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CLASS "C"
WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

SU535-03-AR
East Marion Sanitary Systems, Inc.
4225-G Miller Road, #190
Flint, MI 48507-1227

Submitted To The
STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

04/06/17 11:19:06
STATE OF FLORIDA

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 preceeding year ending December 31.

Florida Public Service Commission
Division of Economic Regulation
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 Economic Regulation, 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 (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 N E 130 TR	MARION
Mailing Address	Street Address	County

Telephone Number 352-625-0117 Date Utility First Organized 6-24-86

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, SUITE 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: <u>HERBERT HEIN</u>	_____	<u>see above</u>	0
Person who prepared this report: <u>JOSEPH E. BRANNON, CPA</u>	_____	<u>106 N E 14 AVENUE</u> <u>OCALA, FL 34470</u>	0
Officers and Managers: <u>HERBERT HEIN</u>	<u>PRESIDENT</u>	<u>see above</u>	\$ <u>3000</u> \$ (mgmt fee) \$ _____ \$ _____ \$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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
<u>HERBERT HEIN</u>	<u>100%</u>	<u>see above</u>	\$ <u>3,000</u> \$ (mgmt fee) \$ _____ \$ _____ \$ _____ \$ _____ \$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

UTILITY NAME: EAST MARION SANITARY SYSTEMS, INC

YEAR OF REPORT DECEMBER 31, 2003

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 13899.00	\$ 22930.00	\$ _____	\$ 36829.00
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		330.00	330.00	_____	660.00
Total Gross Revenue _____		\$ 14229.00	\$ 23260.00	\$ _____	\$ 37489.00
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 19469.00	\$ 20498.00	\$ _____	\$ 39967.00
Depreciation Expense _____	F-5	3476.00	7254.00	_____	10730.00
CIAC Amortization Expense _____	F-8	(716.00)	(1053.00)	_____	(1769.00)
Taxes Other Than Income _____	F-7	1074.00	2466.00	_____	3540.00
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 23303.00	29165.00	_____	\$ 52468.00
Net Operating Income (Loss)		\$ (9074.00)	\$ (5905.00)	\$ _____	\$ (14979.00)
Other Income:					
Nonutility Income _____		\$ 25.00	\$ _____	\$ _____	\$ 25.00
Late Fees _____		140.00	140.00	_____	280.00
Interest Income _____		_____	_____	69.00	69.00
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		575.00	574.00	_____	1149.00
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (9484.00)	\$ (6339.00)	\$ 69.00	\$ (15754.00)

East Marion Sanitary Systems, Inc.

Page F-3, Other income

December 31, 2003

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Income			
Connection fees	45	45	90.00
Disconnect fees	40	40	80.00
Transfer Fees	245	245	490.00
Total Income	<u>330</u>	<u>330</u>	<u>660</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2003

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>390184</u>	\$ <u>368635</u>
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>(118382)</u>	<u>(107652)</u>
Net Utility Plant _____		\$ <u>271802</u>	\$ <u>260983</u>
Cash _____		<u>48283</u>	<u>19347</u>
Customer Accounts Receivable (141) _____		<u>3407</u>	<u>2822</u>
Other Assets (Specify): _____			
Deferred Rate Case Expense (Net) _____		<u>3015</u>	<u>4475</u>
Total Assets _____		\$ <u><u>326507</u></u>	\$ <u><u>287627</u></u>
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	<u>1000</u>	<u>1000</u>
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____		<u>313018</u>	<u>313018</u>
Retained Earnings (215) _____	F-6	<u>(114213)</u>	<u>(98458)</u>
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		\$ <u>199805</u>	\$ <u>215560</u>
Long Term Debt (224) _____	F-6	\$ <u>32622</u>	\$ <u>0</u>
Accounts Payable (231) _____		<u>2136</u>	<u>1850</u>
Notes Payable (232) _____			
Customer Deposits (235) _____		<u>815</u>	<u>140</u>
Accrued Taxes (236) _____		<u>1668</u>	<u>1104</u>
Other Liabilities (Specify) _____			
Loans Related Parties _____		<u>35855</u>	<u>17534</u>
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>53606</u>	<u>51439</u>
Total Liabilities and Capital _____		\$ <u><u>326507</u></u>	\$ <u><u>287627</u></u>

