

**Diamond Williams**

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**From:** Maggie Moody [mmoody@mccallmoodylaw.com]  
**Sent:** Wednesday, June 08, 2011 10:43 AM  
**To:** Filings@psc.state.fl.us  
**Subject:** Docket No. 100104-WU Motion  
**Attachments:** 06-08-11 Mot. for Install pay.pdf

Please find attached our Motion to Allow Installment Payment of Regulatory Assessment Fee *In re: Application for increase in water rates in Franklin County by Water Management Services, Inc.* Docket No. 100104-WU filed on behalf of Water Management Services, Inc. (Utility). The attached document contains 19 pages and seeks for the Commission to allow the Utility to pay the Regulatory Assessment Fee in installments.

The signatory block below contains the requisite information for the undersigned who is the person responsible for this electronic filing.

Enjoy this day,

*Maggie*  
Maggie McCall Moody



**McCall Moody Law Firm**

*Protecting Families and Fortunes*  
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Suite 103  
Tallahassee, FL 32309  
850/656-7753  
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DOCUMENT NUMBER-DATE

03960 JUN-8 =

6/8/2011

FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Application for Increase in Water )  
Rates in Franklin County by Water )  
Management Services, Inc. )  
\_\_\_\_\_ )

Docket No. 100104-WU

Date: June 7, 2011

**MOTION TO ALLOW INSTALLMENT PAYMENT  
OF REGULATORY ASSESSMENT FEE**

The utility, Water Management Services, Inc. or 'WMSI' moves this Commission for an order allowing the utility to pay its Regulatory Assessment Fee due in July, 2011 in five equal installments of 20% each beginning August 31, 2011, and as grounds for this motion would show the Commission as follows:

1. The utility is suffering severe financial hardship and will be unable to pay the fee in full in July, 2011.
2. Specifically, the utility lost over \$500,000 in 2010, as shown by its 2010 annual report. See exhibit "A." Such losses are continuing at approximately the same level during 2011.
3. The management and affiliates of the utility have been subsidizing the operations of the utility for the benefit of its ratepayers for many years, as shown by the general ledgers filed with the Commission's audit staff in this docket, which are incorporated herein by reference, and by the annual reports on file with this Commission. The extent of this subsidy is shown by an audit response filed by the utility as part of an audit of the utility now being conducted in this docket. See exhibit "B." The schedules included as part of this response are summaries of the financial facts shown by the above-referenced general ledgers and annual reports on file with this Commission. The utility's management and affiliates cannot continue to subsidize this deficit at the same level, but will be able to make the five installment payments from its monthly revenue from customers.


DOCUMENT NUMBER-DATE

03960 JUN-8 =

FPSC-COMMISSION CLERK

WHEREFORE, the Utility requests this Commission enter its Order permitting payment of the Utility's Regulatory Assessment Fee currently due in full in July 2011 in the following installments: 20% on or before August 31, 2011; 20% on or before September 30, 2011; 20% on or before October 31, 2011; 20% on or before November 30, 2011; and 20% on or before December 31, 2011.

#### CERTIFICATE OF SERVICE

I certify that a copy of this document was delivered by U.S. Mail to the persons listed below on June , 2011.

J.R. Kelly, Public Counsel  
Joseph A. McGlothlin, Office of Public Counsel  
c/o The Florida Legislature  
111 W. Madison Street, Room 812  
Tallahassee, FL 32399-1400  
On behalf of the Citizens of the State of Florida (OPC)

Ralph R. Jaeger  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
On behalf of the Florida Public Service Commission (Staff)

Rosanne Gervasi  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
On behalf of the Florida Public Service Commission (Staff)

Gene D. Brown  
250 John Knox Road, No. 4  
Tallahassee, FL 32303  
On behalf of Water Management Services, Inc. (Utility)

Respectfully submitted,

By:

