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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

EAST MARION SANITARY SYSTEMS, INC

Exact Legal Name of Respondent

SU 535 & WU 536

Certificate Number(s)

Submitted To The

**STATE OF FLORIDA**



**PUBLIC SERVICE COMMISSION**

FOR THE

**YEAR ENDED DECEMBER 31, 2002**

Form PSC/WAW 6 (Rev. 12/99)

RECEIVED  
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COMMISSION  
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DIVISION OF  
ECONOMIC REGULATION

## 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 (i), Florida Administrative Code)

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

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

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

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

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

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

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

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

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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 810-241-8789

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

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: 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 <i>TTC</i>	100%	see above	\$ -0-
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_-----		\$ <u>12,271</u>	\$ <u>16,041</u>	\$ _____	\$ <u>28,312</u>
Commercial_-----		_____	_____	_____	_____
Industrial_-----		_____	_____	_____	_____
Multiple Family_-----		_____	_____	_____	_____
Guaranteed Revenues_-----		_____	_____	_____	_____
Other (Specify)_-----		<u>265</u>	<u>195</u>	_____	<u>460</u>
Total Gross Revenue_-----		\$ <u>12,536</u>	\$ <u>16,236</u>	\$ _____	\$ <u>28,772</u>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ <u>15,795</u>	\$ <u>16,856</u>	\$ _____	\$ <u>32,651</u>
Depreciation Expense_-----	F-5	<u>2,918</u>	<u>6,691</u>	_____	<u>9,609</u>
CIAC Amortization Expense_-----	F-8	<u>(686)</u>	<u>(1,006)</u>	_____	<u>(1,692)</u>
Taxes Other Than Income_-----	F-7	<u>855</u>	<u>1,673</u>	_____	<u>2,528</u>
Income Taxes_-----	F-7	_____	_____	_____	_____
Total Operating Expense		\$ <u>18,882</u>	<u>24,214</u>	_____	\$ <u>43,096</u>
Net Operating Income (Loss)		\$ <u>(6,346)</u>	\$ <u>(7,978)</u>	\$ _____	\$ <u>(14,324)</u>
Other Income:					
Nonutility Income_-----		\$ _____	\$ _____	\$ _____	\$ _____
LATE FEES		<u>62</u>	<u>63</u>	_____	<u>125</u>
INTEREST INCOME		_____	_____	<u>9</u>	<u>9</u>
Other Deductions:					
Miscellaneous Nonutility Expenses_-----		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_-----		_____	_____	_____	_____
Net Income (Loss)		\$ <u>(6,284)</u>	\$ <u>(7,915)</u>	\$ <u>9</u>	\$ <u>(14,190)</u>

**East Marion Sanitary Systems, Inc.**

Page F-3, Other income

December 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Income</b>			
<b>Connection fees</b>	70	-	70.00
<b>Disconnect fees</b>	45	45	90.00
<b>Transfer Fees</b>	150	150	300.00
<b>Total Income</b>	265	195	460

East Marion Sanitary Systems, Inc.  
 UTILITY NAME: \_\_\_\_\_

YEAR OF REPORT DECEMBER 31, 2002
-------------------------------------

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	\$ 368,635	\$ 367,432
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	( 107,652 )	( 98,043 )
Net Utility Plant -----		\$ 260,983	\$ 269,389
Cash -----		19,347	16,673
Customer Accounts Receivable (141) -----		2,822	2,169
Other Assets (Specify): -----			
DEFERRED RATE CASE EXP (NET)		4,475	2,228
Total Assets -----		\$ 287,627	\$ 289,459
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) -----	F-6	1,000	1,000
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		313,018	313,018
Retained Earnings (215) -----	F-6	( 98,458 )	( 84,268 )
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ 215,560	\$ 229,750
Long Term Debt (224) -----	F-6	\$	\$
Accounts Payable (231) -----		1,850	3,515
Notes Payable (232) -----			
Customer Deposits (235) -----		140	
Accrued Taxes (236) -----		1,104	985
Other Liabilities (Specify) <del>LOANS - RELATED PARTIES</del> -----		17,534	3,350
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	51,439	51,859
Total Liabilities and Capital -----		\$ 287,627	\$ 289,459



