

**CLASS "A" OR "B"**  
**WATER and/or WASTEWATER UTILITIES**  
(Gross Revenue of More Than \$200,000 Each)

**ANNUAL REPORT**

OF

**WS571-06-AR**  
**Service Management Systems, Inc.**

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Exact Legal Name of Respondent

**517-W / 450-S**

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Certificate Numbers

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

**YEAR ENDED DECEMBER 31, 2006**

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION

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DIVISION OF  
ECONOMIC REGULATION

***Cronin, Jackson, Nixon & Wilson***  
**CERTIFIED PUBLIC ACCOUNTANTS, P.A.**

*JAMES L. CARLSTEDT, C.P.A.*  
*PAUL E. DECHARIO, C.P.A.*  
*KATHERINE U. JACKSON, C.P.A.*  
*ROBERT H. JACKSON, C.P.A.*  
*CHERYL T. LOSEE, C.P.A.*  
*ROBERT C. NIXON, C.P.A.*  
*JEANETTE SUNG, C.P.A.*  
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April 10, 2007

To the Shareholder  
Service Management Systems, Inc.

We have compiled the balance sheets of Service Management Systems, Inc. as of December 31, 2006 and 2005, and the related statements of income and retained earnings for the year(s) then ended, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Service Management Systems, Inc. We have not audited or reviewed the accompanying financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

We are not independent with respect to Services Management Systems, Inc.

*Cronin, Jackson, Nixon & Wilson*  
CRONIN, JACKSON, NIXON & WILSON

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**EXECUTIVE**

**SUMMARY**

**CERTIFICATION OF ANNUAL REPORT**

<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
---

UTILITY NAME: Service Management Systems, Inc.

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

- |              |           |  |
|--------------|-----------|--|
| YES<br>( X ) | NO<br>( ) | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 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>( X ) | NO<br>( ) | 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. |

<u>Items Certified</u>			
1. ( X )	2. ( X )	3. ( X )	4. ( X )

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

1. ( )	2. ( )	3. ( )	4. ( )
-----------	-----------	-----------	-----------

\_\_\_\_\_  
 (signature of the 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, 2006

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:

7510 S US Highway A1A  
Melbourne Beach, FL 32951

Telephone: ( 321 ) 723-2447

e-Mail Address: jbates3@cfl.rr.com

WEB Site: N/A

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

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

Robert C. Nixon, CPA  
Cronin, Jackson, Nixon & Wilson, CPA's, PA  
2560 Gulf-to-Bay Blvd, Suite 200  
Clearwater, Florida 34625

Telephone: ( 727 ) 791-4020

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

7510 S US Highway A1A  
Melbourne Beach, FL 32951

Telephone: ( 321 ) 723-2447

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

Cronin, Jackson, Nixon and Wilson, CPA's  
Freeman, Buczyner, and Gero, CPA's

Date of original organization of the utility:

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 percent or more of the voting securities of the utility:

Name	Percent Ownership
1. Indian River No. 1 Developers, LLC	100 %
2.	%
3.	%
4.	%
5.	%
6.	%
7.	%
8.	%
9.	%
10.	%

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**DIRECTORY OF PERSONNEL WHO CONTACT  
THE FLORIDA PUBLIC SERVICE COMMISSION**

<b>NAME OF COMPANY REPRESENTATIVE (1)</b>	<b>TITLE OR POSITION (2)</b>	<b>ORGANIZATIONAL UNIT TITLE (3)</b>	<b>USUAL PURPOSE FOR CONTACT WITH FPSC</b>
Jams Bates	President	Service Management Systems	General Matters
Robert Nixon, CPA (727) 791-4020	CPA	Cronin, Jackson, Nixon and Wilson, CPA's	Rate and Regulatory matters
F. Marshall Deterding (850) 877-6555	Attorney	Rose, Sundstrom & Bentley	Legal Matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.



UTILITY NAME: Service Management Systems, Inc.