  
Maggie McCall Moody

McCall Moody Law Firm

Florida Bar No. 760500

2940 Kerry Forest Parkway, Suite 103

Tallahassee, FL 32309

Tel. (850)656-7753

Fax (866)675-3869

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Attorney for Utility

**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)]			\$ (23,496)	\$ (143,325)
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ 0	\$ 0
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		0	0
419	Interest and Dividend Income		9,412	3,387
421	Nonutility Income		0	0
426	Miscellaneous Nonutility Expenses		(11,637)	(10,819)
Total Other Income and Deductions			\$ (2,225)	\$ (7,431)
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable To Other Income			\$	\$
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	\$ 286,863	\$ 294,845
428	Amortization of Debt Discount & Expense	F-13	19,107	58,436
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 305,970	\$ 353,281
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$	\$
<b>NET INCOME</b>			\$ (331,692)	\$ (504,038)

Explain Extraordinary Income:

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**EXHIBIT "A"**

**WATER MANAGEMENT SERVICES, INC.**

250 John Knox Rd. # 4  
Tallahassee, FL 32303  
(850) 668-0440 Fax (850) 577-0441

May 20, 2011

HAND DELIVERY

Ms. Debra Dobiac  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket NO. 100104-WU  
Audit Request No. 3

Dear Ms. Dobiac:

As stated in my letter of January 18, 2011 regarding audit request number 3, Water Management's accountant was asked to prepare a cash flow analysis of all the funds that flowed into and out of Water Management Services, Inc. (WMSI) during the years 2004 through 2010. A copy of this cash flow analysis is attached as composite exhibit "A." The accountant is working on the years 2000 through 2003, which will be provided as a further supplement to this response before your audit is completed in June. Attached as composite exhibit "B" is a simple cash flow statement showing the actual cash in and out of the WMSI bank accounts during 2000 through 2010.

These cash flow schedules confirm my testimony during the hearing in this case:

**(1) That no ratepayer funds have ever been used to pay out any money through Account 123; and**

**(2) That during all the years involved in this audit, my affiliates and I have been subsidizing the operations of WMSI, not vice versa.**

**EXHIBIT "B"**

Ms. Debra Dobiac

Page Two

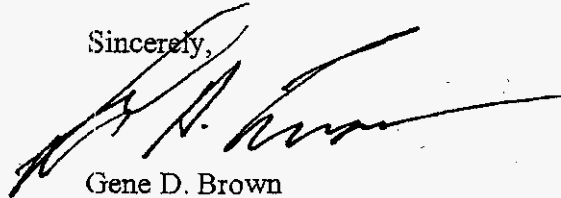
May 20, 2011

At the hearing, I also testified that some of the funds paid out under Account 123 were used to pay debt service on loans incurred by me and my affiliates to subsidize the operations of WMSI by covering the cash deficit year after year. With limited staff and resources, we have not been able to document every one of these personal loans for all of the years in question. However, we have prepared a representative schedule of such costs during the last 3 years; 2008, 2009 and 2010. This schedule, attached as exhibit "C," shows that I spent an average in excess of \$100,000 per year during those years outside of WMSI, just to service the debt and pay other expenses for the benefit of WMSI. This additional cost to me is not shown on the WMSI books. This type of subsidy of WMSI by my affiliates and me has been going on at least since 2000.

As you can see from exhibit "A," the operating deficit for WMSI from 2004 through 2010 was \$7,133,288, net of account 123. The average cash operating deficit of WMSI has been over \$1,000,000 per year beginning in 2000, when the State started tearing down WMSI's supply main with no compensation to the utility. Please note that the subsidy shown by exhibit "C" is in addition to the subsidies shown by exhibit "A."

We are providing copies of the debt instruments that have been located in response to audit request number 3. Although this is not complete, I would like to point out that all of the cash deficit needed to operate WMSI from January 1, 2004 through December 31, 2010 is shown by the general ledgers and annual reports which you have. All of this cash deficit came from me, my affiliates or from 3<sup>rd</sup> parties, including lenders. I personally secured these loans, I personally endorsed these loans, and I am personally responsible for the repayment of these loans. No part of this deficit came from ratepayers, and the ratepayers do not have to repay any part of the principal balance of the loans I secured to cover the WMSI cash shortage. I make these points to put your audit of account 123 in context. This audit cannot be viewed independent of the overall cash deficit that I had to cover during the seven years covered by your audit. In any event, WMSI's ratepayers have never subsidized any non-utility activities, as that term is used in Section 367.121(1)(i) of the Florida Statutes.

