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## CLASS "C"

# WATER AND/OR WASTEWATER UTILITIES

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

# ANNUAL REPORT

OF

SU535-04-AR  
Herbert Hein  
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, 2004

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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	6/24/1986
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: HERBERT HEIN		see above	0
Person who prepared this report: JOSEPH E. BRANNON, CPA		106 N E 14 AVENUE OCALA, FL 34470	0
Officers and Managers: HERBERT HEIN	PRESIDENT	see above	\$ 13,447 \$ (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
HERBERT HEIN	100%	see above	\$ 13,447 \$ (mgmt fee)
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: EAST MARION SANITARY SYSTEMS, INC

YEAR OF REPORT DECEMBER 31, 2004
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INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 15019.00	\$ 24277.00	\$ _____	\$ 39296.00
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		507.50	507.50	_____	1015.00
Total Gross Revenue _____		\$ 15526.50	\$ 24784.50	\$ _____	\$ 40311.00
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 22153.00	\$ 27326.00	\$ _____	\$ 49479.00
Depreciation Expense _____	F-5	3436.00	7254.00	_____	10690.00
CIAC Amortization Expense _____	F-8	(821.00)	(1202.00)	_____	(2023.00)
Taxes Other Than Income _____	F-7	1031.00	2264.00	_____	3295.00
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense _____		\$ 25799.00	35642.00	_____	\$ 61441.00
Net Operating Income (Loss)		\$ (10272.50)	\$ (10857.50)	\$ _____	\$ (21130.00)
Other Income:					
Nonutility Income _____		\$ 64.00	\$ _____	\$ _____	\$ 64.00
Late Fees _____		180.00	180.00	_____	360.00
Interest Income _____		_____	_____	65.00	65.00
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		897.00	898.00	_____	1795.00
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (10925.50)	\$ (11575.50)	\$ 65.00	\$ (22436.00)

**East Marion Sanitary Systems, Inc.**

Page F-3, Other income

December 31, 2004

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Income</b>			
<b>Connection fees</b>	105	105	210.00
<b>Disconnect fees</b>	65	65	130.00
<b>Transfer Fees</b>	338	338	675.00
<b>Total Income</b>	508	508	1,015

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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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>391284</u>	\$ <u>390184</u>
Accumulated Depreciation and Amortization (108)_____	F-5,W-2,S-2	<u>(129072)</u>	<u>(118382)</u>
<b>Net Utility Plant</b> _____		<b>\$ <u>262212</u></b>	<b>\$ <u>271802</u></b>
Cash _____		<u>33583</u>	<u>48283</u>
Customer Accounts Receivable (141) _____		<u>3554</u>	<u>3407</u>
Other Assets (Specify): _____			
Deferred Rate Case Expense (Net) _____		<u>1555</u>	<u>3015</u>
<b>Total Assets</b> _____		<b>\$ <u>300904</u></b>	<b>\$ <u>326507</u></b>
<b>Liabilities and Capital:</b>			
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>(136649)</u>	<u>(114213)</u>
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
<b>Total Capital</b> _____		<b>\$ <u>177369</u></b>	<b>\$ <u>199805</u></b>
Long Term Debt (224) _____	F-6	<u>28371</u>	<u>32622</u>
Accounts Payable (231) _____		<u>13815</u>	<u>2136</u>
Notes Payable (232) _____			
Customer Deposits (235) _____		<u>1097</u>	<u>815</u>
Accrued Taxes (236) _____		<u>1814</u>	<u>1668</u>
Other Liabilities (Specify) _____			
Loans Related Parties _____		<u>13298</u>	<u>35855</u>
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>65140</u>	<u>53606</u>
<b>Total Liabilities and Capital</b> _____		<b>\$ <u>300904</u></b>	<b>\$ <u>326507</u></b>

UTILITY NAME: East Marion Sanitary Systems, Inc

YEAR OF REPORT December 31, 2004
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GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 127640	\$ 241262	\$ _____	\$ 368902
Construction Work in Progress (105) _____	_____	_____	_____	0
Other (Specify) Shed	_____	950	_____	950
Office Equipment	183	_____	_____	183
Fencing	10624	10625	_____	21249
Total Utility Plant _____	\$ 138447	\$ 252837	\$ 0	\$ 391284

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 34513	\$ 83869	\$ _____	\$ 118382
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 3436	\$ 7254	\$ _____	\$ 10690
Salvage _____	_____	_____	_____	0
Other Credits (specify) _____	_____	_____	_____	0
_____	_____	_____	_____	0
Total Credits _____	\$ 3436	\$ 7254	\$ 0	\$ 10690
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 37949	\$ 91123	\$ 0	\$ 129072



UTILITY NAME: East Marion Sanitary Systems, Inc.