**YEAR OF REPORT**  
December 31, 2006

**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.**

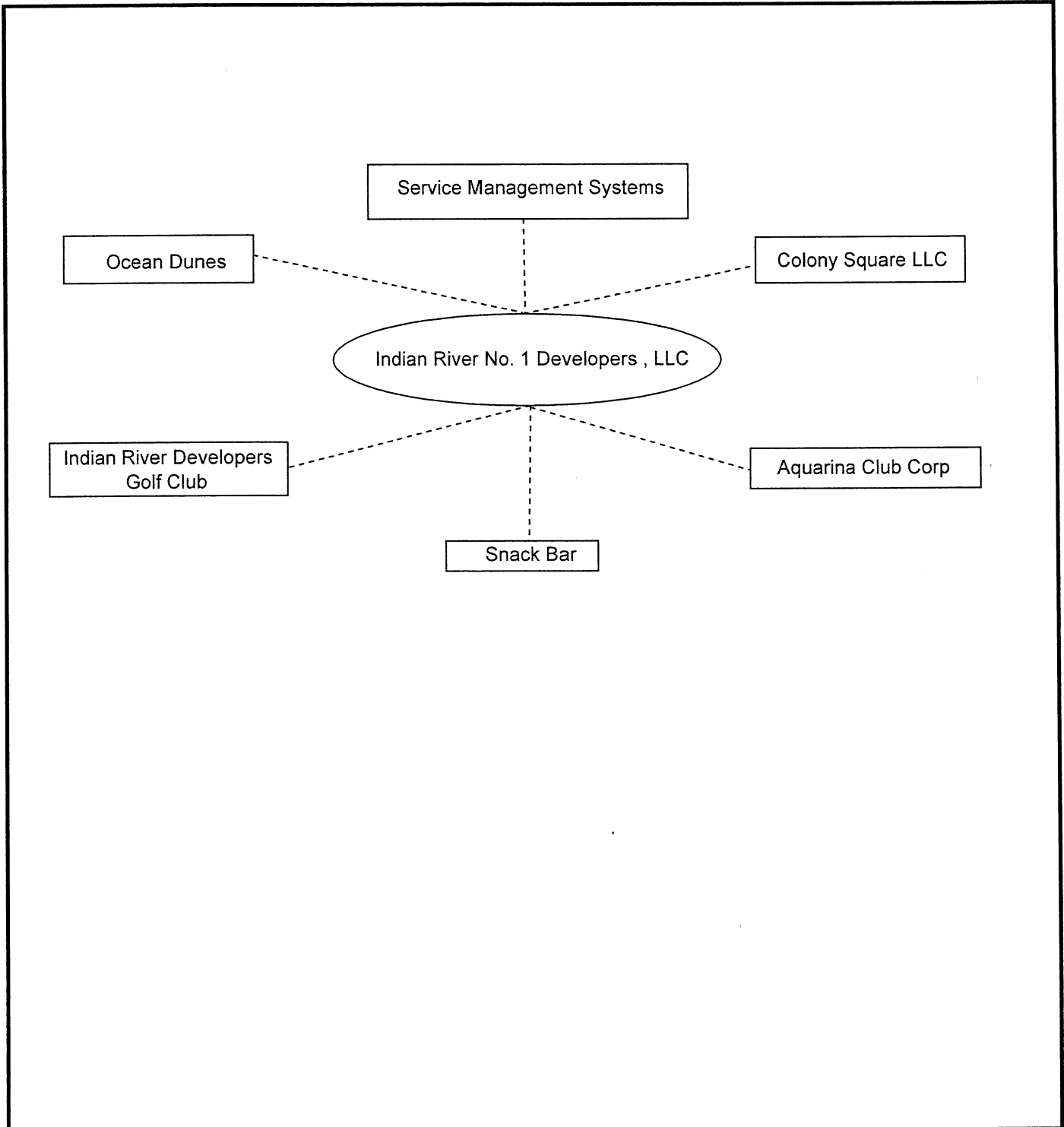
- A. The Utility was organized in 1989 to provide service to the Aquarina and St. Andrews Village developments
- B. The Utility provides water, wastewater, and non-potable irrigation services
- C. To provide quality service to its customers while earning a fair return for its shareholders
- D. The Utility has 3 divisions: water, wastewater, and non-potable irrigation
- E. The Utility anticipates approximately 25 new customers annually
- F. None

UTILITY NAME: Service Management Systems, Inc.

**YEAR OF REPORT**  
December 31, 2006

**PARENT / AFFILIATE ORGANIZATION CHART**  
Current as of 12/31/06

Complete below an organizational chart that shows all parents and subsidiaries of the utility. The chart must also show the relationship between the utility and the affiliates listed on E-7, E-10(a) and E-10(b).



UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**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.			
<b>NAME (a)</b>	<b>TITLE (b)</b>	<b>% OF TIME SPENT AS OFFICER OF UTILITY (c)</b>	<b>OFFICERS COMPENSATION (d)</b>
James Bates	President	25 %	\$ None
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as an director from the respondent.			
<b>NAME (a)</b>	<b>TITLE (b)</b>	<b>NUMBER OF DIRECTORS MEETINGS ATTENDED (c)</b>	<b>DIRECTORS COMPENSATION (d)</b>
Nathan Knichman	Director	1	\$ None
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

List all contracts, agreements, and other business arrangements\* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on Page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

<b>NAME OF OFFICER, DIRECTOR OR AFFILIATE</b> (a)	<b>IDENTIFICATION OF SERVICE OR PRODUCT</b> (b)	<b>AMOUNT</b> (c)	<b>NAME AND ADDRESS OF AFFILIATED ENTITY</b> (d)
None		\$	

\* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, list the principal occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

<b>NAME</b> <b>(a)</b>	<b>PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION</b> <b>(b)</b>	<b>AFFILIATION OR CONNECTION</b> <b>(c)</b>	<b>NAME AND ADDRESS OF AFFILIATION OR CONNECTION</b> <b>(d)</b>
James Bates	Officer  Officer Officer Officer Officer Officer	Service Management Systems Ocean Dunes Colony Square, LLC IRD Golf Aquarina Club Corp Snack Bar	7500 S. A1A Melbourne Beach Florida
Nathan Knichman	Director  Director Director Director Director Director	Service Management Systems Ocean Dunes Colony Square, LLC IRD Golf Aquarina Club Corp Snack Bar	7500 S. A1A Melbourne Beach Florida

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE**

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water and/or sewer service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

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

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

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

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
None				\$

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

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

- |  |  |
|--|--|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> <li>- purchase, sale or transfer of equipment.</li> <li>- purchase, sale or transfer of land and structures.</li> <li>- purchase, sale or transfer of securities.</li> <li>- noncash transfers of assets.</li> <li>- noncash dividends other than stock dividends.</li> <li>- writeoff of bad debts or loans.</li> </ul> | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> <li>(a) Enter name of related party or company</li> <li>(b) Describe briefly the type of assets purchased, sold or transferred.</li> <li>(c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".</li> <li>(d) Enter the net book value for each item reported.</li> <li>(e) Enter the net profit or loss for each item (column (c) - column (d)).</li> <li>(f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.</li> </ul> |
|--|--|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$



# **FINANCIAL SECTION**

UTILITY NAME: Service Management Systems, Inc.