Sincerely,



Gene D. Brown

GDB:smc  
Enclosures

**WMSI  
FINANCIAL SOURCES AND USES**

<b>2004</b>	
COSTS OF OPERATIONS OF WMSI	\$2,950,998.38
FUNDS FROM RATEPAYERS	\$1,518,938.00
<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$1,432,060.38</b>
<b>2005</b>	
COSTS OF OPERATIONS OF WMSI	\$1,831,156.68
FUNDS FROM RATEPAYERS	\$1,504,774.00
<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$326,382.68</b>
<b>2006</b>	
COSTS OF OPERATIONS OF WMSI	\$4,937,082.76
FUNDS FROM RATEPAYERS	\$1,525,833.00
<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$3,411,249.76</b>
<b>2007</b>	
COSTS OF OPERATIONS OF WMSI	\$2,082,031.91
FUNDS FROM RATEPAYERS	\$1,527,469.00
<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$554,562.91</b>
<b>2008</b>	
COSTS OF OPERATIONS OF WMSI	\$2,036,491.79
FUNDS FROM RATEPAYERS	\$1,404,766.00
<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$631,725.79</b>
<b>2009</b>	
COSTS OF OPERATIONS OF WMSI	\$1,418,542.00
FUNDS FROM RATEPAYERS	\$1,346,497.00
<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$72,045.00</b>
<b>2010</b>	
COSTS OF OPERATIONS OF WMSI	\$2,146,331.94
FUNDS FROM RATEPAYERS	\$1,441,066.16
<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$705,265.78</b>
<b>TOTAL - 2004 - 2010</b>	
COSTS OF OPERATIONS OF WMSI	\$17,402,631.00
FUNDS FROM RATEPAYERS	\$10,269,343.00
<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$7,133,292.30</b>

Composite Exhibit "A"



**WMSI**  
**FINANCIAL SOURCES AND USES**  
**2004**

<b>RATEPAYERS</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
Annual Rpt Reference		Debit	Credit
W-9	Billing Revenue from Ratepayers	\$1,419,587.00	
W-8(a)	CIAC from Ratepayers	\$99,351.00	
W-10(a)	Utility Expenses		\$791,065.00
W-3	Utility Taxes & Fees		\$112,397.00
W-4(a)	Utility Plant Additions (Net of C.W.I.P Decrease) *		\$615,476.00
	<b>TOTAL FUNDS FROM RATEPAYERS</b>	<b>\$1,518,938.00</b>	
	<b>TOTAL PAID FROM RATEPAYER FUNDS</b>		<b>\$1,518,938.00</b>
<b>GENE BROWN, AFFILIATES &amp; 3RD PARTIES</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
	Remainder of Utility Plant Additions (Net of C.W.I.P Decrease) *		\$78,719.00
	D.E.P. Loan Payments		\$418,517.89
	Citizen's Bank of Perry Payments		\$142,539.66
	Wachovia Bank Payments		\$14,253.42
	Gulf State Bank Payments		\$93,230.35
	Farmers & Merchants Bank Payments		\$83,635.42
	Envision Payments		\$2,624.08
	Utility Expenses not included on W-10(a) above		\$320,700.65
	Cash from third parties	\$413,956.58	
	Cash from affiliates not shown by Acct. 123		
	Cash from Loans Secured by GDB/Affiliates	\$888,329.95	
F-1(a), F-10	Net funds to GDB/Affiliates as per Account 123	(110,532.48)	
F-1(a)	Net funds from GDB/Affiliates as per Account 145	240,306.33	
	Adjustment to convert from accrual to cash basis		277,839.91
	<b>TOTAL FUNDS FROM GDB, AFFILIATES &amp; 3RD PARTIES</b>	<b>\$1,432,060.38</b>	
	<b>TOTAL PAID FROM GDB, AFFILIATES AND 3RD PARTY FUNDS</b>		<b>\$1,432,060.38</b>
<b>SUMMARY</b>			
	<b>COSTS OF OPERATIONS (NOT INCLUDING ACCT. 123)</b>	<b>\$2,950,998.38</b>	
	<b>FUNDS FROM RATEPAYERS</b>	<b>\$1,518,938.00</b>	
	<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$1,432,060.38</b>	
<p>* Plant additions in 2004 were \$5,001,428. This included \$4,307,233 in C.W.I.P. at the beginning of 2004 for work done from 2000 thru 2003.  (See F-7 of 2003 annual report.</p>			