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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 _____	\$ _____	\$ (114212)
Changes during the year (Specify): Operating Loss _____	_____	(22437)
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ (136649)

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	
AmSouth Bank Note dated 5/14/03 due 5/14/10	5.75	72	\$ 28371
_____	_____	_____	_____
_____	_____	_____	_____
Total _____	_____	_____	\$ 28371

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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**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 _____	250	1066	_____	1316
Regulatory assessment fee _____	699	1115	_____	1814
Other (Specify) _____	_____	_____	_____	_____
License & Taxes _____	82	83	_____	165
<b>Total Tax Expense _____</b>	<b>\$ 1031</b>	<b>\$ 2264</b>	<b>\$ _____</b>	<b>\$ 3295</b>

**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
Hien-Parket Property Trust	\$ 3600	\$ 3600	Property Rents
Hien-Waldena Trust	\$ 600	\$ 3700	Office/Equip Rents
Herbert Hein	\$ 2057	\$ 1800	Management Fees
Hien-Parket Management	\$ 5911	\$ 3679	Management Billing & Misc.
AugaPureWater & Sewer Inc.	\$ 2615	\$ 795	Plant Operation/Testing/Repairs
Joseph E. Brannon CPA	\$ 1212	\$ 1213	Accounting & Tax Services
Central FI Lawn Svc	\$ 481	\$ 481	Lawn care
Hunter's Lawn Service	\$ 204	\$ 204	Lawn care
Paul Guilfoil PA	\$ 1250	\$ 1250	Legal Counsel
Pro Tech Water	\$ 1365	\$ 1365	Plant operation/Testing
Bryant Pump Svc	\$ 1399	\$ _____	Repairs

**CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )**

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 21238	\$ 41315	\$ 62553
2) Add credits during year _____	\$ 4807	\$ 8750	\$ 13557
3) Total _____	<u>26045</u>	<u>50065</u>	<u>76110</u>
4) Deduct charges during the year _____			
5) Balance end of year _____	26045	50065	76110
6) Less Accumulated Amortization _____	<u>(4454)</u>	<u>(6515)</u>	<u>(10969)</u>
7) Net CIAC _____	\$ <u>21591</u>	\$ <u>43550</u>	\$ <u>65141</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		
Water Connections	_____	\$ _____	\$ _____	\$ _____
Sewer Connections	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ <u>0</u>	\$ <u>0</u>

**ACCUMULATED AMORTIZATION OF CIAC (272)**

	Water	Wastewater	Total
Balance First of Year _____	\$ 3636	\$ 5311	\$ 8947
Add Debits During Year: _____	821	1202	2023
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above.) _____	\$ <u>4457</u>	\$ <u>6513</u>	\$ <u>10970</u>

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

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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**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>_____</u>	<u>100.00</u> %		<u>_____</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: _____



**WATER  
OPERATING  
SECTION**

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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**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_____	5111	1100		6211
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_____	\$ 137348	\$ 1100	\$ _____	\$ 138448

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	Organization Cost	40		2.5 %	301		24	325
305	Structures and Improvements	33		3.03 %	1852		148	2000
	Collecting and Impounding Reservoirs							
306	Lake, River and Other Intakes							
307	Wells and Springs	30		3.33 %	3375		270	3645
308	Infiltration Galleries & Tunnels							
309	Supply Mains							
310	Power Generating Equipment							
311	Pumping Equipment	20		5 %	8875		710	9585
320	Water Treatment Equipment	20		5 %	1534		128	1662
330	Distribution Reservoirs & Standpipes							
331	Trans. & Dist. Mains	43		2.33 %	13485		1079	14564
333	Services	40		2.5 %	2698		216	2914
334	Meter & Meter Installations	20		5 %	1360		311	1671
335	Hydrants							
336	Backflow Prevention Devices							
339	Other Plant and Miscellaneous Equipment							
340	Office Furniture and Equipment							
341	Transportation Equipment	10		10 %	27		18	45
342	Stores Equipment							
343	Tools, Shop and Garage Equipment							
344	Laboratory Equipment							
345	Power Operated Equipment							
346	Communication Equipment							
347	Miscellaneous Equipment	5		20 %	475			475
348	Other Tangible Plant-fencing	10		10 %	531		532	1063
	Totals				34513		3436	37949

\* 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-Mgmt fees	4548
604	Employee Pensions and Benefits	_____
610	Purchased Water	_____
615	Purchased Power	530
616	Fuel for Power Production	_____
618	Chemicals	600
620	Materials and Supplies	_____
630	Contractual Services:	
	Billing	_____
	Professional	2761
	Testing	955
	Other__ Plant Operation, Meter Reading & Mgmt Services	3424
640	Rents	4150
650	Transportation Expense	_____
655	Insurance Expense	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	730
670	Bad Debt Expense	_____
675	Miscellaneous Expenses- Scheduled W-3a Attached	4455
	Total Water Operation And Maintenance Expense	\$ 22153 *

\* 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	61	11	72
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>		
			61	11	72