**YEAR OF REPORT**  
**December 31, 2006**

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 4,434,057	\$ 4,194,117
108-110	Less: Accumulated Depreciation and Amortization	F-8	(2,908,235)	(2,822,175)
Net Plant			1,525,822	1,371,942
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,525,822	1,371,942
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments				
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		(17,174)	(33,098)
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments		29,528	44,528
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	176,213	150,784
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments		6,780	17,820
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	3,215	3,215
Total Current and Accrued Assets			198,562	183,249

\* Not Applicable for Class B Utilities

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
---

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13		
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14		
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits				
TOTAL ASSETS AND OTHER DEBITS			\$ 1,724,384	\$ 1,555,191

\* Not Applicable for Class B Utilities

**NOTES TO THE BALANCE SHEET**

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

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 10,000	\$ 10,000
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital		1,366,429	1,510,202
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(1,340,176)	(1,329,901)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
<b>Total Equity Capital</b>			<u>36,253</u>	<u>190,301</u>
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	196,148	168,909
<b>Total Long Term Debt</b>			<u>196,148</u>	<u>168,909</u>
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		124,115	104,525
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18	415,031	375,145
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits		2,332	1,882
236	Accrued Taxes		8,914	
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20		
<b>Total Current and Accrued Liabilities</b>			<u>550,392</u>	<u>481,552</u>

\* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits	F-21		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits				
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	1,452,552	1,192,117
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(510,961)	(477,688)
Total Net C.I.A.C.			941,591	714,429
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes				
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			<b>\$ 1,724,384</b>	<b>\$ 1,555,191</b>

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 361,393	\$ 395,622
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			361,393	395,622
401	Operating Expenses	F-3(b)	342,414	315,718
403	Depreciation Expense	F-3(b)	91,408	86,065
	Less: Amortization of CIAC	F-22	(32,053)	(33,274)
Net Depreciation Expense			59,355	52,791
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	21,732	18,130
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			423,501	386,639
Net Utility Operating Income			(62,108)	8,983
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
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 [Enter here and on Page F-3(c)]			(62,108)	8,983

\* For each account, column e should agree with columns f, g + h on F-3(b)

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

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 263,994 N/A	\$ 131,628	N/A
263,994	131,628	-
192,984	122,734	
62,323 (16,832)	23,742 (16,442)	
45,491	7,300	-
12,098	6,032	
250,573	136,066	
13,421	(4,438)	
13,421	(4,438)	N/A

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

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

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ (62,108)	\$ 8,983
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income			
421	Miscellaneous Nonutility Revenue		9,999	660
426	Miscellaneous Nonutility Expenses			(11,516)
Total Other Income and Deductions			9,999	(10,856)
<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	56,358	8,401
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			56,358	8,401
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(108,467)	(10,274)

Explain Extraordinary Income:

---



UTILITY NAME: Service Management Systems, Inc.

**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	\$ 2,212,326	\$ 2,210,166
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(1,231,900)	(1,676,335)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(726,447)	(726,105)
252	Advances for Construction	F-20		
Subtotal			<u>253,979</u>	<u>(192,274)</u>
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	<u>230,980</u>	<u>279,981</u>
Subtotal			<u>484,959</u>	<u>87,707</u>
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		<u>24,123</u>	<u>15,342</u>
	Other (Specify):			
			<u>-</u>	<u>-</u>
RATE BASE			<u>\$ 509,082</u>	<u>\$ 103,049</u>
NET UTILITY OPERATING INCOME			<u>\$ 13,421</u>	<u>\$ (4,438)</u>
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			<u>2.64 %</u>	<u>-- %</u>

**NOTES:**

- (1) Estimated if not known.
  - (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 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	\$ 36,253	15.44 %	11.78 %	1.82 %
Preferred Stock		%	-	%
Long Term Debt	196,148	83.56 %	3.12 %	2.6071 %
Customer Deposits	2,332	0.99 %	6.00 %	0.0594 %
Tax Credits - Zero Cost		%	-	%
Tax Credits - Weighted Cost		%	-	%
Deferred Income Taxes		%	-	%
Other (Explain)		%	-	%
Notes Payable - Assoc Co		%	8.00 %	%
<b>Total</b>	\$ 234,733	99.99 %		4.49 %

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

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(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 THE YEAR

Current Commission approved AFUDC rate:	<u>None</u> %
Commission order approving AFUDC rate:	<u></u>

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.



**UTILITY PLANT  
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 2,212,326	\$ 2,210,166	N/A	\$ 4,422,492
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	11,565			11,565
106	Completed Construction Not Classified				
Total Utility Plant		\$ 2,223,891	\$ 2,210,166	N/A	\$ 4,434,057

**UTILITY PLANT ACQUISITION ADJUSTMENTS  
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	N/A	N/A	\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Plant Acquisition Adjustment		\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization			\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Accumulated Amortization		\$ -	\$ -	\$ -	\$ -
Total Acquisition Adjustments		\$ -	\$ -	\$ -	\$ -

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b> Account 108				
Balance first of year	\$ 1,169,580	\$ 1,652,595	N/A	\$ 2,822,175
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	62,323	23,742		86,065
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
_____				
_____				
Salvage				
Other Credits (specify) :				
_____				
_____				
Total credits	62,323	23,742		86,065
Debits during year:				
Book cost of plant retired	-	-		
Cost of removal				
Other debits (specify)				
Rounding	(3)	(2)		(5)
_____				
Total debits	(3)	(2)		(5)
Balance end of year	\$ 1,231,900	\$ 1,676,335	N/A	\$ 2,908,235

<b>ACCUMULATED AMORTIZATION</b> Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				
_____				
to Account 110.2 (2)				
Other Accounts (specify):				
_____				
_____				
Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
_____				
Total debits				
Balance end of year	N/A	N/A	N/A	N/A

- (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.