**WMSI**  
**FINANCIAL SOURCES AND USES**  
**2005**

<b>RATEPAYERS</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
Annual Rpt Reference		Debit	Credit
W-9	Billing Revenue from Ratepayers	\$1,427,665.00	
W-8(a)	CIAC from Ratepayers	\$77,109.00	
W-10(a)	Utility Expenses		\$775,113.00
W-3	Utility Taxes & Fees		\$112,431.00
W-4(a)	Utility Plant Additions		\$134,740.00
	D.E.P. Loan Payments		\$417,389.78
	Citizen's Bank of Perry Payments		\$65,100.22
	<b>TOTAL FUNDS FROM RATEPAYERS</b>	<b>\$1,504,774.00</b>	
	<b>TOTAL PAID FROM RATEPAYER FUNDS</b>		<b>\$1,504,774.00</b>
<b>GENE BROWN, AFFILIATES &amp; 3RD PARTIES</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
	Remainder of Citizen's Bank of Perry Payments		\$99,279.65
	Gulf State Bank Payments		\$175,808.02
	Farmers & Merchants Bank Payments		\$121,274.23
	Capital City Bank Payments		\$3,423.54
	Envision Payments		\$7,872.24
	Wakulla Bank Payments		\$3,128.27
	Hitachi Capital Payments		\$3,807.48
	Utility Expenses not included on W-10(a) above		\$58,560.82
	Cash from third parties	\$151,822.51	
	Cash from Loans Secured by GDB/Affiliates	\$709,875.14	
F-1(a), F-10	Net funds to GDB/Affiliates as per Account 123	(535,315.97)	
	Adjustment to convert from accrual to cash basis		(146,772.57)
	<b>TOTAL FUNDS FROM GDB, AFFILIATES &amp; 3RD PARTIES</b>	<b>\$326,381.68</b>	
	<b>TOTAL PAID FROM GDB, AFFILIATES AND 3RD PARTY FUNDS</b>		<b>\$326,381.68</b>
<b>SUMMARY</b>			
	<b>COSTS OF OPERATIONS (NOT INCLUDING ACCT. 123)</b>	<b>\$1,831,155.68</b>	
	<b>FUNDS FROM RATEPAYERS</b>	<b>\$1,504,774.00</b>	
	<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$326,381.68</b>	

**WMSI**  
**FINANCIAL SOURCES AND USES**  
**2006**

<b>RATEPAYERS</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
Annual Rpt Reference		Debit	Credit
W-9	Billing Revenue from Ratepayers	\$1,487,200.00	
W-8(a)	CIAC from Ratepayers	\$38,633.00	
W-10(a)	Utility Expenses		\$910,801.00
W-3	Utility Taxes & Fees		\$115,195.00
W-4(a)	Utility Plant Additions		\$499,837.00
	<b>TOTAL FUNDS FROM RATEPAYERS</b>	<b>\$1,525,833.00</b>	
	<b>TOTAL PAID FROM RATEPAYER FUNDS</b>		<b>\$1,525,833.00</b>
<b>GENE BROWN, AFFILIATES &amp; 3RD PARTIES</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
W-4(a)	Remainder of Utility Plant Additions		\$19,250.00
	D.E.P. Payment		\$417,389.78
	Citizens's Bank of Perry Payments		\$1,827,515.00
	Gulf State Bank Payments		\$897,301.64
	Farmers & Merchants Bank Payments		\$32,552.52
	Capital City Bank Payments		\$35,013.03
	Envision Payments		\$7,872.24
	Bank of Tallahassee Payments		\$18,315.77
	Wakulla Bank Payments		\$195,833.85
	Hitachi Capital Payments		\$11,422.44
	GMAC Payments		\$740.40
	Utility Expenses not included on W-10(a) above		\$78,146.14
	Cash from third parties	\$129,752.60	
	Cash from affiliates not shown by Acct. 123	\$7,000.00	
	Cash from Loans Secured by GDB/Affiliates	\$3,402,081.68	
F-1(a), F-10	Net funds to GDB/Affiliates as per Account 123	(127,585.52)	
	Adjustment to convert from accrual to cash basis		(130,104.05)
	<b>TOTAL FUNDS FROM GDB, AFFILIATES &amp; 3RD PARTIES</b>	<b>\$3,411,248.76</b>	
	<b>TOTAL PAID FROM GDB, AFFILIATES AND 3RD PARTY FUNDS</b>		<b>\$3,411,248.76</b>
<b>SUMMARY</b>			
	<b>COSTS OF OPERATIONS (NOT INCLUDING ACCT. 123)</b>	<b>\$4,937,081.76</b>	
	<b>FUNDS FROM RATEPAYERS</b>	<b>\$1,525,833.00</b>	
	<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$3,411,248.76</b>	

