

CLASS "A" OR "B"

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

ANNUAL REPORT

OF

WS571-08-AR
Service Management Systems, Inc.

Exact Legal Name of Respondent

517-W / 450-S

Certificate Numbers

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2008

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Carlstedt, 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.
Holly M. Towner, C.P.A.
James L. Wilson, C.P.A.

March 30, 2009

To the Shareholder
Service Management Systems, Inc.

We have compiled the balance sheets of Service Management Systems, Inc. as of December 31, 2008 and 2007, 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.


CARLSTEDT, JACKSON, NIXON & WILSON

General Instructions

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which will create a permanent record, such as by typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule of the page with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. Water and wastewater system pages should be grouped together by system and all pages in the water and wastewater sections should be numbered consecutively at the bottom of the page where noted. For example, if the water system pages total 50 pages, they should be grouped by system and numbered from 1 to 50.
11. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
12. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
13. The report should be filled out in quadruplicate and the original and two copies returned by March 31 of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility

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EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT December 31, 2008

UTILITY NAME: Service Management Systems, Inc.

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

- | | | |
|--------------|--------------|--|
| YES
(X) | NO
() | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES
(X) | NO
() | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
(X) | NO
() | 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
(X) | NO
() | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified			
1.	2.	3.	4.
(X)	(X)	(X)	(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, 2008

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:

P.O. Box 510388
 Melbourne Beach, FL 32951-0388

Telephone: (321) 421-6100

e-Mail Address: servicemanagementsystems@gmail.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
 Carlstedt, 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:

235 Aquarina Blvd
 Melbourne Beach, FL 32951

Telephone: (321) 421-6100

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

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. Oak Lodge Utility, LLC	100 %
2.	%
3.	%
4.	%
5.	%
6.	%
7.	%
8.	%
9.	%
10.	%

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT December 31, 2008
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**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Thor Ibsen	Managing Member	Oak Lodge Utility LLC	General Matters
Robert Nixon, CPA (727) 791-4020	CPA	Carstedt, Jackson, Nixon and Wilson, CPA's	Rate and Regulatory 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.