<b>YEAR OF REPORT</b> December 31, 2006
--

**REGULATORY COMMISSION EXPENSE  
AMORTIZATION OF RATE CASE EXPENSE (ACCTS. 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ _____ -	_____ -	\$ _____ -
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
Total	\$ _____ -	_____	\$ _____ -

**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)
None	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Nonutility Property	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

**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): None	\$ _____ -
	_____
Total Special Deposits	\$ _____ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ _____ -
	_____
Total Other Special Deposits	\$ _____ -

UTILITY NAME: Service Management Systems, Inc.

**YEAR OF REPORT**  
**December 31, 2006**

**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): N/A	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
Total Utility Investments		\$ -
OTHER INVESTMENTS (Account 125): N/A	\$ -	\$ -
Total Other Investments		\$ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
Total Special Funds		\$ -

**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 Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 176,213	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 176,213
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
_____	\$ _____	
_____		
Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
_____	\$ _____	
_____		
Total Notes Receivable		
Total Accounts and Notes Receivable		<u>176,213</u>
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ _____	
Add: Provision for uncollectables for current year		
Collections of accounts previously written off		
Utility accounts		
Others		
_____		
_____		
Total Additions		
Deduct accounts written off during year:		
Utility accounts		
Others		
_____		
Total accounts written off		
Balance end of year		
Total Accounts and Notes Receivable - Net		<u>\$ 176,213</u>



UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
---

**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ -
Total	\$ -

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS  
ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
Utility Deposit	\$ 3,215
Total	\$ 3,215

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
---

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT**  
 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):		
N/A	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	_____	_____
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ -	\$ -

**EXTRAORDINARY PROPERTY LOSSES**  
**ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$ -
_____	_____
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ -



UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
<b>COMMON STOCK</b>		
Par or stated value per share	\$ 1.00	\$ 1.00
Shares authorized		10,000
Shares issued and outstanding		10,000
Total par value of stock issued	\$ -	\$ 10,000
Dividends declared per share for year	None	None
<b>PREFERRED STOCK</b>		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

\* 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)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

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

**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 (Deficit)	\$ (1,329,901)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: Rounding	(1)
	Total Credits	(1)
	Debits:	
	Total Debits	
435	Balance transferred from Income	(10,274)
436	Appropriations of Retained Earnings:	
	Total appropriations of Retained Earnings	
437	Dividends declared: Preferred stock dividends declared	
438	Common stock dividends declared	
	Total Dividends Declared	
	Year end Balance	(1,340,176)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
214	Total Appropriated Retained Earnings	
	Total Retained Earnings (Deficit)	\$ (1,340,176)

Notes to Statement of Retained Earnings:

UTILITY NAME: Service Management Systems, Inc.

**YEAR OF REPORT**  
**December 31, 2006**

**ADVANCES FROM ASSOCIATED COMPANIES**  
**ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$ -
<b>Total</b>	<b>\$ -</b>

**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)	
Drinking Water State Revolving Fund Construction Loan	%		\$ -
Issued: 9/15/99; Matures: 12/15/2020	3.12 %	F	134,171
Suntrust Generator Loan	%		
Issued: 3/24/2004, Matures: 6/24/2010	6.10 %	F	21,066
Siemens Capital Lease	%		
Issued: 3/27/2006, Matures: 4/27/2011	%		40,911
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
<b>Total</b>			<b>\$ 196,148</b>

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

UTILITY NAME: Service Management Systems, Inc.

<b>YEAR OF REPORT</b> December 31, 2006
--

**NOTES PAYABLE (ACCTS. 232 AND 234)**

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)	
NOTES PAYABLE (Account 232):			
N/A			\$ -
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
N/A			\$ -
Total Account 234			

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

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES  
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Due to (from) Ocean Dunes	\$ 19,000
Due to (from) Indian River No.1 Developers	396,662
Due to (from) Colony Square LLC	(8,000)
Due to (from) Indian River Developers (IRD) Golf Club	5,494
Due to (from) Aquarina Club Corp	1,375
Due to (from) Snack Bar	500
Total	\$ 415,031

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

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Drinking Watetr Fund	\$ -		\$ 4,392	\$ 4,392	\$ -
Suntrust	-		1,602	1,602	
Siemens			2,407	2,407	
<b>Total Account No. 237.1</b>	-		8,401	8,401	-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
None					-
<b>Total Account 237.2</b>	-				
<b>Total Account 237 (1)</b>	\$ -		\$ 8,401	\$ 8,401	\$ -
<b>INTEREST EXPENSED:</b>					
Total accrual Account 237		237	\$ 8,401		
Less Capitalized Interest Portion of AFUDC:					
None					
<b>Net Interest Expensed to Account No. 427 (2)</b>			\$ 8,401		

(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.

<b>YEAR OF REPORT</b> December 31, 2006
--

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES  
ACCOUNT 241**

DESCRIPTION (a)	BALANCE END OF YEAR (b)
None	
Total Miscellaneous Current and Accrued Liabilities	\$ -

**ADVANCES FOR CONSTRUCTION  
ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None			\$ -	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total	\$ -		\$ -	\$ -	\$ -

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

UTILITY NAME: Service Management Systems, Inc.

**YEAR OF REPORT**  
December 31, 2006

**OTHER DEFERRED CREDITS  
ACCOUNT 253**

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

UTILITY NAME: Service Management Systems, Inc.

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 550,777	\$ 641,340	N/A	\$ 1,192,117
Add credits during year:	175,670	84,765		260,435
Less debits charged during				-
Total Contributions In Aid of Construction	\$ 726,447	\$ 726,105	\$ -	\$ 1,452,552

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year _ _ _ _ _	\$ 214,149	\$ 263,539	N/A	\$ 477,688
Debits during year: Rounding	16,832 (1)	16,442		33,274 (1)
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 230,980	\$ 279,981		\$ 510,961

**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 income 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 computation 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, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year (loss)	<u>F-3 (c)</u>	\$ <u>(10,274)</u>
Reconciling items for the year:		
Taxable income not reported on the 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 (loss)	_____	\$ <u>(10,274)</u>
Computation of tax:		
The Company's tax return has not been prepared at this time.		
The Company anticipates a loss due to timing differences.		