**WMSI**  
**FINANCIAL SOURCES AND USES**  
**2007**

<b>RATEPAYERS</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
Annual Rpt Reference		Debit	Credit
W-9	Billing Revenue from Ratepayers	\$1,501,205.00	
W-8(a)	CIAC from Ratepayers	\$26,264.00	
W-10(a)	Utility Expenses		\$959,148.00
W-3	Utility Taxes & Fees		\$119,309.00
W-4(a)	Utility Plant Additions		\$90,527.00
	Partial Payment to D.E.P.		\$358,485.00
	<b>TOTAL FUNDS FROM RATEPAYERS</b>	<b>\$1,527,469.00</b>	
	<b>TOTAL PAID FROM RATEPAYER FUNDS</b>		<b>\$1,527,469.00</b>
<b>GENE BROWN, AFFILIATES &amp; 3RD PARTIES</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
	Remainder of D.E.P. Payment		\$58,904.78
	Gulf State Bank Payments		\$290,159.55
	Farmers & Merchants Bank Payments		\$27,759.20
	Capital City Bank Payments		\$1,536.10
	Envision Payments		\$7,872.24
	S.E. Toyota Payments		\$1,691.68
	Bank of Tallahassee Payments		\$18,657.83
	Wakulla Bank Payments		\$4,470.83
	Hitachi Capital Payments		\$1,903.74
	GMAC Payments		\$6,663.60
	Utility Expenses not included on W-10(a) above		\$106,685.91
	Cash from third parties	\$302,550.21	
	Cash from affiliates not shown by Acct. 123	\$243,722.56	
	Cash from Loans Secured by GDB/Affiliates	\$159,472.24	
F-1(a), F-10	Net funds to GDB/Affiliates as per Account 123	(151,183.10)	
	Adjustment to convert from accrual to cash basis		28,256.45
	<b>TOTAL FUNDS FROM GDB, AFFILIATES &amp; 3RD PARTIES</b>	<b>\$554,561.91</b>	
	<b>TOTAL PAID FROM GDB, AFFILIATES AND 3RD PARTY FUNDS</b>		<b>\$554,561.91</b>
<b>SUMMARY</b>			
	COSTS OF OPERATIONS (NOT INCLUDING ACCT. 123)	\$2,082,030.91	
	FUNDS FROM RATEPAYERS	\$1,527,469.00	
	<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$554,561.91</b>	

