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WATER AND SEWER

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**WATER AND/OR WASTEWATER UTILITIES**

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

# ***ANNUAL REPORT***

OF

— SU535-01-AR  
WU536-01-AR —  
EAST MARION SANITARY SYSTEMS, INC.

*Submitted To The*

***STATE OF FLORIDA***



ECONOMIC REGULATION

02 APR 29 AM 11:14

RECEIVED  
PUBLIC SERVICE

***PUBLIC SERVICE COMMISSION***

FOR THE

**YEAR ENDED DECEMBER 31, 2001**

## GENERAL INSTRUCTIONS

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

Florida Public Service Commission  
Division of Water and Wastewater  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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

## GENERAL DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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# FINANCIAL SECTION

REPORT OF

EAST MARION SANITARY SYSTEMS, INC.

(EXACT NAME OF UTILITY)

P.O. Box 245 SILVER SPRINGS, FL 34489-0245 600 NE 130 TR Marion  
 Mailing Address Street Address County

Telephone Number 352-625-0117 Date Utility First Organized 6-24-86  
 (per articles of incorp)  
 Fax Number E-mail Address

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

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

- Individual  Sub Chapter S Corporation  1120 Corporation  Partnership

Name, Address and phone where records are located: East Marion Sanitary Systems, Inc.  
 G4425 B4 Miller Road, Ste. 190: Flint, MI 48507 810-733-6342 or

Name of subdivisions where services are provided: Lakeview Woods/Trails East

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Herbert Hein		see above	-0-
Person who prepared this report: Joseph E. Brannon, CPA		106 NE 14th Ave. Ocala, FL 34470	-0-
Officers and Managers: Herbert Hein	President	see above	-0-
			\$
			\$
			\$
			\$
			\$
			\$

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
Herbert Hein	100%	see above	\$ -0-
			\$
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: East Marion Sanitary Systems, Inc

YEAR OF REPORT DECEMBER 31, 2001
-------------------------------------

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 10,104	\$ 10,644	\$ _____	\$ 20,748
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		<u>812</u>	<u>735</u>	_____	<u>1,547</u>
Total Gross Revenue_____		\$ <u>10,916</u>	\$ <u>11,379</u>	\$ _____	\$ <u>22,295</u>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 7,459	\$ 12,735	\$ _____	\$ 20,194
Depreciation Expense_____	F-5	<u>2,907</u>	<u>6,659</u>	_____	<u>9,566</u>
CIAC Amortization Expense_____	F-8	( 580)	( 841)	_____	( 1,421)
Taxes Other Than Income_____	F-7	<u>782</u>	<u>1,526</u>	_____	<u>2,308</u>
Income Taxes_____	F-7	<u>0</u>	<u>0</u>	_____	<u>0</u>
Total Operating Expense		\$ <u>10,568</u>	<u>20,073</u>	_____	\$ <u>30,641</u>
Net Operating Income (Loss)		\$ <u>348</u>	\$ ( 8,694)	\$ _____	\$ ( 8,346)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ <u>348</u>	\$ ( 8,694)	\$ _____	\$ ( 8,346)

**East Marion Sanitary Systems, Inc.**

Page F-3, Other income

December 31, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Income</b>			
Returned check revenue	20	-	20.00
Connection fees	240	240	480.00
Disconnect fees	57		57.00
Transfer Fees	495	495	990.00
<b>Total Income</b>	<u>812</u>	<u>735</u>	<u>1,547</u>



COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ <u>367,432</u>	\$ <u>366,129</u>
Accumulated Depreciation and Amortization (108)-----	F-5,W-2,S-2	<u>( 98,043 )</u>	<u>( 88,477 )</u>
Net Utility Plant -----		\$ <u>269,389</u>	\$ <u>277,652</u>
Cash -----		<u>15,673</u>	<u>1,921</u>
Customer Accounts Receivable (141) -----		<u>2,169</u>	<u>1,373</u>
Other Assets (Specify):			
<u>DEFERRED RATE CASE EXPENSE, NET</u>		<u>2,228</u>	
-----			
-----			
Total Assets -----		\$ <u>289,459</u>	\$ <u>280,946</u>
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) -----	F-6	<u>1,000</u>	<u>1,000</u>
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		<u>313,018</u>	<u>313,018</u>
Retained Earnings (215) -----	F-6	<u>( 84,268 )</u>	<u>( 75,921 )</u>
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>229,750</u>	\$ <u>238,097</u>
Long Term Debt (224) -----	F-6	\$	\$
Accounts Payable (231) -----		<u>3,515</u>	<u>2,354</u>
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----		<u>985</u>	<u>739</u>
Other Liabilities (Specify) -----		<u>3,350</u>	<u>3,350</u>
-----			
-----			
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>51,859</u>	<u>36,406</u>
Total Liabilities and Capital -----		\$ <u>289,459</u>	\$ <u>280,946</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2001
-------------------------------------