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.**

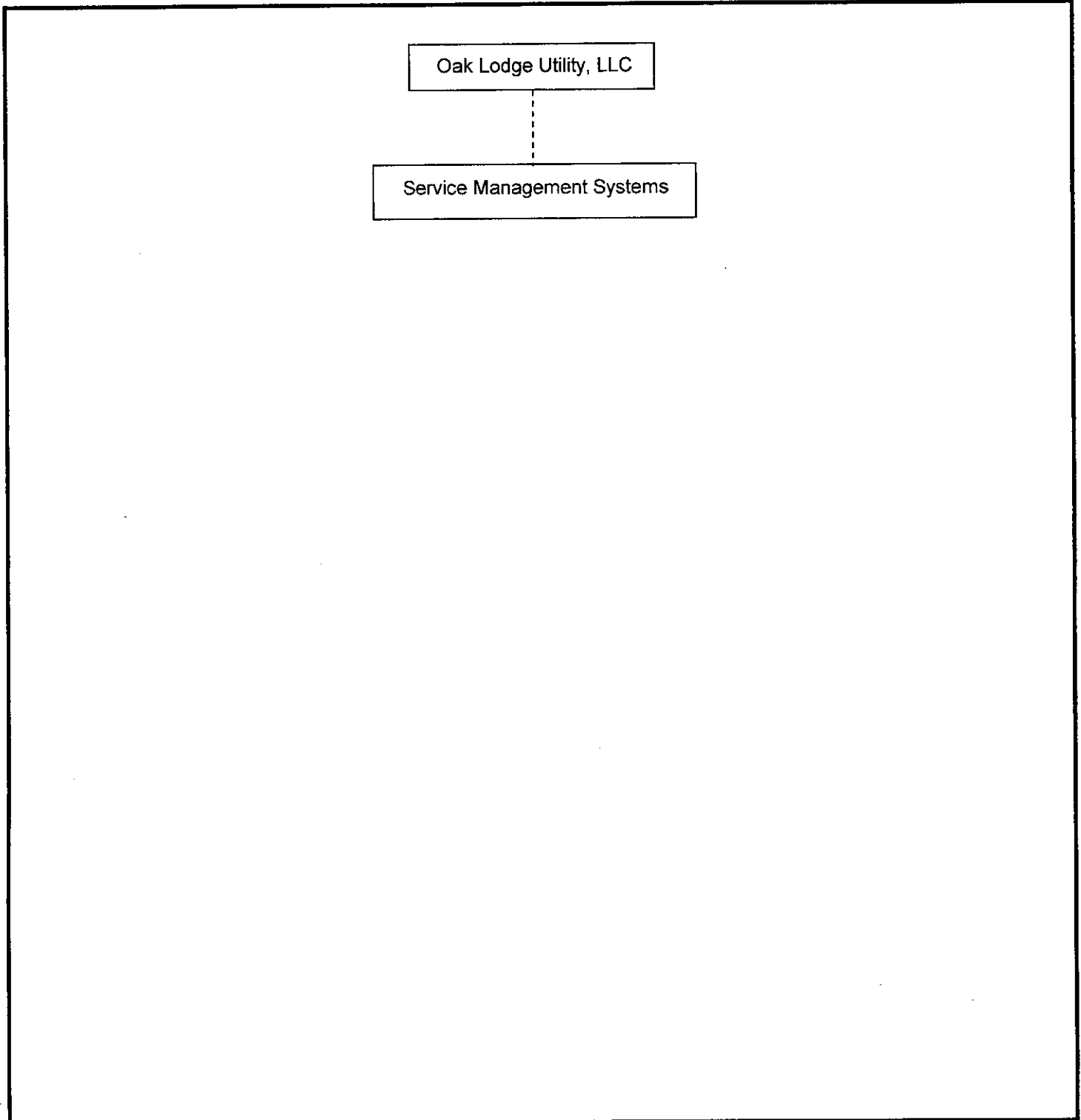
- A. The Utility was organized in 1989 to provide service to the Aquarina and St. Andrews Village developments
- B. The Utility provides water, wastewater, and non-potable irrigation services
- C. To provide quality service to its customers while earning a fair return for its shareholders
- D. The Utility has 3 divisions: water, wastewater, and non-potable irrigation
- E. The Utility anticipates approximately 20 new customers annually
- F. The Company was acquired by its present owner in 2008. A certificate transfer application is pending before the Commission.

During the transfer process, a note payable for approximately \$918,000 to Compass Bank was discovered that had not been recorded by the Utility's previous owners. The present owners are disputing the validity of this note as a Utility obligation.

UTILITY NAME: Service Management Systems, Inc.

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/08

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.

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.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (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.

YEAR OF REPORT
December 31, 2008

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.

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Thor Ibsen	Managing Member	Oak Lodge Utility LLC	PO Box 510388 Melbourne Beach Florida

UTILITY NAME: Service Management Systems, Inc.

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.

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

1. Enter in this part all transactions involving services and products received or provided.
2. 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.

BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.

2. Below are examples of some types of transactions to include:

- purchase, sale or transfer of equipment.
- purchase, sale or transfer of land and structures.
- purchase, sale or transfer of securities.
- noncash transfers of assets.
- noncash dividends other than stock dividends.
- writeoff of bad debts or loans.

3. The columnar instructions follow:

- (a) Enter name of related party or company.
- (b) Describe briefly the type of assets purchased, sold or transferred.
- (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
- (d) Enter the net book value for each item reported.
- (e) Enter the net profit or loss for each item (column (c) - column (d)).
- (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

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

FINANCIAL

SECTION

UTILITY NAME: Service Management Systems, Inc.

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 4,434,057	\$ 4,434,057
108-110	Less: Accumulated Depreciation and Amortization	F-8	(3,087,525)	(2,997,919)
Net Plant			1,346,532	1,436,138
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,346,532	1,436,138
OTHER PROPERTY AND INVESTMENTS				
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				
CURRENT AND ACCRUED ASSETS				
131	Cash		(17,923)	(36,170)
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments		(1,008)	(472)
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	276,244	249,766
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			
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	23,215	3,215
Total Current and Accrued Assets			280,528	216,339

* Not Applicable for Class B Utilities

UTILITY NAME: Service Management Systems, Inc.