**WMSI**  
**FINANCIAL SOURCES AND USES**  
**2008**

<b>RATEPAYERS</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
Annual Rpt Reference		Debit	Credit
W-9	Billing Revenue from Ratepayers	\$1,374,799.00	
W-8(a)	CIAC from Ratepayers	\$29,967.00	
W-10(a)	Utility Expenses		\$940,311.00
W-3	Utility Taxes & Fees		\$108,243.00
W-4(a)	Utility Plant Additions		\$96,215.00
	Partial Payment to D.E.P.		\$259,997.00
	<b>TOTAL FUNDS FROM RATEPAYERS</b>	<b>\$1,404,766.00</b>	
	<b>TOTAL PAID FROM RATEPAYER FUNDS</b>		<b>\$1,404,766.00</b>
<b>GENE BROWN, AFFILIATES &amp; 3RD PARTIES</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
	Remainder of D.E.P. Payment		\$157,393.00
	Gulf State Bank Payments		\$299,736.00
	Farmers & Merchants Bank Payments		\$28,508.00
	Capital City Bank Payments		\$9,217.00
	Envision Payments		\$4,592.00
	S.E. Toyota Payments		\$10,150.00
	Utility Expenses not included on W-10(a) above		\$162,791.64
	Cash from third parties	\$806,189.15	
	Cash from affiliates not shown by Acct. 123	\$61,621.91	
F-1(a), F-10	Net funds to GDB/Affiliates as per Account 123	(236,086.27)	
	Adjustment to convert from accrual to cash basis		(40,662.85)
	<b>TOTAL FUNDS FROM GDB, AFFILIATES &amp; 3RD PARTIES</b>	<b>\$631,724.79</b>	
	<b>TOTAL PAID FROM GDB, AFFILIATES AND 3RD PARTY FUNDS</b>		<b>\$631,724.79</b>
<b>SUMMARY</b>			
	COSTS OF OPERATIONS OF WMSI (NOT INCLUDING ACCT. 123)	\$2,036,490.79	
	FUNDS FROM RATEPAYERS	\$1,404,766.00	
	<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$631,724.79</b>	
		=====	

**WMSI**  
**FINANCIAL SOURCES AND USES**  
**2009**

<b>RATEPAYERS</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
Annual Rpt Reference		Debit	Credit
W-9	Billing Revenue from Ratepayers	\$1,319,558.00	
W-8(a)	CIAC from Ratepayers	\$26,939.00	
W-10(a)	Utility Expenses		\$1,057,196.00
W-3	Utility Taxes & Fees		\$100,197.00
W-4(a)	Utility Plant Additions		\$21,487.00
	Partial Contribution to D.E.P. Payment		\$167,617.00
	<b>TOTAL FUNDS FROM RATEPAYERS</b>	<b>\$1,346,497.00</b>	
	<b>TOTAL PAID FROM RATEPAYER FUNDS</b>		<b>\$1,346,497.00</b>
<b>GENE BROWN, AFFILIATES &amp; 3RD PARTIES</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
	Balance of D.E.P. Payment		\$41,017.00
	Gulf State Bank Payments		\$175,359.00
	Farmers & Merchants Bank Payments		\$25,872.00
	Capital City Bank Payments		\$9,217.00
	Envision Payments		\$3,850.00
	Florida Commerce Credit Union Payments		\$4,094.00
	Utility Expenses not included on W-10(a) above		\$72,174.00
	Cash from third parties	\$9,246.00	
	Cash from affiliates not shown by Acct. 123	\$58,672.00	
	Cash from Loans Secured by GDB/Affiliates	\$57,329.00	
F-1(a), F-10	Net funds to GDB/Affiliates as per Account 123	(\$53,202.00)	
	Adjustment to convert from accrual to cash basis		(\$259,538.00)
	<b>TOTAL FUNDS FROM GDB, AFFILIATES &amp; 3RD PARTIES</b>	<b>\$72,045.00</b>	
	<b>TOTAL PAID FROM GDB, AFFILIATES AND 3RD PARTY FUNDS</b>		<b>\$72,045.00</b>
<b>SUMMARY</b>			
	COSTS OF OPERATION OF WMSI (NOT INCLUDING ACCT. 123)	\$1,418,542.00	
	FUNDS FROM RATEPAYERS	\$1,346,497.00	
	<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$72,045.00</b>	
		=====	