East Marion Sanitary Systems, Inc.  
 UTILITY NAME: \_\_\_\_\_

YEAR OF REPORT  
 DECEMBER 31, 2002

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ <u>126,240</u>	\$ <u>241,262</u>	\$ _____	\$ <u>367,502</u>
Construction Work in -----	_____	_____	_____	_____
Other (Specify) <u>OFFICE FURN &amp; EQUIP</u> <u>SHED</u>	<u>183</u>	<u>950</u>	_____	<u>183</u> <u>950</u>
Total Utility Plant _____	\$ <u>126,423</u>	\$ <u>242,212</u>	\$ _____	\$ <u>368,635</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>28,119</u>	\$ <u>69,924</u>	\$ _____	\$ <u>98,043</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ <u>2,918</u>	\$ <u>6,691</u>	\$ _____	\$ <u>9,609</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>2,918</u>	\$ <u>6,691</u>	\$ _____	\$ <u>9,609</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>31,037</u>	\$ <u>76,615</u>	\$ _____	\$ <u>107,652</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2002
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CAPITAL STOCK ( 201 - 204 )

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

RETAINED EARNINGS ( 215 )

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ <u>(84,268)</u>
Changes during the year (Specify): <u>OPERATING LOSS</u>		<u>(14,190)</u>
Balance end of year _____	\$ _____	\$ <u>(98,458)</u>

PROPRIETARY CAPITAL ( 218 )

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

LONG TERM DEBT ( 224 )

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2002

*EXPENSE*  
**TAXES ACCRUED (-236)**

(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 _____	307	1,099	_____	1,406
Regulatory assessment fee _____	548	574	_____	1,122
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total Taxes Accrued <i>EXPENSE</i></b>	\$ <u>855</u>	\$ <u>1,673</u>	\$ _____	\$ <u>2,528</u>

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

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
EAST MARION PROP TST	\$ 3600	\$ 3,600	PROPERTY RENTS
HERBERT HEIN	\$ 1,500	\$ 1,500	MGMT FEE
JOE & NORMA PAROLA	\$ 365	\$ 365	MTR READ, TESTING, REPAIRS
AQUA PURE W&S SERV INC.	\$ 1,800	\$ 2,700	PLANT OPERATION
JOSEPH E. BRANNON, CPA	\$ 750	\$ 750	ACCTG/TAX SVC
TONY CARACCI	\$ 885	\$ 885	REPAIRS/TESTING
TANNER'S LAWN SVC	\$ 400	\$ 600	LAWN SERVICE
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2002

CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year	\$ 17,311	\$ 34,548	\$ 51,859
2) Add credits during year	\$ 382	\$ 890	\$ 1,272
3) Total	17,693	35,438	53,131
4) Deduct charges during the year	17,693	35,438	53,131
5) Balance end of year	(686)	(1,006)	(1,692)
6) Less Accumulated Amortization			
7) Net CIAC	\$ 17,007	\$ 34,432	\$ 51,439

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		\$ N/A	\$ N/A
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
WATER CONNECTIONS	1	\$ 382	\$ 382
SEWER ✓	1	890	\$ 890
Total Credits During Year (Must agree with line # 2 above.)		\$ 382	\$ 890

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year	\$ 2,234	\$ 3,252	\$ 5,486
Add Credits During Year:	686	1,006	1,692
Deduct Debits During Year:			
Balance End of Year (Must agree with line #6 above.)	\$ 2,920	\$ 4,258	\$ 7,178

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31 2002
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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)	_____	_____ %	_____ %	_____ %
Total	\$ _____	100.00 %		_____ %

(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**

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31 2002
------------------------------------

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	4,741	70		4,811
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment		183		183
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	474			474
348	Other Tangible Plant				
	Total Water Plant	\$ 126,170	\$ 253	\$	\$ 126,423



UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
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ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f+g-h=i) (i)
304	ORGANIZATIONAL COSTS	40	%	2.5%	\$ 253	\$	24	277
305	Structures and Improvements Collecting and Impounding Reservoirs	33	%	3.03	\$ 1,556	\$	148	\$ 1,704
306	Lake, River and Other Intakes		%					
307	Wells and Springs	30	%	3.23	2,835		270	3,105
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment	20	%	5.0	7,455		716	8,165
320	Water Treatment Equipment	20	%	5.0	1,278		128	1,406
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains	43	%	2.33	11,327		1,679	12,406
333	Services	40	%	2.5	2,266		216	2,482
334	Meter & Meter Installations	20	%	5.0	865		239	1,104
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment		%					
340	Office Furniture and Equipment	10	%	10	0		9	9
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	285		95	380
348	Other Tangible Plant		%					
	Totals				\$ 28,119	\$	\$ 2,918	\$ 31,038

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
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**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$
603	Salaries and Wages - Officers, Directors, and Majority Stockholders <i>MEMT FEES</i>	<u>1,500</u>
604	Employee Pensions and Benefits	
610	Purchased Water	
615	Purchased Power	<u>723</u>
616	Fuel for Power Production	
618	Chemicals	<u>644</u>
620	Materials and Supplies	<u>344</u>
630	Contractual Services:	
	Billing	<u>194</u>
	Professional	<u>750</u>
	Testing	<u>263</u>
	Other <i>PLANT OPERATION / MTR READING</i>	<u>2,262</u>
640	Rents	<u>3,750</u>
650	Transportation Expense	
655	Insurance Expense	<u>903</u>
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	<u>524</u>
670	Bad Debt Expense	
675	Miscellaneous Expenses	<u>3,938</u>
	Total Water Operation And Maintenance Expense	\$ <u>15,796</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	<u>57</u>	<u>58</u>	<u>58</u>
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)					
			<b>Total</b>	<u>57</u>	<u>58</u>

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

**East Marion Sanitary Systems, Inc.**

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Bank charges	\$ 10.00	10	20
Repairs & maint	2,768	2,052	4,820
Licenses & taxes	157	158	315
Dues and subscriptions	43	43	86
Computer expense	478	479	957
Office expense	482	482	964
	<u>\$ 3,938</u>	<u>\$ 3,224</u>	<u>\$ 7,162</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2002

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 _____	_____	_____	_____	_____	344
February _____	_____	_____	_____	_____	353
March _____	_____	_____	_____	_____	458
April _____	_____	_____	_____	_____	566
May _____	_____	_____	_____	_____	837
June _____	_____	_____	_____	_____	391
July _____	_____	_____	_____	_____	271
August _____	_____	_____	_____	_____	264
September _____	_____	_____	_____	_____	253
October _____	_____	_____	_____	_____	318
November _____	_____	_____	_____	_____	224
December _____	_____	_____	_____	_____	213
Total for Year _____	_____	_____	_____	_____	4,492 ✓

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
<u>PVC</u>	<u>6"</u>	<u>200</u>	_____	_____	<u>200</u>
<u>PVC</u>	<u>4"</u>	<u>8,450</u>	_____	_____	<u>8,450</u>
<u>PVC</u>	<u>2"</u>	<u>1,675</u>	_____	_____	<u>1,675</u>
<u>PVC</u>	<u>1.5"</u>	<u>375</u>	_____	_____	<u>375</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2002
-------------------------------------

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, 2002

**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 _____		_____	_____	

East Marion Sanitary  
UTILITY NAME: Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2002

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, 2002

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		950		950
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				
	Total Wastewater Plant	\$ 246,262	\$ 950	\$	\$ 247,212*