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ <u>126,170</u>	\$ <u>241,262</u>	\$ _____	\$ <u>367,432</u>
Construction Work in -----	_____	_____	_____	_____
Other (Specify) _____ _____ _____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>126,170</u>	\$ <u>241,262</u>	\$ _____	\$ <u>367,432</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>25,212</u>	\$ <u>63,265</u>	\$ _____	\$ <u>88,477</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ <u>2,907</u>	\$ <u>6,659</u>	\$ _____	\$ <u>9,566</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____ _____	_____	_____	_____	_____
Total Credits _____	\$ <u>2,907</u>	\$ <u>6,659</u>	\$ _____	\$ <u>9,566</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____ _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>28,119</u>	\$ <u>69,924</u>	\$ _____	\$ <u>98,043</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

CAPITAL STOCK ( 201 - 204 )

	Common Stock	Preferred Stock
Par or stated value per share _____	\$ 1	
Shares authorized _____	1,000	
Shares issued and outstanding _____	1,000	
Total par value of stock issued _____	\$ 1,000	
Dividends declared per share for year _____	0	

RETAINED EARNINGS ( 215 )

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ ( 75,921 )
Changes during the year (Specify): <u>OPERATING LOSS</u>		( 8,346 )
<u>ROUNDING</u>		( 1 )
Balance end of year _____	\$ _____	\$ ( 84,268 )

PROPRIETARY CAPITAL ( 218 )

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

LONG TERM DEBT ( 224 )

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
<i>N/A</i>			\$ _____
_____			\$ _____
_____			\$ _____
Total _____			\$ _____

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	287	1,025	_____	1,312
Regulatory assessment fee _____	495	501	_____	996
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Tax Expense _____	\$ 782	\$ 1,526	\$ _____	\$ 2,308

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
ENVIRONMENTAL MASTERS, INC	\$ 1,440	\$ 2,400	PLANT OPERATION
✓	\$ 450	\$ 450	MANAGEMENT SERVICES
JOSEPH E. BRANNON, CPA	\$ 625	\$ 625	ACCTG / TAX SVCS
HERBERT HEIN	\$ 1,272	\$ 478	MANAGEMENT SVCS / REPAIRS
MCDONALD GROUP INT'L, INC	\$ _____	\$ 1,193	WASTEWATER APPL. RENEWAL
ENVIRONMENTAL MASTERS, INC	\$ 256	\$ 237	MEETG SERVICES
✓	\$ 1,275	\$ 901	MAINT / TESTING / MISC
HARRY MEGHO	\$ 510	\$ 510	MOWING
AMER PIPE & TANK	\$ _____	\$ 1,024	SLUDGE HAULING
FL PSC	\$ 500	\$ 500	STAFF ASSIST RATE CSE
JOSEPH E. BRANNON CPA	\$ 700	\$ 700	RATE CASE ASSISTANCE

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31 2001

CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>13,865</u>	\$ <u>26,600</u>	\$ <u>40,465</u>
2) Add credits during year _____	\$ <u>5,680</u>	\$ <u>11,200</u>	\$ <u>16,880</u>
3) Total _____	<u>19,545</u>	<u>37,800</u>	<u>57,345</u>
4) Deduct charges during the year _____	<u>19,545</u>	<u>37,800</u>	<u>57,345</u>
5) Balance end of year _____	<u>(2,234)</u>	<u>(3,252)</u>	<u>(5,486)</u>
6) Less Accumulated Amortization _____			
7) Net CIAC _____	\$ <u>17,311</u>	\$ <u>34,548</u>	\$ <u>51,859</u>

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

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____		\$ <u>N/A</u>	\$ <u>N/A</u>
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
<u>WATER CONNECTIONS</u>	<u>16</u>	\$ <u>355</u>	\$ <u>5,680</u>
<u>SEWER ✓</u>	<u>16</u>	<u>700</u>	\$ <u>11,200</u>
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____		\$ <u>5,680</u>	\$ <u>11,200</u>

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>1,654</u>	\$ <u>2,405</u>	\$ <u>4,059</u>
Add Debits During Year: _____	<u>580</u>	<u>847</u>	<u>1,427</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ <u>2,234</u>	\$ <u>3,252</u>	\$ <u>5,486</u>