**WATER  
OPERATION  
SECTION**



UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
**December 31, 2006**

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 2,212,326
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	1,231,900
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	726,447
252	Advances for Construction	F-20	
	Subtotal		253,979
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	230,980
	Subtotal		484,959
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		24,123
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		\$ 509,082
	UTILITY OPERATING INCOME	W-3	\$ 13,421
CHIEVED RATE OF RETURN (Water Operating Income/Water Rate Bas			2.64 %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.  
 (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.

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	263,994
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		<u>263,994</u>
401	Operating Expenses	W-10(a)	192,984
403	Depreciation Expense	W-6(a)	62,323
	Less: Amortization of CIAC	W-8(a)	(16,832)
	Net Depreciation Expense		45,491
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		11,880
408.11	Property Taxes		218
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		
408	Total Taxes Other Than Income		12,098
409.1	Income Taxes	F-16	
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		<u>250,573</u>
	Utility Operating Income		<u>13,421</u>
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	-
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		<u>\$ 13,421</u>



UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT  
 December 31, 2006

WATER UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 1,050	\$ -	\$ -	\$ 1,050
302	Franchises				
303	Land and Land Rights	62,080			62,080
304	Structure and Improvements	16,415			16,415
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	230,861			230,861
308	Infiltration Galleries and Tunnels				
309	Supply Mains	141,736			141,736
310	Power Generation Equipment		169,028		169,028
311	Pumping Equipment		54,940		54,940
320	Water Treatment Equipment	396,175			396,175
330	Distribution Reservoirs and Standpipes	629,183			629,183
331	Transmission and Distribution Mains	208,096	73,000		281,096
333	Services	120,548	47,000		167,548
334	Meters and Meter Installations	19,883			19,883
335	Hydrants	8,300	5,000		13,300
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	27,916			27,916
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	1,115			1,115
348	Other Tangible Plant				
	TOTAL WATER PLANT	\$ 1,863,358	\$ 348,968	\$ -	\$ 2,212,326

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

UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT  
 December 31, 2006

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	\$ 1,050	\$ 1,050				
302	Franchises						
303	Land and Land Rights	62,080			62,080		
304	Structure and Improvements	16,415			16,415		
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	230,861		230,861			
308	Infiltration Galleries and Tunnels						
309	Supply Mai Service Management Sy	141,736		141,736			
310	Power Generation Equipment						
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	167,548				167,548	
334	Meters and Meter Installations	19,883				19,883	
335	Hydrants	13,300				13,300	
336	Backflow Prevention Devices						
339	Other Plant / Miscellaneous Equipment	27,916				27,916	
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	1,115					1,115
348	Other Tangible Plant						
	TOTAL WATER PLANT	\$ 2,212,326	\$ 1,050	\$ 372,597	\$ 698,638	\$ 1,138,926	\$ 1,115

UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
**December 31, 2006**

**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)
301	Organization	40	%	2.50 %
302	Franchises		%	%
304	Structure 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	17	%	5.88 %
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	10	%	10.00 %
341	Transportation Equipment		%	%
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment		%	%
344	Laboratory Equipment		%	%
345	Power Operated Equipment		%	%
346	Communication Equipment		%	%
347	Miscellaneous Equipment		%	%
348	Other Tangible Plant	5	%	20.00 %
Water Plant Composite Depreciation Rate *			%	%

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

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT  
December 31, 2006

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)
301	Organization	\$ 727	\$ 26	\$ -	\$ 26
302	Franchises				
304	Structure and Improvements	14,377	410		410
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	177,852	8,543	(1)	8,542
308	Infiltration Galleries and Tunnels				
309	Supply Mains	51,243	4,436		4,436
310	Power Generation Equipment				
311	Pumping Equipment	47,693	9,938		9,938
320	Water Treatment Equipment	362,337	3,948		3,948
330	Distribution Reservoirs and Standpipes	405,675	20,952	(1)	20,951
331	Transmission and Distribution	41,074	6,433		6,433
333	Services	52,841	4,091		4,091
334	Meters and Meter Installations	10,941	1,657	(1)	1,656
335	Hydrants	1,607	270		270
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	2,694	1,396		1,396
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	519	223		223
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,169,580	\$ 62,323	\$ (3)	\$ 62,320

\* Specify nature of transaction.  
Use ( ) to denote reversal entries.  
Note: Other Credits to correct rounding

UTILITY NAME: Service Management Systems, Inc.

SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT  
December 31, 2006

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

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i+j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	753
302	Franchises					
304	Structure and Improvements					14,787
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					186,394
308	Infiltration Galleries and Tunnels					
309	Supply Mains					55,679
310	Power Generation Equipment					
311	Pumping Equipment					57,631
320	Water Treatment Equipment					366,285
330	Distribution Reservoirs and Standpipes					426,626
331	Transmission and Distribution					
333	Services					47,507
334	Meters and Meter Installations					56,932
335	Hydrants					12,597
336	Backflow Prevention Devices					1,877
339	Other Plant / Miscellaneous Equipment					4,090
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					742
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	1,231,900

UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
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**CONTRIBUTIONS IN AID OF CONSTRUCTION  
 ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance First of Year		\$ <u>550,777</u>
Add credits during year: Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	W-8(a)	<u>14,750</u>
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	<u>160,920</u>
Total Credits		<u>175,670</u>
Less debits charged during the year (All debits charged during the year must be explained below)		<u>                    </u>
Total Contributions In Aid of Construction		\$ <u>726,447</u>

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

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

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UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
**December 31, 2006**