**WMSI  
FINANCIAL SOURCES AND USES  
2010**

<b>RATEPAYERS</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
<b>Annual Rpt Reference</b>		<b>Debit</b>	<b>Credit</b>
W-9	Billing Revenue from Ratepayers	\$1,291,957.50	
W-8(a)	CIAC from Ratepayers	\$149,108.66	
W-10(a)	Utility Expenses		\$1,115,100.17
W-3	Utility Taxes & Fees		\$107,671.79
W-4(a)	Utility Plant Additions		\$218,294.20
	<b>TOTAL FUNDS FROM RATEPAYERS</b>	<b>\$1,441,066.16</b>	
	<b>TOTAL PAID FROM RATEPAYER FUNDS</b>		<b>\$1,441,066.16</b>
<b>GENE BROWN, AFFILIATES &amp; 3RD PARTIES</b>			
<b>SOURCES &amp; USES OF RESOURCES</b>			
	Remainder of Utility Plant Additions		\$267,208.60
	Gulf State Bank Payments		\$160,745.64
	Farmers & Merchants Bank Payments		\$22,686.92
	Capital City Bank Payments		\$24,029.58
	GMAC Payments		\$41,652.62
	Envision Payments		\$4,620.00
	Florida Commerce Credit Union Payments		\$4,943.16
	Utility Expenses not included on W-10(a) above		\$330,080.70
	Cash from third parties	\$61,205.49	
	Cash from affiliates not shown by Acct. 123	\$102,651.75	
	Cash from Loans Secured by GDB/family and Affiliates	\$502,578.36	
F-1(a), F-10	Net funds to/from GDB/Affiliates as per Account 123	\$38,830.18	
	Adjustment to convert from accrual to cash basis		(\$150,701.44)
	<b>TOTAL FUNDS FROM GDB, AFFILIATES &amp; 3RD PARTIES</b>	<b>\$705,265.78</b>	
	<b>TOTAL PAID FROM GDB, AFFILIATES AND 3RD PARTY FUNDS</b>		<b>\$705,265.78</b>
<b>SUMMARY</b>			
	COSTS OF OPERATION OF WMSI (NOT INCLUDING ACCT. 123)	\$2,146,331.94	
	FUNDS FROM RATEPAYERS	\$1,441,066.16	
	<b>DEFICIT FURNISHED BY GDB/AFFILIATES/3RD PARTIES</b>	<b>\$705,265.78</b>	
		=====	

**Water Management Services, Inc  
Cash Flow Deficit**

	CASH	CASH	CASH
	IN FROM	OUT PER	OPERATING
YEAR	RATEPAYERS	CHECKBOOKS	DEFICIT
2000	925,647.00	1,432,523.16	(506,876.16)
2001	1,034,524.00	1,864,187.35	(829,663.35)
2002	1,032,329.00	3,335,639.91	(2,303,310.91)
2003	1,198,338.00	5,422,340.97	(4,224,002.97)
2004	1,518,938.00	2,963,767.11	(1,444,829.11)
2005	1,504,774.00	2,344,209.66	(839,435.66)
2006	1,525,833.00	1,970,087.29	(444,254.29)
2007	1,527,469.00	2,042,711.91	(515,242.91)
2008	1,404,766.00	2,596,316.36	(1,191,550.36)
2009	1,346,497.00	1,681,337.62	(334,840.62)
2010	1,441,066.16	1,902,050.19	(460,984.03)
<b>TOTALS:</b>	<b>14,460,181.16</b>	<b>27,555,171.53</b>	<b>(13,094,990.37)</b>

Composite Exhibit

"B"



**Water Management Services  
Cash Flow**

Bank Account	Deposits 2000	Checks 2000
GSB-WMS	406,950.64	1,327,624.68
FMB-WMS	897718.13	77926.85
Peoples-WMS	149,361.31	26,971.63
<b>Total:</b>	<b>\$1,454,030.08</b>	<b>\$1,432,523.16</b>
Bank Account	Deposits 2001	Checks 2001
GSB-WMS	992,459.52	1,745,089.11
FMB-WMS	858,272.87	119,098.24
<b>Total:</b>	<b>\$1,850,732.39</b>	<b>\$1,864,187.35</b>
Bank Account	Deposits 2002	Checks 2002
GSB-WMS	794,150.92	3,116,828.24
FMB-WMS	2,532,039.11	218,811.67
<b>Total:</b>	<b>\$3,326,190.03</b>	<b>\$3,335,639.91</b>
Bank Account	Deposits 2003	Checks 2003
GSB-WMS	1023144.81	5252076.63
GSB-Constr	3180.69	36328.27
FMB-WMS	4472421.84	133936.07
<b>Total:</b>	<b>\$5,498,747.34</b>	<b>\$5,422,340.97</b>
Bank Account	Deposits 2004	Checks 2004
GSB-WMS	967,142.46	2,703,936.14
GSB-Constr	1,836.00	1,380.00
FMB-WMS	2,070,059.95	258,450.97
<b>Total:</b>	<b>\$3,039,038.41</b>	<b>\$2,963,767.11</b>