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	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		\$ 1,627,060	\$ 1,652,477

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

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

UTILITY NAME: Service Management Systems, Inc.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
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		1,255,764	1,255,764
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(1,527,424)	(1,434,549)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital (Deficit)			(261,660)	(168,785)
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	150,837	174,575
Total Long Term Debt			150,837	174,575
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		732,979	153,002
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18		524,580
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits		2,332	2,332
236	Accrued Taxes		34,166	8,455
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20		
Total Current and Accrued Liabilities			769,477	688,369

* Not Applicable for Class B Utilities

UTILITY NAME: Service Management Systems, Inc.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
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				
OPERATING RESERVES				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	1,565,942	1,511,687
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(597,536)	(553,369)
Total Net C.I.A.C.			968,406	958,318
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes				
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 1,627,060	\$ 1,652,477

UTILITY NAME: Service Management Systems, Inc.

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 385,180	\$ 379,622
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			385,180	379,622
401	Operating Expenses	F-3(b)	354,435	360,291
403	Depreciation Expense	F-3(b)	89,681	89,608
	Less: Amortization of CIAC	F-22	(42,409)	(44,166)
Net Depreciation Expense			47,272	45,442
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	69,171	49,883
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			470,878	455,616
Net Utility Operating Income			(85,698)	(75,994)
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)]			(85,698)	(75,994)

* 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)
\$ 236,503 N/A	\$ 143,119	N/A
236,503	143,119	-
244,363	115,928	
65,588 (26,234)	24,020 (17,932)	
39,354	6,088	-
32,509	17,374	
316,226	139,390	
(79,723)	3,729	
(79,723)	3,729	N/A

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

UTILITY NAME: Service Management Systems, Inc.

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ (85,698)	\$ (75,994)
OTHER INCOME AND DEDUCTIONS				
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		660	
426	Miscellaneous Nonutility Expenses			(4,333)
Total Other Income and Deductions			660	(4,333)
TAXES APPLICABLE TO OTHER INCOME				
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				
INTEREST EXPENSE				
427	Interest Expense	F-19	9,335	12,548
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			9,335	12,548
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(94,373)	(92,875)

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	(1,363,149)	(1,724,376)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(802,372)	(763,570)
252	Advances for Construction	F-20		
Subtotal			46,805	(277,780)
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	282,137	315,399
Subtotal			328,942	37,619
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		30,545	14,491
	Other (Specify):		-	-
RATE BASE			\$ 359,487	\$ 52,110
NET UTILITY OPERATING INCOME			\$ (79,723)	\$ 3,729
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	7.16 %

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.

UTILITY NAME: Service Management Systems, Inc.

**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		\$ -	\$ -	\$ -	\$ -

UTILITY NAME: Service Management Systems, Inc.

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 1,297,562	\$ 1,700,357	N/A	\$ 2,997,919
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	65,588	24,020		89,608
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
Salvage				
Other Credits (specify) :				
Total credits	65,588	24,020		89,608
Debits during year:				
Book cost of plant retired	-	-		
Cost of removal				
Other debits (specify)				
Rounding	(1)	(1)		(2)
Total debits	(1)	(1)		(2)
Balance end of year	\$ 1,363,149	\$ 1,724,376	N/A	\$ 3,087,525

ACCUMULATED AMORTIZATION 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.

YEAR OF REPORT
December 31, 2008

**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, 2008

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		\$ -

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT
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ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 276,044	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 276,044
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
Aquarina Golf Course LLC	\$ 200	
Total Other Accounts Receivable		\$ 200
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		276,244
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		\$ 276,244

UTILITY NAME: Service Management Systems, Inc.

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
Peret Kluger Deposit	20,000
Total	\$ 23,215

UTILITY NAME: Service Management Systems, Inc.