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31 2001
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**SCHEDULE "A"**

*N/A*

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

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

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

**APPROVED AFUDC RATE**

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



**WATER  
OPERATING  
SECTION**



**WATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ 950	\$	\$	\$ 950
302	Franchises				
303	Land and Land Rights	35,000			35,000
304	Structures and Improvements	4,900			4,900
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	8,100			8,100
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	14,200			14,200
320	Water Treatment Equipment	2,805			2,805
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Lines	46,378			46,378
333	Services	8,622			8,622
334	Meters and Meter Installations	3,438	1,303		4,741
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and 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	474			474
348	Other Tangible Plant				
	Total Water Plant	\$ 124,867	\$ 1,303	\$	\$ 126,170

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i)
304	REGANIZATIONAL COSTS	40	%	2.5%	229		24	253
305	Structures and Improvements	33	%	3.03%	1,408		143	1,556
306	Collecting and Impounding Reservoirs		%					
307	Lake, River and Other Intakes		%					
308	Wells and Springs	30	%	3.33%	2,565		270	2,835
309	Infiltration Galleries & Tunnels		%					
310	Supply Mains		%					
311	Power Generating Equipment		%					
320	Pumping Equipment	20	%	5.0%	6,745		710	7,455
330	Water Treatment Equipment	20	%	5.0%	1,150		128	1,278
331	Distribution Reservoirs & Standpipes		%					
333	Trans. & Dist. Mains	43	%	2.33%	10,248		1,079	11,327
334	Services	40	%	2.5%	2,050		216	2,266
335	Meter & Meter Installations	20	%	5.0%	628		237	865
336	Hydrants		%					
339	Backflow Prevention Devices		%					
340	Other Plant and Miscellaneous Equipment		%					
341	Office Furniture and Equipment		%					
342	Transportation Equipment		%					
343	Stores Equipment		%					
344	Tools, Shop and Garage Equipment		%					
345	Laboratory Equipment		%					
346	Power Operated Equipment		%					
347	Communication Equipment		%					
348	Miscellaneous Equipment	5	%	20%	190		95	285
	Other Tangible Plant		%					
	Totals				25,212		2,907	28,119

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

**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____
604	Employee Pensions and Benefits	_____
610	Purchased Water	_____
615	Purchased Power	681
616	Fuel for Power Production	_____
618	Chemicals	577
620	Materials and Supplies	10
630	Contractual Services:	
	Billing	257
	Professional	625
	Testing	252
	Other <u>PLANT OPERATION &amp; MGMT &amp; MTR RECD</u>	2,441
640	Rents	_____
650	Transportation Expense	_____
655	Insurance Expense	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	154
670	Bad Debt Expense	_____
675	Miscellaneous Expenses <u>(NEXT PAGE W-3a)</u>	2157
	Total Water Operation And Maintenance Expense	\$ <u>7,459</u> *

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

**WATER CUSTOMERS**

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
<b>Residential Service</b>					
5/8"	D	1.0	39	57	57
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
<b>General Service</b>					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			<b>Total</b>		
			<u>39</u>	<u>57</u>	<u>57</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2001
-------------------------------------

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

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [ (b)+(c)-(d) ] (e)	Water Sold To Customers (Omit 000's) (f)
January				244.9	244.9
February				147.5	147.5
March				221.7	221.7
April				536.0	536.0
May				719.3	719.3
June				284.1	284.1
July				267.6	267.6
August				394.1	394.1
September				304.5	304.5
October				343.5	343.5
November				419.9	419.9
December				358.5	358.5
Total for Year				4,241.6	4,241.6

If water is purchased for resale, indicate the following:

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

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

N/A  
\_\_\_\_\_  
\_\_\_\_\_

**MAINS (FEET)**

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	6"	200			200
PVC	4"	8,450			8,450
PVC	2"	1,675			1,675
PVC	1.5"	375			375

**East Marion Sanitary Systems, Inc.**

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Bank charges	\$ 43.75	44	88
Repairs & maint	2,140	2,037	4,177
Licenses & taxes	83	82	165
Regulatory Expense	190	2,463	2,653
	<u>\$ 2,457</u>	<u>4,626</u>	<u>7,083</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2001
-------------------------------------

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

**WELLS AND WELL PUMPS**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>1986</u>	_____	_____	_____
Types of Well Construction and Casing _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	_____	_____	_____	_____
Diameters of Wells _____	<u>6"</u>	_____	_____	_____
Pump - GPM _____	<u>250</u>	_____	_____	_____
Motor - HP _____	<u>20</u>	_____	_____	_____
Motor Type * _____	<u>SUBMERSIBLE</u>	_____	_____	_____
Yields of Wells in GPD _____	<u>360,000</u>	_____	_____	_____
Auxiliary Power _____	<u>N/A</u>	_____	_____	_____
* Submersible, centrifugal, etc.				