**Water Management Services  
Cash Flow**

Bank Account	Deposits 2005	Checks 2005
GSB-WMS	1,521,977.45	1,996,342.09
GSB-Constr	350	12,317.03
FMB-WMS	569,037.73	48412.23
Wakulla - WMS	272,141.09	287,138.31
<b>Total:</b>	<b>\$2,363,506.27</b>	<b>\$2,344,209.66</b>
Bank Account	Deposits 2006	Checks 2006
GSB-WMS	1,596,920.08	1,817,640.29
GSB-Constr	1,480.00	61,537.13
FMB-WMS	119,317.60	55,336.55
Wakulla - WMS	88,720.54	35,573.32
<b>Total:</b>	<b>\$1,806,438.22</b>	<b>\$1,970,087.29</b>
Bank Account	Deposits 2007	Checks 2007
GSB-WMS	1602070.63	1689885.25
GSB-Constr	31937.25	36218.92
FMB-WMS	380,920.11	316607.74
<b>Total:</b>	<b>\$2,014,927.99</b>	<b>\$2,042,711.91</b>
Bank Account	Deposits 2008	Checks 2008
GSB-WMS	1,330,110.21	1,688,486.91
GSB-Constr	82,584.93	68,028.03
FMB-WMS	1,123,045.17	839,801.42
<b>Total:</b>	<b>\$2,535,740.31</b>	<b>\$2,596,316.36</b>
Bank Account	Deposits 2009	Checks 2009
GSB-WMS	747,994.19	992,451.39
GSB-Constr	96,739.03	76,259.87
Superior-WMS	524,703.12	544,514.65
FMB-WMS	321,260.02	68,111.71
<b>Total:</b>	<b>\$1,690,696.36</b>	<b>\$1,681,337.62</b>

**Water Management Services  
Cash Flow**

<b>Bank Account</b>	<b>Deposits 2010</b>	<b>Checks 2010</b>
<b>GSB-WMS</b>	1,279,542.90	1,614,725.39
<b>GSB-Constr</b>	123,647.18	112,264.65
<b>Superior-WMS</b>	62,946.76	48,135.97
<b>FMB-WMS</b>	443,792.01	126,924.18
<b>Total:</b>	<b>\$1,909,928.85</b>	<b>\$1,902,050.19</b>

**GENE D. BROWN/BROWN MANAGEMENT GROUP COST RELATED  
TO ADVANCES AND PAYMENTS FOR BENEFIT OF WMSI  
(Not Included on WMSI Financial Records)**

	2008	2009	2010
Interest on \$150,000 Home Equity Loan	4,875.00	4,875.00	4,875.00
Interest on \$50,000 Flex-lines	3,625.00	3,625.00	3,625.00
Interest on Credit Card Advances (est.)	2,800.00	2,800.00	2,800.00
Debt Service on \$360,000 Loan	40,350.00	40,350.00	33,623.00
Related Costs of \$360,000 Loan	2,795.00	2,855.00	2,981.00
Interest on \$50,000 Loan		1,687.00	3,750.00
Interest on \$175,000 Loan	11,987.00	11,987.00	5,994.00
Interest on \$150,000 Loan			7,500.00
Interest on \$25,000 Loan		844.00	
Life Insurance Premiums	32,714.00	39,258.00	38,165.00
<b>TOTALS</b>	<b>\$99,146.00</b>	<b>\$108,281.00</b>	<b>\$103,313.00</b>

*Exhibit "C"*