YEAR OF REPORT
December 31, 2008

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	\$ -
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): None	\$ -	\$ -
Total Other Deferred Debits	\$ -	\$ -
REGULATORY ASSETS (Class A Utilities: Account 186.3): None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	NONE	NONE

UTILITY NAME: Service Management Systems, Inc.

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
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
PREFERRED STOCK		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	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)

UTILITY NAME: Service Management Systems, Inc.

STATEMENT OF RETAINED EARNINGS

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

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year (Deficit)	\$ (1,434,549)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	_____
	Total Credits	_____
	Debits: _____	_____
	Total Debits	_____
435	Balance transferred from Income	(92,875)
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	(1,527,424)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	_____
	Total Retained Earnings (Deficit)	\$ (1,527,424)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Service Management Systems, Inc.

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)
N/A	\$ -
Total	

UTILITY NAME: Service Management Systems, Inc.

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 Water Fund	\$ -		\$ 1,976	\$ 1,976	\$ -
Suntrust	-		9,705	9,705	
Siemens			867	867	
Total Account No. 237.1	-		12,548	12,548	-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
None					-
Total Account 237.2	-				
Total Account 237 (1)	\$ -		\$ 12,548	\$ 12,548	\$ -
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 12,548		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 12,548		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest
(2) Must agree to F-3(c), Current Year Interest Expense

UTILITY NAME: Service Management Systems, Inc.

OTHER DEFERRED CREDITS
ACCOUNT 253

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

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	\$ 766,532	\$ 745,155	N/A	\$ 1,511,687
Add credits during year:	35,840	18,415		54,255
Less debits charged during				-
Total Contributions In Aid of Construction	\$ 802,372	\$ 763,570	\$ -	\$ 1,565,942

**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	\$ 255,902	\$ 297,467	N/A	\$ 553,369
Debits during year:	26,234	17,932		44,166
Credits during year (specify): Rounding	(1)			
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 282,137	\$ 315,399		\$ 597,536

UTILITY NAME: Service Management Systems, Inc.

**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>(92,875)</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>(92,875)</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, 2008

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)	1,363,149
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	802,372
252	Advances for Construction	F-20	
	Subtotal		46,805
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	282,137
	Subtotal		328,942
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		30,545
	Other (Specify):		-
	WATER RATE BASE		\$ 359,487
	UTILITY OPERATING INCOME	W-3	\$ (79,723)
ACHIEVED RATE OF RETURN (Water Operating Income/Water 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.

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	236,503
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		236,503
401	Operating Expenses	W-10(a)	244,363
403	Depreciation Expense	W-6(a)	65,588
	Less: Amortization of CIAC	W-8(a)	(26,234)
	Net Depreciation Expense		39,354
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		10,643
408.11	Property Taxes		16,728
408.12	Payroll Taxes		5,138
408.13	Other Taxes & Licenses		
408	Total Taxes Other Than Income		32,509
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		316,226
	Utility Operating Income (Loss)		(79,723)
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 (Loss)		\$ (79,723)

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

YEAR OF REPORT
 December 31, 2008

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	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	141,736			141,736
309	Supply Mains				
310	Power Generation Equipment		169,028		169,028
311	Pumping Equipment	451,115			451,115
320	Water Treatment Equipment	629,183			629,183
330	Distribution Reservoirs and Standpipes	281,096			281,096
331	Transmission and Distribution Mains	167,548			167,548
333	Services	19,883			19,883
334	Meters and Meter Installations	13,300			13,300
335	Hydrants				
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	\$ 2,043,298	\$ 169,028	\$ -	\$ 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

WATER UTILITY PLANT MATRIX

ACCT. NO.	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, 2008

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		%	%
311	Pumping Equipment	17	%	5.88 %
320	Water Treatment Equipment	17	%	5.88 %
330	Distribution Reservoirs and Standpipes	30	%	3.33 %
331	Transmission and Distribution Mains	38	%	2.63 %
333	Services	35	%	2.86 %
334	Meters and Meter Installations	12	%	8.33 %
335	Hydrants	40	%	2.50 %
336	Backflow Prevention Devices		%	%
339	Other Plant / Miscellaneous Equipment	20	%	5.00 %
340	Office Furniture and Equipment		%	%
341	Transportation Equipment		%	%
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment		%	%
344	Laboratory Equipment		%	%
345	Power Operated Equipment		%	%
346	Communication Equipment		%	%
347	Miscellaneous Equipment	5	%	20.00 %
348	Other Tangible Plant		%	%
Water Plant Composite Depreciation Rate *			%	%