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	<u>STEEL</u>	_____	_____	_____
Capacity of Tank _____	<u>6,000</u>	_____	_____	_____
Ground or Elevated _____	<u>GROUND</u>	_____	_____	_____

**HIGH SERVICE PUMPING**

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Permitted Gals. per day _____	<u>360,000</u>	_____	_____
Type of Source _____	<u>GROUND</u>	_____	_____

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type _____	<u>N/A</u>	_____	_____
Make _____	_____	_____	_____
Permitted Capacity (GPD) _____	_____	_____	_____
High service pumping Gallons per minute _____	_____	_____	_____
Reverse Osmosis _____	_____	_____	_____
Lime Treatment Unit Rating _____	_____	_____	_____
Filtration Pressure Sq. Ft. _____	_____	_____	_____
Gravity GPD/Sq.Ft. _____	_____	_____	_____
Disinfection Chlorinator _____	<u>CHEMETER 30GPD</u>	_____	_____
Ozone _____	<u>N/A</u>	_____	_____
Other _____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

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

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERC's \* the system can efficiently serve. 1,286
2. Maximum number of ERCs \* which can be served. 1,286
3. Present system connection capacity (in ERCs \*) using existing lines. 1,286
4. Future connection capacity (in ERCs \*) upon service area buildout. 1,286
5. Estimated annual increase in ERCs \*. 10
6. Is the utility required to have fire flow capacity? NO  
If so, how much capacity is required? \_\_\_\_\_
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.  
NONE
9. When did the company last file a capacity analysis report with the DEP? NONE
10. If the present system does not meet the requirements of DEP rules, submit the following:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? \_\_\_\_\_
  - c. When will construction begin? \_\_\_\_\_
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? \_\_\_\_\_
11. Department of Environmental Protection ID # 3424789
12. Water Management District Consumptive Use Permit # 2-083-0042 WFM
  - a. Is the system in compliance with the requirements of the CUP? YES
  - b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_

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



**WASTEWATER  
OPERATING  
SECTION**

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2001
-------------------------------------

**WASTEWATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization _____	\$ 950	\$ _____	\$ _____	\$ 950
352	Franchises _____				
353	Land and Land Rights _____	50,000			50,000
354	Structures and Improvements _____				
355	Power Generation Equipment _____				
360	Collection Sewers - Force _____	37,363			37,363
361	Collection Sewers - Gravity _____	80,831			80,831
362	Special Collecting Structures _____				
363	Services to Customers _____	14,118			14,118
364	Flow Measuring Devices _____				
365	Flow Measuring Installations _____				
370	Receiving Wells _____				
371	Pumping Equipment _____				
380	Treatment and Disposal Equipment _____	58,000			58,000
381	Plant Sewers _____				
382	Outfall Sewer Lines _____				
389	Other Plant and Miscellaneous Equipment _____				
390	Office Furniture and Equipment _____				
391	Transportation Equipment _____				
392	Stores Equipment _____				
393	Tools, Shop and Garage Equipment _____				
394	Laboratory Equipment _____				
395	Power Operated Equipment _____				
396	Communication Equipment _____				
397	Miscellaneous Equipment _____				
398	Other Tangible Plant _____				
	<b>Total Wastewater Plant _____</b>	<b>\$ 241,262</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ 241,262</b>

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
	<b>ORGANIZATIONAL COSTS</b>							
354	Structures and Improvements	40	%	2.6%	230	\$	24	254
355	Power Generation Equipment		%					
360	Collection Sewers - Force	30	%	3.33%	11,829		1,245	13,074
361	Collection Sewers - Gravity	45	%	2.22%	17,063		1,796	18,859
362	Special Collecting Structures		%					
363	Services to Customers	38	%	2.63%	3,533		372	3,905
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	18	%	5.60%	30,610		3,222	33,832
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%					
391	Transportation Equipment		%					
392	Stores Equipment		%					
393	Tools, Shop and Garage Equipment		%					
394	Laboratory Equipment		%					
395	Power Operated Equipment		%					
396	Communication Equipment		%					
397	Miscellaneous Equipment		%					
398	Other Tangible Plant		%					
	Totals				63,265	\$	6,659	69,924*