**East Marion Sanitary Systems, Inc.**

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2004

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Bank charges</b>	\$ 7	7	14
<b>Repairs &amp; maint</b>	3,907	4,186	8,093
<b>Dues and subscriptions</b>	127	127	254
<b>Computer expense</b>	145	-	145
<b>Office expense</b>	269	268	537
	<u>\$ 4,455</u>	<u>\$ 4,588</u>	<u>\$ 9,043</u>

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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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 _____	_____	_____	_____	_____	306
February _____	_____	_____	_____	_____	240
March _____	_____	_____	_____	_____	256
April _____	_____	_____	_____	_____	358
May _____	_____	_____	_____	_____	589
June _____	_____	_____	_____	_____	589
July _____	_____	_____	_____	_____	277
August _____	_____	_____	_____	_____	295
September _____	_____	_____	_____	_____	193
October _____	_____	_____	_____	_____	319
November _____	_____	_____	_____	_____	360
December _____	_____	_____	_____	_____	342
Total for Year _____	_____	_____	_____	_____	4124

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	_____	_____	_____
PVC	4"	8450	_____	_____	_____
PVC	2"	1675	_____	_____	_____
PVC	1.5"	375	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: East Marion Sanitary Systems, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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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)
<b>Motors</b>				
Manufacturer _____	N/A	_____	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<b>Pumps</b>				
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, 2004
-------------------------------------

**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, 2004
-------------------------------------

**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_____	\$ 252837	\$ 0	\$ _____	\$ 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 %	\$ 302	\$	24	\$ 326
354	Structures and Improvements	15	%	6.67 %	95		63	158
355	Power Generation Equipment		%					0
360	Collection Sewers - Force	30	%	3.33 %	15564		1245	16809
361	Collection Sewers - Gravity	45	%	2.22 %	22451		1796	24247
362	Special Collecting Structures		%					
363	Services to Customers	38	%	2.63 %	4649		372	5021
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	18	%	5.56 %	40276		3222	43498
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 %	532		532	1064
	Totals				\$ 83869	\$	7254	\$ 91123 *

\* 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	4297
704	Employee Pensions and Benefits	_____
710	Purchased Wastewater Treatment	_____
711	Sludge Removal Expense	604
715	Purchased Power	3898
716	Fuel for Power Production	_____
718	Chemicals	272
720	Materials and Supplies	_____
730	Contractual Services:	_____
	Billing	_____
	Professional	2461
	Testing	488
	Other-Plant Operation, Sludge Hauling & Mgmt Services	2738
740	Rents	7250
750	Transportation Expense	_____
755	Insurance Expense	_____
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	730
770	Bad Debt Expense	_____
775	Miscellaneous Expenses-See S-3a Attached	4588
	Total Wastewater Operation And Maintenance Expense	\$ 27326 *

\* 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 Equivalent Customers (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	59	10	69
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			59	10	69

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

**East Marion Sanitary Systems, Inc.**

Pages W-3 and S-3, Miscellaneous Expenses

December 31, 2004

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Bank charges</b>	\$ 7	7	14
<b>Repairs &amp; maint</b>	3,907	4,186	8,093
<b>Dues and subscriptions</b>	127	127	254
<b>Computer expense</b>	145	-	145
<b>Office expense</b>	269	268	537
	<u>\$ 4,455</u>	<u>\$ 4,588</u>	<u>\$ 9,043</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, 2004
-------------------------------------

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: \_\_\_\_\_

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. \_\_\_\_\_ 69
- 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: \_\_\_\_\_

YEAR OF REPORT  
DECEMBER 31, 2004

# 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

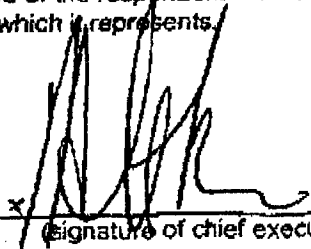
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

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: x 5-31-05

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.

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue**

*Water Operations*

Class C

Company: *EAST MARION SANITARY SYSTEMS, INC*

*WU536-04-W-R*

For the Year Ended December 31, 2004

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ <u>15,019</u>	\$ <u>15,019</u>	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	<u>508</u>	<u>508</u>	_____
<b>Total Water Operating Revenue</b>	<b>\$ <u>15,527</u></b>	<b>\$ <u>15,527</u></b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Water Operating Revenues</b>	<b>\$ <u>15,527</u></b>	<b>\$ <u>15,527</u></b>	<b>\$ _____</b>

Explanations:

Instructions:

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



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

Company: *EAST MARION SANITARY SYSTEMS, INC*  
For the Year Ended December 31, 2004

*SUL535-04-S-R*

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ <u>24,277</u>	\$ <u>24,277</u>	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	<u>507</u>	<u>507</u>	_____
<b>Total Wastewater Operating Revenue</b>	<b>\$ <u>24,784</u></b>	<b>\$ <u>24,784</u></b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Wastewater Operating Revenues</b>	<b>\$ <u>24,784</u></b>	<b>\$ <u>24,784</u></b>	<b>\$ _____</b>

Explanations:

Instructions:

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