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

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

YEAR OF REPORT
December 31, 2008

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	\$ 779	\$ 26	\$ -	\$ 26
302	Franchises				
304	Structure and Improvements	15,198	411	(1)	410
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes		8,542		8,542
307	Wells and Springs	194,936			
308	Infiltration Galleries and Tunnels				
309	Supply Mains	60,115	4,436		4,436
310	Power Generation Equipment				
311	Pumping Equipment	67,570	9,939		9,939
320	Water Treatment Equipment	371,848	5,563		5,563
330	Distribution Reservoirs and Standpipes	447,579	20,951		20,951
331	Transmission and Distribution	54,899	7,393		7,393
333	Services	61,724	4,793		4,793
334	Meters and Meter Installations	14,253	1,656		1,656
335	Hydrants	2,210	332		332
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	5,486	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	965	150		150
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,297,562	\$ 65,588	\$ (1)	\$ 65,587

* 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, 2008

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	\$ -	\$ -	\$ -	\$ -	805
302	Franchises					15,608
304	Structure and Improvements					
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					203,478
307	Wells and Springs					
308	Infiltration Galleries and Tunnels					64,551
309	Supply Mains					
310	Power Generation Equipment					77,509
311	Pumping Equipment					377,411
320	Water Treatment Equipment					468,530
330	Distribution Reservoirs and Standpipes					62,292
331	Transmission and Distribution					66,517
333	Services					15,909
334	Meters and Meter Installations					2,542
335	Hydrants					
336	Backflow Prevention Devices					6,882
339	Other Plant / Miscellaneous Equipment					
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
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	\$ 1,363,149

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	291	273	\$ 127,552
461.2	Metered Sales to Commercial Customers			
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	291	273	127,552
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	94	94	108,711
466	Sales for Resale			
467	Interdepartmental Sales			
	Total Water Sales	385	367	236,263
469	Other Water Revenues: Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			240
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 240
	Total Water Operating Revenues			\$ 236,503

* 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, 2008

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	\$ 70,400	\$ -	\$ -
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits	772		
610	Purchased Water			
615	Purchased Power	54,348		
616	Fuel for Power Production	680		
618	Chemicals	17,812		
620	Materials and Supplies	38,368		
631	Contractual Services - Engineering			
632	Contractual Services - Accounting	6,367		
633	Contractual Services - Legal	15,606		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing			
636	Contractual Services - Other	17,801		
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	1,300		
656	Insurance - Vehicle			
657	Insurance - General Liability	9,762		
658	Insurance - Workmens Comp.	1,976		
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	9,171		
Total Water Utility Expenses		\$ 244,363		

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,400
					772
54,348					
680					
17,812					
3,555	34,813				
					6,367
					15,606
17,801					
					1,300
					9,762
					1,976
					9,171
\$ 94,196	\$ 34,813				\$ 115,354

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		1,145		1,145	1,880
February		1,116		1,116	1,633
March		1,208		1,208	1,359
April		1,127		1,127	984
May		959		959	587
June		744		744	461
July		860		860	591
August		767		767	541
September		694		694	536
October		784		784	541
November		972		972	569
December		952		952	996
Total for year	N/A	11,328	N/A	11,328	10,678

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	31,036	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		10,726		10,726	13,815
February		10,912		10,912	12,036
March		15,252	1,500	13,752	12,771
April		15,965	500	15,465	14,242
May		18,228	6,000	12,228	7,999
June		16,926	5,000	11,926	8,283
July		16,089	5,000	11,089	7,522
August		15,066	6,500	8,566	6,521
September		18,073	8,000	10,073	7,753
October		15,526	4,000	11,526	6,023
November		18,569	-	18,569	28,247
December		10,943	-	10,943	10,051
Total for year	N/A	182,275	36,500	145,775	135,263