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31 2001

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ _____
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____
704	Employee Pensions and Benefits	_____
710	Purchased Wastewater Treatment	_____
711	Sludge Removal Expense	1024
715	Purchased Power	2,520
716	Fuel for Power Production	_____
718	Chemicals	277
720	Materials and Supplies	_____
730	Contractual Services:	
	Billing	237
	Professional	629
	Testing	417
	Other <u>OPERATION/MAINT</u>	2,850
740	Rents	_____
750	Transportation Expense	_____
755	Insurance Expense	_____
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	169
770	Bad Debt Expense	_____
775	Miscellaneous Expenses <u>(NEXT PAGE 3-3a)</u>	4,626
	Total Wastewater Operation And Maintenance Expense	\$ <u>12,735</u> *

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

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	_____	_____	_____
General Service					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	38	55	55
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	38	55

**PUMPING EQUIPMENT**

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

**SERVICE CONNECTIONS**

Size (inches) _____	3"	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	PVC	_____	_____	_____	_____	_____
Average length _____	40'	_____	_____	_____	_____	_____
Number of active service connections _____	55	_____	_____	_____	_____	_____
Beginning of year _____	38	_____	_____	_____	_____	_____
Added during year _____	17	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	55	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____	_____

**COLLECTING AND FORCE MAINS**

	Collecting Mains				Force Mains			
Size (inches) _____	8"	_____	_____	_____	3"	4"	_____	_____
Type of main _____	PVC	_____	_____	_____	PVC	PVC	_____	_____
Length of main (nearest foot) _____	91680	_____	_____	_____	825	950	_____	_____
Beginning of year _____	_____	_____	_____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____	_____
End of year _____	91680	_____	_____	_____	825	950	_____	_____

**MANHOLES**

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

**East Marion Sanitary Systems, Inc.**

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2001

	Water	Sewer	Total
Bank charges	\$ 43.75	44	88
Repairs & maint	2,140	2,037	4,177
Licenses & taxes	83	82	165
Regulatory Expense	190	2,463	2,653
	<u>\$ 2,457</u>	<u>4,626</u>	<u>7,083</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

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

YEAR OF REPORT DECEMBER 31 2001
------------------------------------

**TREATMENT PLANT**

Manufacturer _____	MARLOF		
Type _____	<del>EXTENS</del> AIR		
"Steel" or "Concrete" _____	CONCRETE		
Total Permitted Capacity _____	50,000 GPD		
Average Daily Flow _____	1,300 GPD		
Method of Effluent Disposal _____	EVAP / PERC PONDS		
Permitted Capacity of Disposal _____			
Total Gallons of Wastewater treated _____	1,300 GPD		

**MASTER LIFT STATION PUMPS**

Manufacturer _____	DELZOTTO	DELZOTTO				
Capacity (GPM's) _____	100	175				
Motor:						
Manufacturer _____	HYDROMATIC	HYDROMATIC				
Horsepower _____	3	5				
Power (Electric or Mechanical) _____	ELEC	ELEC				

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____		N/A	
February _____			
March _____			
April _____			
May _____			
June _____			
July _____			
August _____			
September _____			
October _____			
November _____			
December _____			
Total for year _____			

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

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

GENERAL WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs\* now being served. 55
2. Maximum number of ERCs\* which can be served. 179
3. Present system connection capacity (in ERCs\*) using existing lines. 1,286
4. Future connection capacity (in ERCs\*) upon service area buildout. 1,286
5. Estimated annual increase in ERCs\*. 15
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
NONE
7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known.
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? NO  
If so, when? \_\_\_\_\_
9. Has the utility been required by the DEP or water management district to implement reuse? NO  
If so, what are the utility's plans to comply with this requirement? \_\_\_\_\_
10. When did the company last file a capacity analysis report with the DEP? NONE
11. If the present system does not meet the requirements of DEP rules, submit the following:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? \_\_\_\_\_
  - c. When will construction begin? \_\_\_\_\_
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? \_\_\_\_\_
12. Department of Environmental Protection ID # \_\_\_\_\_

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

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



# CERTIFICATION OF ANNUAL REPORT

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

YES  NO

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.

YES  NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES  NO

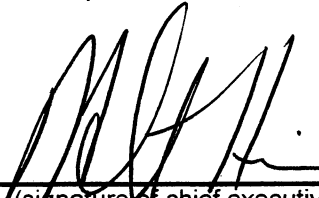
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES  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.

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

1.  2.  3.  4.

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

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.