 3.<br><input type="checkbox"/> | 4.<br><input type="checkbox"/> |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|

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

Date: \_\_\_\_\_

\* 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.

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

Company:

For the Year Ended December 31, 2005

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ <u>30,411</u>	\$ <u>30,411</u>	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	<u>567</u>	<u>567</u>	_____
<b>Total Wastewater Operating Revenue</b>	<b>\$ <u>30,978</u></b>	<b>\$ <u>30,978</u></b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Wastewater Operating Revenues</b>	<b>\$ <u>30,978</u></b>	<b>\$ <u>30,978</u></b>	<b>\$ _____</b>

Explanations:

Instructions:

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

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

**Company:**

**For the Year Ended December 31, \_\_\_\_\_**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 18,002	\$ 18,002	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	568	568	_____
<b>Total Water Operating Revenue</b>	<b>\$ 18,570</b>	<b>\$ 18,570</b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Water Operating Revenues</b>	<b>\$ 18,570</b>	<b>\$ 18,570</b>	<b>\$ _____</b>

Explanations:

Instructions:

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