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	499,384	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):	<u>.11 MGD</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc):	<u>Reverse Osmosis</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u> Manufacturer <u>N/A</u>
FILTRATION	
Type and size of area:	
Pressure (in square feet):	<u>N/A</u> Manufacturer <u>N/A</u>
Gravity (in GPM/square feet):	<u>N/A</u> Manufacturer <u>N/A</u>

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

YEAR OF REPORT
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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	354	354
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	12	96
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				466

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:	
ERC =	10,853,000 gallons, divided by
	235 gallons per day
	<u>365</u> days
	126 ERC's

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

YEAR OF REPORT
December 31, 2008

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>466</u>
2. Maximum number of ERC's * which can be served.	<u>468</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 20</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)	(1,724,376)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(763,570)
252	Advances for Construction	F-20	
	Subtotal		(277,780)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	315,399
	Subtotal		37,619
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		14,491
	Other (Specify):		-
	WASTEWATER RATE BASE		\$ 52,110
	UTILITY OPERATING INCOME	S-3	\$ 3,729
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		7.16 %

- 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)
	UTILITY OPERATING INCOME		
400	Operating Revenues	S-9	\$ 143,119
530	Less: Guaranteed Revenue and AFPI	S-9	
	Net Operating Revenues		143,119
401	Operating Expenses	S-10(a)	115,928
403	Depreciation Expense	S-6(a)	24,020
	Less: Amortization of CIAC	S-8(a)	(17,932)
	Net Depreciation Expense		6,088
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		6,441
408.11	Property Taxes		8,364
408.12	Payroll Taxes		2,569
408.13	Other Taxes & Licenses		
408	Total Taxes Other Than Income		17,374
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		139,390
	Utility Operating Income		3,729
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		\$ 3,729

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

YEAR OF REPORT
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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	23,669			23,669
355	Power Generation Equipment				
360	Collection Sewers - Force	206,148			206,148
361	Collection Sewers - Gravity	328,569			328,569
362	Special Collecting Structures				
363	Services to Customers	171,175			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	\$ 2,210,166	\$ -	\$ -	\$ 2,210,166

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

Note (1): Rounding

S-4(a)
 GROUP 1

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							
371	Pumping Equipment			54,502				
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				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
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

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	\$ 951	\$ 26	\$ -	\$ 26
352	Franchises				
354	Structure and Improvements	18,999	153		153
355	Power Generation Equipment				
360	Collection Sewers - Force	116,896	6,865		6,865
361	Collection Sewers - Gravity	89,468	7,295	(1)	7,294
362	Special Collecting Structures				
363	Services to Customers	89,950	4,502		4,502
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	18,319	3,030		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	1,942	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	8,944	1,471		1,471
398	Other Tangible Plant	3,436	238		238
Total Depreciable Wastewater Plant in Service		\$ 1,700,357	\$ 24,020	\$ (1)	\$ 24,019

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

UTILITY NAM Service Management Systems, Inc.

SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT
December 31, 2008

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	\$ -	\$ -	\$ -	\$ -	977
352	Franchises					
354	Structure and Improvements					19,152
355	Power Generation Equipment					
360	Collection Sewers - Force					123,761
361	Collection Sewers - Gravity					96,762
362	Special Collecting Structures					
363	Services to Customers					94,452
364	Flow Measuring Devices					
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					21,349
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					2,382
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					10,415
397	Miscellaneous Equipment					3,674
398	Other Tangible Plant					
Total Depreciable Wastewater Plant in Service		\$ -	\$ -	\$ -	\$ -	\$ 1,724,376

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
WASTEWATER SALES				
Flat Rate Revenues:				
521.1	Residential Revenues			\$ -
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues			
521.6	Other Revenues			
521	Total Flat Rate Revenues			-
Measured Revenues:				
522.1	Residential Revenues	292	286	\$ 142,864
522.2	Commercial Revenues			
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)			
522	Total Measured Revenues	292	286	142,864
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	292	286	\$ 142,864
OTHER WASTEWATER REVENUES				
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)			255
	Total Other Wastewater Revenues			\$ 255