**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)
Meter Installation	11	\$ 150	\$ 1,650
Irrigation Capacity Charge	1	300	300
Plant Capacity Charge	10	1,280	12,800
			-
Total Credits			\$ <u>14,750</u>

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

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 214,149
Debits during year:	
Accruals charged to Account	16,832
Other Debits (specify):	
Rounding	(1)
Total debits	16,831
Credits during year (specify):	
Total credits	
Balance end of year	\$ 230,980





UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
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**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
460	Water Sales: Unmetered Water Revenue			
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	261	293	\$ 132,647
461.2	Metered Sales to Commercial Customers	4		
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings			
	Total Metered Sales	265	293	132,647
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
	Total Fire Protection Revenue			
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers	90	94	130,912
466	Sales for Resale			
467	Interdepartmental Sales			
	Total Water Sales	355	387	263,559
469	Other Water Revenues: Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			435
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 435
	Total Water Operating Revenues			\$ 263,994

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

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 53,379	\$ -	\$ -
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits	8,744		
610	Purchased Water			
615	Purchased Power	48,000		
616	Fuel for Power Production	376		
618	Chemicals	18,758		
620	Materials and Supplies	15,736		
631	Contractual Services - Engineering			
632	Contractual Services - Accounting	2,232		
633	Contractual Services - Legal			
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing			
636	Contractual Services - Other	13,760		
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	2,066		
656	Insurance - Vehicle			
657	Insurance - General Liability	5,706		
658	Insurance - Workmens Comp.			
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	3,986		
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	20,241		
Total Water Utility Expenses		\$ 192,984		

**WATER EXPENSE ACCOUNT MATRIX**

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,379
					8,744
48,000					
376					
18,758					
6,834	8,902				
					2,232
13,760					
					2,066
					5,706
					3,986
					20,241
\$ 87,728	\$ 8,902				\$ 96,354

**PUMPING AND PURCHASED WATER STATISTICS**  
 (Potable Water)

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		12,900		12,900	12,632
February		10,000		10,000	10,955
March		17,000		17,000	16,580
April		19,900		19,900	19,363
May		22,000		22,000	21,782
June		18,500		18,500	18,287
July		16,500		16,500	16,221
August		20,500		20,500	20,353
September		14,800		14,800	14,499
October		20,400		20,400	19,966
November		16,200		16,200	15,866
December		16,500		16,500	16,143
Total for year	N/A	205,200	N/A	205,200	202,647

If water is purchased for resale, indicate the following:

Vendor N/A  
 Point of deliver N/A

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

N/A

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Drinking Water Well	1.0 MGD	562,192	Aquifer

**PUMPING AND PURCHASED WATER STATISTICS**  
 (Irrigation Water)

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		14,007	275	13,732	13,732
February		12,376	243	12,133	12,133
March		18,118	355	17,763	17,762
April		20,850	409	20,441	20,441
May		23,100	453	22,647	22,647
June		19,483	382	19,101	19,101
July		17,402	341	17,061	17,060
August		21,522	422	21,100	21,100
September		15,474	303	15,171	15,171
October		21,160	415	20,745	20,745
November		17,179	337	16,842	16,842
December		17,403	341	17,062	17,062
Total for year	N/A	218,074	4,276	213,798	213,796

If water is purchased for resale, indicate the following:

Vendor N/A

Point of deliver N/A

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

N/A

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Irrigation Water Well	1.0 MGD	597,463	Aquifer

UTILITY NAME: Service Management Systems, Inc.  
SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
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**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD): .11 MGD

Location of measurement of capacity  
(i.e. Wellhead, Storage Tank): Wellhead

Type of treatment (reverse osmosis,  
sedimentation, chemical, aerated, etc): Reverse Osmosis

**LIME TREATMENT**

Unit rating (i.e., GPM, pounds  
per gallon): N/A Manufacturer N/A

**FILTRATION**

Type and size of area:

Pressure (in square feet): N/A Manufacturer N/A

Gravity (in GPM/square feet): N/A Manufacturer N/A

UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
**December 31, 2006**

**CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS**

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	280	280
5/8"	Displacement	1.0		
3/4"	Displacement	1.5	2	3
1"	Displacement	2.5	6	15
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	4	32
3"	Displacement	15.0		
3"	Compound	16.0	1	16
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				<u>346</u>

**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:

$$\begin{array}{r}
 ERC = \quad 202,647 \text{ gallons, divided by} \\
 \quad \quad \quad 350 \text{ gallons per day} \\
 \quad \quad \quad \underline{\quad 365 \text{ days}} \\
 \quad \quad \quad \underline{\quad 1,586.3} \text{ ERC's}
 \end{array}$$

UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
**December 31, 2006**

**OTHER WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.	
1. Present ERC's * that system can efficiently serve.	<u>346</u>
2. Maximum number of ERC's * which can be served.	<u>460</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>600</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>1300</u>
5. Estimated annual increase in ERC's * .	<u>Approximately 25</u>
6. Is the utility required to have fire flow capacity? If so, how much capacity is required?	<u>Yes</u> <u>1,100 GPM</u>
7. Attach a description of the fire fighting facilities.	<u>Hydrants, High service pumps</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>None</u>
9. When did the company last file a capacity analysis report with the DEP?	<u>1999</u>
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.	<u>N/A</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction be _____	<u>N/A</u>
d. Attach plans for funding the required upgrading.	
e. Is this system under any Consent Order of the DEP?	<u>No</u>
11. Department of Environmental Protection ID #	<u>3054060</u>
12. Water Management District Consumptive Use Permit #	<u>1719</u>
a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

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



**WASTEWATER  
OPERATION  
SECTION**



**SCHEDULE OF YEAR END WASTEWATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 2,210,166
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	(1,676,335)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(726,105)
252	Advances for Construction	F-20	
	Subtotal		(192,274)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	279,981
	Subtotal		87,707
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		15,342
	Other (Specify): Completed Construction not Classified		-
	WASTEWATER RATE BASE		\$ 103,049
	UTILITY OPERATING INCOME	S-3	\$ (4,438)
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		-- %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.  
 (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.

**WASTEWATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	S-9	\$ 131,628
530	Less: Guaranteed Revenue and AFPI	S-9	
	Net Operating Revenues		131,628
401	Operating Expenses	S-10(a)	122,734
403	Depreciation Expense	S-6(a)	23,742
	Less: Amortization of CIAC	S-8(a)	(16,442)
	Net Depreciation Expense		7,300
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		5,923
408.11	Property Taxes		109
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		
408	Total Taxes Other Than Income		6,032
409.1	Income Taxes	F-16	
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		136,066
	Utility Operating Income (Loss)		(4,438)
530	Add Back: Guaranteed Revenue (and AFPI)		
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 (Loss)		\$ (4,438)

**UTILITY NAME:** Service Management Systems, Inc.  
**SYSTEM NAME / COUNTY:** Service Management Systems / Brevard

**YEAR OF REPORT**  
 December 31, 2006

**WASTEWATER UTILITY PLANT ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 1,050	\$ -	\$ -	\$ 1,050
352	Franchises				
353	Land and Land Rights	33,680			33,680
354	Structure and Improvements	18,769	4,900		23,669
355	Power Generation Equipment				
360	Collection Sewers - Force	206,148			206,148
361	Collection Sewers - Gravity	280,669	47,900		328,569
362	Special Collecting Structures				
363	Services to Customers	163,975	7,200		171,175
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	54,502			54,502
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	1,193,560			1,193,560
381	Plant Sewers				
382	Outfall Sewer Lines	157,892			157,892
389	Other Plant / Miscellaneous Equipment	14,056			14,056
390	Office Furniture & 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	22,060			22,060
398	Other Tangible Plant	3,805			3,805
	Total Wastewater Plant	\$ 2,150,166	\$ 60,000	\$ -	\$ 2,210,166

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.  
 Note (1): Rounding

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 PLANT (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ 1,050						
352	Franchises							
353	Land and Land Rights				\$ 33,680			
354	Structure and Improvements				23,669			
355	Power Generation Equipment							
360	Collection Sewers - Force		206,148					
361	Collection Sewers - Gravity		328,569					
362	Special Collecting Structures							
363	Services to Customers		171,175					
364	Flow Measuring Devices							
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells			54,502				
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment & Disposal Equipment				1,193,560			
381	Plant Sewers				157,892			
382	Outfall Sewer Lines				14,056			
389	Other Plant / Miscellaneous Equipme							
390	Office Furniture & 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							22,060
398	Other Tangible Plant							3,805
	Total Wastewater Plant	\$ 1,050	\$ 705,892	\$ 54,502	\$ 1,422,857	\$ -	\$ -	\$ 25,865

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

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)
351	Organization	40	%	2.50 %
352	Franchises		%	%
354	Structure 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 and Distribution System		%	%
380	Treatment & 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 & 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:** Service Management Systems, Inc.  
**SYSTEM NAME / COUNTY:** Service Management Systems / Brevard

**YEAR OF REPORT**  
 December 31, 2006

**ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION**

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ 899	\$ 26	\$ -	\$ 26
352	Franchises				
354	Structure and Improvements	18,344	502		502
355	Power Generation Equipment				
360	Collection Sewers - Force	103,166	6,865		6,865
361	Collection Sewers - Gravity	75,411	6,762		6,762
362	Special Collecting Structures				
363	Services to Customers	81,041	4,408	(1)	4,407
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	12,258	3,031	(1)	3,030
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	1,193,560	-		
381	Plant Sewers				
382	Outfall Sewer Lines	157,892	-		
389	Other Plant / Miscellaneous Equipment	1,062	440		440
390	Office Furniture & 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	6,001	1,471		1,471
398	Other Tangible Plant	2,961	237		237
Total Depreciable Wastewater Plant in Service		\$ 1,652,595	\$ 23,742	\$ (2)	\$ 23,740

\* Specify nature of transaction.  
 Use ( ) to denote reversal entries.  
 Note: Other Credits to correct rounding



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

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	925
352	Franchises					18,846
354	Structure and Improvements					
355	Power Generation Equipment					
360	Collection Sewers - Force					110,031
361	Collection Sewers - Gravity					82,173
362	Special Collecting Structures					
363	Services to Customers					85,448
364	Flow Measuring Devices					
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					15,288
374	Reuse Distribution Reservoirs					
375	Reuse Transmission and Distribution System					
380	Treatment & Disposal Equipment					1,193,560
381	Plant Sewers					
382	Outfall Sewer Lines					157,892
389	Other Plant / Miscellaneous Equipment					1,502
390	Office Furniture & 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					7,472
398	Other Tangible Plant					3,198
Total Depreciable Wastewater Plant in Service		\$ -	\$ -	\$ -	\$ -	\$ 1,676,335

UTILITY NAME: Service Management Systems, Inc.  
SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT  
**December 31, 2006**

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (b)
Balance First of Year		\$ <u>641,340</u>
Add credits during year: Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	S-8(a)	<u>6,985</u>
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	<u>77,780</u>
Total Credits		<u>84,765</u>
Less debits charged during the year (All debits charged during the year must be explained below)		<u>        </u>
Total Contributions In Aid of Construction		<u>\$ 726,105</u>

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

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

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UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
**December 31, 2006**

**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)
Plant Capacity Charge	11	\$ 635	\$ 6,985
			-
<b>Total Credits</b>			<u>\$ 6,985</u>