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2002

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)
354	ORGANIZATIONAL COSTS							
355	Structures and Improvements	40	%	2.5%	254		24	278
360	Power Generation Equipment	15	%	6.67%			32	32
361	Collection Sewers - Force	30	%	3.33%	13,074		1,245	14,319
362	Collection Sewers - Gravity	45	%	2.22%	18,859		1,796	20,655
363	Special Collecting Structures		%					
364	Services to Customers	38	%	2.63%	3,905		372	4,277
365	Flow Measuring Devices		%					
370	Flow Measuring Installations		%					
371	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	18	%	5.56%	33,832		3,222	37,054
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				69,924		6,691	76,615

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

UTILITY NAME: East Marion Sanitary Systems, Inc

YEAR OF REPORT  
DECEMBER 31, 2002

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$
703	Salaries and Wages - Officers, Directors, and Majority Stockholders <i>MGMT FEES</i>	<u>1,500</u>
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	
715	Purchased Power	<u>2,831</u>
716	Fuel for Power Production	
718	Chemicals	<u>272</u>
720	Materials and Supplies	<u>98</u>
730	Contractual Services:	
	Billing	<u>194</u>
	Professional	<u>750</u>
	Testing	<u>40</u>
	Other <i>PLANT OPERATIONS</i>	<u>2,770</u>
740	Rents	<u>3,750</u>
750	Transportation Expense	
755	Insurance Expense	<u>903</u>
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	<u>524</u>
770	Bad Debt Expense	
775	Miscellaneous Expenses	<u>3,224</u>
	Total Wastewater Operation And Maintenance Expense	\$ <u>16,856</u> *

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

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Number of or Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	<u>55</u>	<u>56</u>	<u>56</u>
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					
Other (Specify)					
** D = Displacement C = Compound T = Turbine		* Total	<u>55</u>	<u>56</u>	<u>56</u>

**East Marion Sanitary Systems, Inc.**

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Bank charges	\$ 10.00	10	20
Repairs & maint	2,768	2,052	4,820
Licenses & taxes	157	158	315
Dues and subscriptions	43	43	86
Computer expense	478	479	957
Office expense	482	482	964
	<u>\$ 3,938</u>	<u>\$ 3,224</u>	<u>\$ 7,162</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31, 2002

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_____	56	_____	_____	_____	_____	_____
Beginning of year_____	55	_____	_____	_____	_____	_____
Added during year_____	1	_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____	_____	_____
End of year_____	56	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections_____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches)_____	2"	_____	_____	_____	3"	4"	_____	_____
Type of main_____	PVC	_____	_____	_____	PVC	PVC	_____	_____
Length of main (nearest foot)_____	9,680	_____	_____	_____	825	950	_____	_____
Beginning of year_____	_____	_____	_____	_____	_____	_____	_____	_____
Added during year_____	_____	_____	_____	_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____	_____	_____	_____	_____
End of year_____	9,680	_____	_____	_____	825	950	_____	_____

MANHOLES

Size (inches)_____	48"	_____	_____	_____
Type of Manhole_____	CONCR.	_____	_____	_____
Number of Manholes:	_____	_____	_____	_____
Beginning of year_____	35	_____	_____	_____
Added during year_____	_____	_____	_____	_____
Retired during year_____	_____	_____	_____	_____
End of Year_____	35	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT  
DECEMBER 31 2002

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

**TREATMENT PLANT**

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

**MASTER LIFT STATION PUMPS**

Manufacturer _____	<u>DELZON D</u>	<u>DELZOTTO</u>	_____	_____	_____	_____
Capacity (GPM's) _____	<u>100</u>	<u>175</u>	_____	_____	_____	_____
Motor:						
Manufacturer _____	<u>HYDROMATIC</u>	<u>HYDROMATIC</u>	_____	_____	_____	_____
Horsepower _____	<u>3</u>	<u>5</u>	_____	_____	_____	_____
Power (Electric or Mechanical) _____	<u>ELEC</u>	<u>ELEC</u>	_____	_____	_____	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	_____	<u>N/A</u>	_____
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, 2002

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

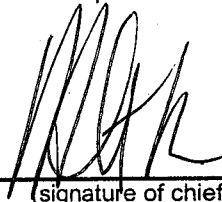
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

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.

 TRUSTEE  
\_\_\_\_\_  
(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.