* 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)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues			\$ -
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
541.1	Measured Reuse Revenues: Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 143,119

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

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	\$ 36,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits	386						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense							
715	Purchased Power	24,133					24,133	
716	Fuel for Power Production	340					340	
718	Chemicals	8,911					8,911	
720	Materials and Supplies	3,719			2,262			1,457
731	Contractual Services - Engineering							
732	Contractual Services - Accounting	2,546						
733	Contractual Services - Legal	17,553						
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing							
736	Contractual Services - Other	11,952			11,952			
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	650						
756	Insurance - Vehicle							
757	Insurance - General Liability	3,738						
758	Insurance - Workmens Comp.	988						
759	Insurance - Other							
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	4,706						
	Total Wastewater Utility Expenses	\$ 115,928	\$ -	\$ -	\$ 14,214	\$ -	\$ 33,384	\$ 1,457

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

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	\$ -	\$ 36,306	\$ -		\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders						
704	Employee Pensions and Benefits		386				
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						
732	Contractual Services - Accounting		2,546				
733	Contractual Services - Legal		17,553				
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		650				
756	Insurance - Vehicle						
757	Insurance - General Liability		3,738				
758	Insurance - Workmens Comp.		988				
759	Insurance - Other						
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		4,706				
	Total Wastewater Utility Expenses	\$ -	\$ 66,873	\$ -	\$ -	\$ -	\$ -

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

YEAR OF REPORT
 December 31, 2008

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	279	279
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	7	56
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				335

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:	$(\frac{11,195,362}{\text{(total gallons treated)}} / 365 \text{ days}) / 212 \text{ gpd} =$	145
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UTILITY NAME: Service Management Systems, Inc.
 SYSTEM NAME / COUNTY: Service Management Systems / Brevard

YEAR OF REPORT
December 31, 2008

WASTEWATER TREATMENT PLANT INFORMATION
 Provide a separate sheet for each wastewater treatment facility

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

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
 (i.e. average annual daily flow, etc)

(2) Contact stabilization, advanced treatment, etc.

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

YEAR OF REPORT
December 31, 2008

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. 335

2. Maximum number of ERC's * which can be served. 335

3. Present system connection capacity (in ERC's *) using existing lines. 335

4. Future system connection capacity (in ERC's *) upon service area buildout. 1484

5. Estimated annual increase in ERC's Approximately 20

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. New drainfield

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? Yes
 If so, when? When flows reach 99,000 GPD

9. Has the utility been required by the DEP or water management district to implement reuse? No
 If so, what are the utility's plans to comply with the DEP? When flows reach 99,000 GPD

10. When did the company last file a capacity analysis report with the DEP? Unknown

11. If the present system does not meet the requirements of DEP rules:
 a. Attach a description of the plant upgrade necessary to meet the DEP rules. New drainfield required
 b. Have these plans been approved by DEP? N/A
 c. When will construction begin? 2007
 d. Attach plans for funding the required upgrading. Owner Investment
 e. Is this system under any Consent Order of the DEP? N/A

11. Department of Environmental Protection ID # 3005P00330

* 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 C**

Company: Service Management Systems, Inc.

For the Year Ended December 31, 2008

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 127,552	\$ 127,552	\$ -
Commercial	-	-	-
Industrial	-	-	-
Multiple Family	-	-	-
Guaranteed Revenues	-	-	-
Other	108,951	108,951	-
Total Water Operating Revenue	\$ 236,503	\$ 236,503	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 236,503	\$ 236,503	\$ -

Explanations:

Instructions:

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

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

Company: Service Management Systems, Inc.

For the Year Ended December 31, 2008

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 142,864	\$ 142,864	\$ -
Commercial	-	-	-
Industrial	-	-	-
Multiple Family	-	-	-
Guaranteed Revenues	-	-	-
Other	255	255	-
Total Wastewater Operating Revenue	\$ 143,119	\$ 143,119	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 143,119	\$ 143,119	\$ -

Explanations:

Instructions:

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