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

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 263,539
Debits during year:	
Accruals charged to Account	16,442
Other Debits (specify):	
Total debits	16,442
Credits during year (specify):	
Total credits	
Balance end of year	<u>\$ 279,981</u>



**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
<b>WASTEWATER SALES</b>				
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			-
Measured Revenues:				
522.1	Residential Revenues	263	292	\$ 131,163
522.2	Commercial Revenues	3		
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)			
522	Total Measured Revenues	266	292	131,163
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	266	292	\$ 131,163
<b>OTHER WASTEWATER REVENUES</b>				
530	Guaranteed Revenues			\$ -
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			465
	Total Other Wastewater Revenues			\$ 465

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

**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
<b>RECLAIMED WATER SALES</b>				
Flat Rate Reuse Revenues:				
540.1	Residential Reuse Revenues			\$ -
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
Measured Reuse Revenues:				
541.1	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			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 131,628

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

UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT  
 December 31, 2006

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND 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	\$ 53,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits	4,373						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense							
715	Purchased Power	24,000					24,000	
716	Fuel for Power Production	188					188	
718	Chemicals	9,051					9,051	
720	Materials and Supplies	7,927			1,127			6,800
731	Contractual Services - Engineering							
732	Contractual Services - Accounting	1,116						
733	Contractual Services - Legal							
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing							
736	Contractual Services - Other	6,613			6,613			
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	1,033						
756	Insurance - Vehicle							
757	Insurance - General Liability	2,853						
758	Insurance - Workmens Comp.							
759	Insurance - Other							
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense	1,993						
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense	3						
775	Miscellaneous Expenses	10,205						
	Total Wastewater Utility Expenses	\$ 122,734	\$ -	\$ -	\$ 7,740	\$ -	\$ 33,239	\$ 6,800

UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT  
 December 31, 2006

WASTEWATER UTILITY EXPENSE ACCOUNTS

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	\$ -	\$ 53,379	\$ -		\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders						
704	Employee Pensions and Benefits		4,373				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services - Engineering		1,116				
732	Contractual Services - Accounting						
733	Contractual Services - Legal						
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing						
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense		1,033				
756	Insurance - Vehicle						
757	Insurance - General Liability		2,853				
758	Insurance - Workmens Comp.						
759	Insurance - Other						
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense		1,993				
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense	3					
775	Miscellaneous Expenses		10,205				
	Total Wastewater Utility Expenses	\$ 3	\$ 74,952	\$ -	\$ -	\$ -	\$ -

S-10(b)  
 GROUP 1



UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
**December 31, 2006**

**CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS**

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	281	281
5/8"	Displacement	1.0		
3/4"	Displacement	1.5	1	2
1"	Displacement	2.5	6	15
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	4	32
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				330

**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:

$$ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day} )$$

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

**NOTE:** Total gallons treated includes both treated and purchased treatment

ERC Calculation:	(	<u>182,382,000</u>	/ 365 days ) / 280 gpd =	<u>1,785</u>
		(total gallons treated)		

UTILITY NAME: Service Management Systems, Inc.  
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

<b>YEAR OF REPORT</b> <b>December 31, 2006</b>
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**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	499,677		
Total Gallons of Wastewater Treated	182,382,000		
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.  
SYSTEM NAME / COUNTY: Service Management Systems / Brevard

**YEAR OF REPORT**  
**December 31, 2006**

**OTHER WASTEWATER SYSTEM INFORMATION**

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

1. Present ERC's * that system can efficiently serve.	<u>330</u>
2. Maximum number of ERC's * which can be served.	<u>460</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>600</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>1300</u>
5. Estimated annual increase in ERC's	<u>Approximately 25</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>New drainfield</u>
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?	<u>Yes</u>
If so, when?	<u>When flows reach 99,000 GPD</u>
9. Has the utility been required by the DEP or water management district to implement reuse?	<u>No</u>
If so, what are the utility's plans to comply with the DEP?	<u>When flows reach 99,000 GPD</u>
10. When did the company last file a capacity analysis report with the DEP?	<u>Unknown</u>
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.	<u>New drainfield required</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction begin?	<u>2007</u>
d. Attach plans for funding the required upgrading.	<u>Owner Investment</u>
e. Is this system under any Consent Order of the DEP?	<u>N/A</u>
11. Department of Environmental Protection ID #	<u>3005P00330</u>

\* An ERC is determined based on the calculation on the bottom of Page S-11

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Water Operations  
Class A & B**

**Company: Service Management Systems, Inc.**

**For the Year Ended December 31, 2006**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ -	\$ -	\$ -
Total Metered Sales ((461.1 - 461.5)	132,647	132,647	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	130,912	130,912	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	435	-	435
<b>Total Water Operating Revenue</b>	<b>\$ 263,994</b>	<b>\$ 263,559</b>	<b>\$ 435</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Water Operating Revenues</b>	<b>\$ 263,994</b>	<b>\$ 263,559</b>	<b>\$ 435</b>

**Explanations:**

Other service revenues were omitted from the original return. An amended return is being filed.

**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).

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations  
Class A & B**

**Company: Service Management Systems, Inc.**

**For the Year Ended December 31, 2006**

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate revenues (521.1 - 521.6)	\$ -	\$ -	\$ -
Total Measured Revenues (522.1 - 522.5)	131,163	131,163	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	465	-	465
Reclaimed Water Sales (540.1 - 544)	-	-	-
<b>Total Wastewater Operating Revenue</b>	<b>\$ 131,628</b>	<b>\$ 131,163</b>	<b>\$ 465</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Wastewater Operating Revenues</b>	<b>\$ 131,628</b>	<b>\$ 131,163</b>	<b>\$ 465</b>

**Explanations:**

Other service revenues were omitted from the original return. An amended return is being filed.

**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).