UTILITY NAME: East Marion Sanitary Systems, Inc

YEAR OF REPORT DECEMBER 31, 2003

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>126540</u>	\$ <u>241262</u>	\$ _____	\$ <u>367802</u>
Construction Work in Progress (105) _____	_____	_____	_____	0
Other (Specify) Shed	_____	<u>950</u>	_____	950
Office Equipment	<u>183</u>	_____	_____	183
Fencing	<u>10624</u>	<u>10625</u>	_____	21249
Total Utility Plant _____	\$ <u>137347</u>	\$ <u>252837</u>	\$ <u>0</u>	\$ <u>390184</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>31037</u>	\$ <u>76615</u>	\$ _____	\$ <u>107652</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ <u>3476</u>	\$ <u>7254</u>	\$ _____	\$ <u>10730</u>
Salvage _____	_____	_____	_____	0
Other Credits (specify) _____	_____	_____	_____	0
Total Credits _____	\$ <u>3476</u>	\$ <u>7254</u>	\$ <u>0</u>	\$ <u>10730</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>34513</u>	\$ <u>83869</u>	\$ <u>0</u>	\$ <u>118382</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT	
DECEMBER 31,	2003

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	1000	_____
Total par value of stock issued _____	1000	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (98458)
Changes during the year (Specify):		
Operating Loss _____	_____	(15754)
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ (114212)

PROPRIETARY CAPITAL (218)

<u>N/A</u>	Proprietor Or Partner	Partner
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>AmSouth Bank Note dated 5/14/03 due 5/14/10</u>	5.75	84	\$ 32622
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 32622

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2003

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 _____	242	1096	_____	1338
Regulatory assessment fee _____	654	1205	_____	1859
Other (Specify) _____	_____	_____	_____	_____
License & Taxes _____	178	165	_____	343
Total Tax Expense _____	\$ 1074	\$ 2466	\$ _____	\$ 3540

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 Property Trust	\$ 3600	\$ 3600	Property Rents
Waldena Trust	\$ 650	\$ 650	Office Rents
Herbert Hein	\$ 1500	\$ 1500	Management Fees
Parket Management	\$ 4535	\$ 2044	Management Billing & Misc.
AugaPureWater & Sewer Inc.	\$ 3415	\$ 2987	Plant Operation/Testing
Joseph E. Brannon CPA	\$ 1000	\$ 1000	Accounting & Tax Services
Ron Eller Lawn Care Service	\$ 340	\$ 340	Lawncare
Hunter's Lawn Service	\$ 340	\$ 340	Lawncare
Rose, Sundstrom & Bentley LLP	\$ 385	\$ 386	PSC Counsel
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 19927	\$ 38690	\$ 58617
2) Add credits during year _____	\$ 1311	\$ 2625	\$ 3936
3) Total _____	21238	41315	62553
4) Deduct charges during the year _____			
5) Balance end of year _____	21238	41315	62553
6) Less Accumulated Amortization _____	(3636)	(5311)	(8947)
7) Net CIAC _____	\$ 17602	\$ 36004	\$ 53606

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		
Water Connections	3	\$ 437	\$ 1311	\$ _____
Sewer Connections	3	875		2625
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ 1311	\$ 2625

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 2920	\$ 4258	\$ 7178
Add Debits During Year: _____	716	1053	1769
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above.) _____	\$ 3636	\$ 5311	\$ 8947

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2003

N/A

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	\$ _____	<u>100.00</u> %		_____ %

(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:	_____

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2003

N/A

SCHEDULE "B"

N/A

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted	_____	_____	_____	_____	_____
Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(1) Explain below all adjustments made in Column (e):

**WATER
OPERATING
SECTION**

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2003

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	35000			35000
304	Structures and Improvements	4900			4900
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	8100			8100
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	14200			14200
320	Water Treatment Equipment	2805			2805
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Lines	46378			46378
333	Services	8622			8622
334	Meters and Meter Installations	4811	300		5111
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-fencing		10625		10625
	Total Water Plant	\$ 126423	\$ 10925	\$	\$ 137348

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)
	Organization Cost	40		2.5 %	277		24	301
304	Structures and Improvements	33		3.03 %	1704	\$	148	1852
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Weils and Springs	30		3.33 %	3105		270	3375
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment	20		5 %	8165		710	8875
320	Water Treatment Equipment	20		5 %	1406		128	1534
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains	43		2.33 %	12406		1079	13485
333	Services	40		2.5 %	2482		216	2698
334	Meter & Meter Installations	20		5 %	1104		256	1360
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment		%					
340	Office Furniture and Equipment						18	27
341	Transportation Equipment	10		10 %	9			
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment		%					
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment	5		20 %	380		95	475
348	Other Tangible Plant-fencing	10		10 %			531	531
	Totals				\$ 31038	\$	3475	\$ 34513

* 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-Mgmnt fees	1500
604	Employee Pensions and Benefits	_____
610	Purchased Water	_____
615	Purchased Power	537
616	Fuel for Power Production	_____
618	Chemicals	548
620	Materials and Supplies	15
630	Contractual Services:	
	Billing	_____
	Professional	1635
	Testing	2215
	Other__ Plant Operation, Meter Reading &Mgmnt Services	5591
640	Rents	4250
650	Transportation Expense	_____
655	Insurance Expense	834
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	730
670	Bad Debt Expense	_____
675	Miscellaneous Expenses- Scheduled W-3a Attached	1614
	Total Water Operation And Maintenance Expense	\$ <u>19469</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)	
Residential Service					
5/8"	D	1.0	58	61	61
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
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	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	58	61

East Marion Sanitary Systems, Inc.

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2003

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Bank charges	\$ 25	7	32
Repairs & maint	846	1,005	1,851
Dues and subscriptions	43	43	86
Computer expense	67	41	108
Meals & Entertainment	69	76	145
Travel	271	271	542
Office expense	293	283	576
	<u>\$ 1,614</u>	<u>\$ 1,726</u>	<u>\$ 3,340</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2003

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 _____	_____	_____	_____	_____	252
February _____	_____	_____	_____	_____	218
March _____	_____	_____	_____	_____	275
April _____	_____	_____	_____	_____	465
May _____	_____	_____	_____	_____	442
June _____	_____	_____	_____	_____	297
July _____	_____	_____	_____	_____	206
August _____	_____	_____	_____	_____	245
September _____	_____	_____	_____	_____	288
October _____	_____	_____	_____	_____	329
November _____	_____	_____	_____	_____	274
December _____	_____	_____	_____	_____	299
Total for Year _____	_____	_____	_____	_____	3590

If water is purchased for resale, indicate the following:

Vendor _____ **N/A**

Point of delivery _____ **N/A**

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"	8450	_____	_____	8450
PVC	2"	1675	_____	_____	1675
PVC	1.5"	375	_____	_____	375
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2003

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1986	_____	_____	_____
Types of Well Construction and Casing _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	_____	_____	_____	_____
Diameters of Wells _____	6"	_____	_____	_____
Pump - GPM _____	250	_____	_____	_____
Motor - HP _____	20	_____	_____	_____
Motor Type * _____	submersible	_____	_____	_____
Yields of Wells in GPD _____	360000	_____	_____	_____
Auxiliary Power _____	N/A	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	steel	_____	_____	_____
Capacity of Tank _____	6000	_____	_____	_____
Ground or Elevated _____	ground	_____	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer _____	N/A	_____	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<u>Pumps</u>				
Manufacturer _____	N/A	_____	_____	_____
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, 2003

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_ _ _ _ _	360000	_____	_____
Type of Source_ _ _ _ _	ground	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_ _ _ _ _	N/A	_____	_____
Make_ _ _ _ _	N/A	_____	_____
Permitted Capacity (GPD)_ _	N/A	_____	_____
High service pumping	N/A	_____	_____
Gallons per minute_ _ _ _	N/A	_____	_____
Reverse Osmosis_ _ _ _ _	N/A	_____	_____
Lime Treatment		_____	_____
Unit Rating_ _ _ _ _	N/A	_____	_____
Filtration		_____	_____
Pressure Sq. Ft._ _ _ _ _	N/A	_____	_____
Gravity GPD/Sq.Ft._ _ _ _	N/A	_____	_____
Disinfection		_____	_____
Chlorinator_ _ _ _ _	chemeter(30GPD)	_____	_____
Ozone_ _ _ _ _	N/A	_____	_____
Other_ _ _ _ _	N/A	_____	_____
Auxiliary Power_ _ _ _ _	N/A	_____	_____

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. _____ 1286
- 2. Maximum number of ERCs* which can be served. _____ 1286 _____
- 3. Present system connection capacity (in ERCs *) using existing lines. _____ 1286 _____
- 4. Future connection capacity (in ERCs *) upon service area buildout. _____ 1286 _____
- 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, 2003

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_____	50000			50000
354	Structures and Improvements_____	950			950
355	Power Generation Equipment_____				
360	Collection Sewers - Force_____	37363			37363
361	Collection Sewers - Gravity_____	80831			80831
362	Special Collecting Structures_____				
363	Services to Customers_____	14118			14118
364	Flow Measuring Devices_____				
365	Flow Measuring Installations_____				
370	Receiving Wells_____				
371	Pumping Equipment_____				
380	Treatment and Disposal Equipment_____	58000			58000
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-fencing_____		10625		10625
	Total Wastewater Plant_____	\$ 242212	\$ 10625	\$ _____	\$ 252837 *

* This amount should tie to sheet F-5.

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)
351	Organization	40	%	2.5 %	\$ 278	\$	24	\$ 302
354	Structures and Improvements	15	%	6.67 %	32		63	95
355	Power Generation Equipment		%	3.33 %	14319		1245	15564
360	Collection Sewers - Force	30	%					
361	Collection Sewers - Gravity	45	%	2.22 %	20655		1796	22451
362	Special Collecting Structures		%					
363	Services to Customers	38	%	2.63 %	4277		372	4649
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	18	%	5.56 %	37054		3222	40276
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-fencing	10	%	10 %	0		532	532
	Totals				\$ 76615	\$	\$ 7254	\$ 83869 *

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ _____
703	Salaries and Wages - Officers, Directors, and Majority Stockholders-Mgmt Fees	1500
704	Employee Pensions and Benefits	_____
710	Purchased Wastewater Treatment	_____
711	Sludge Removal Expense	_____
715	Purchased Power	3275
716	Fuel for Power Production	_____
718	Chemicals	_____
720	Materials and Supplies	15
730	Contractual Services:	_____
	Billing	_____
	Professional	1636
	Testing	120
	Other-Plant Operation, Sludge Hauling & Mgmt Services	6319
740	Rents	4250
750	Transportation Expense	_____
755	Insurance Expense	835
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	730
770	Bad Debt Expense	92
775	Miscellaneous Expenses-See S-3a Attached	1726
	Total Wastewater Operation And Maintenance Expense	\$ 20498 *

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customer		Total Number of er Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	56	59	59
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)	_____	_____			
Total			<u>56</u>	<u>59</u>	<u>59</u>

** D = Displacement
C = Compound
T = Turbine

East Marion Sanitary Systems, Inc.

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2003

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Bank charges	\$ 25	7	32
Repairs & maint	846	1,005	1,851
Dues and subscriptions	43	43	86
Computer expense	67	41	108
Meals & Entertainment	69	76	145
Travel	271	271	542
Office expense	293	283	576
	<u>\$ 1,614</u>	<u>\$ 1,726</u>	<u>\$ 3,340</u>

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 _____	59	_____	_____	_____	_____
Beginning of year _____	56	_____	_____	_____	_____
Added during year _____	3	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____
End of year _____	59	_____	_____	_____	_____
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) _____	9680	_____	_____	_____	825	950	_____
Beginning of year _____	_____	_____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____
End of year _____	9680	_____	_____	_____	825	950	_____

MANHOLES

Size (inches) _____	48"	_____	_____	_____
Type of Manhole _____	Concrete	_____	_____	_____
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, 2003

SYSTEM NAME: _____

TREATMENT PLANT

Manufacturer _____	Marlof _____		
Type _____	extended air _____	_____	_____
"Steel" or "Concrete" _____	concrete _____	_____	_____
Total Permitted Capacity _____	50000 GPD _____	_____	_____
Average Daily Flow _____	1400 GPD _____	_____	_____
Method of Effluent Disposal _____	Evap/Perc Ponds _____	_____	_____
Permitted Capacity of Disposal _____	_____	_____	_____
Total Gallons of Wastewater treated _____	1400 GPD _____	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	Delzotta _____	Delzotta _____				
Capacity (GPM's) _____	100 _____	175 _____	_____	_____	_____	_____
Motor: _____	_____	_____	_____	_____	_____	_____
Manufacturer _____	hydramatic _____	hydramatic _____	_____	_____	_____	_____
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 REPO
DECEMBER 31,

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. _____ 59 _____
2. Maximum number of ERCs* which can be served. _____ 179 _____
3. Present system connection capacity (in ERCs*) using existing lines. _____ 1286 _____
4. Future connection capacity (in ERCs*) upon service area buildout. _____ 1286 _____
5. Estimated annual increase in ERCs*. _____ 10 _____
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).

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT
DECEMBER 31, 2003

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

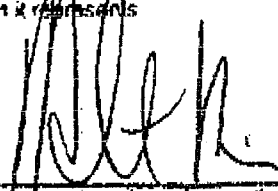
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

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)

Date: _____

1. 2. 3. 4.

(signature of chief financial officer of the utility)

Date: _____

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.