

CLASS "B"

WATER and/or SEWER UTILITIES

(Gross Revenue of \$150,000 or More but Less Than \$750,000 Each)

ANNUAL REPORT

OF

Fountain Lakes Sewer Corp.

442-S

Certificate Number(s)



FOR THE

YEAR ENDED DECEMBER 31, 1997

**OFFICIAL COPY
DIVISION OF
WATER AND SEWER
Do Not Remove from this Office**

Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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March 6, 1998

Officers and Directors
Fountain Lakes Sewer Corp.

We have compiled the 1997 Annual Report of Fountain Lakes Sewer Corp. in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Fountain Lakes Sewer Corp. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

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EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT
December 31 1997

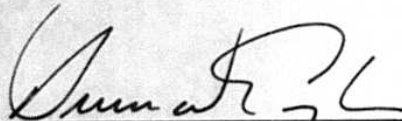
UTILITY NAME: Fountain Lakes Sewer Corp.

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

- | | | |
|--------------|-----------|--|
| YES
(X) | NO
() | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES
(X) | NO
() | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
(X) | NO
() | 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
(X) | NO
() | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified

1. 2. 3. 4.
(X) (X) (X) (X)



(signature of the chief executive officer of the utility)

Bruce W. Engelsma

1. 2. 3. 4.
(X) (X) (X) (X)

N/A

(signature of the chief financial officer of the utility)

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

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

ANNUAL REPORT OF

Fountain Lakes Sewer Corp.
(Exact Name of Utility)

County: Lee

List below the exact mailing address of the utility for which normal correspondence should be sent:

523 South 8th Street
Minneapolis, MN 55404

Telephone: (612) 305-2927

Name and address of person to whom correspondence concerning this report should be addressed:

Cronin, Jackson, Nixon and Wilson, CPA's
Paul DeChario

2560 Gulf to Bay Blvd, Suite 200
Clearwater, Florida 33765

Telephone: (813) 791-4020

List below the address of where the utility's books and records are located:

523 South 8th Street
Minneapolis, MN 55404

Telephone: (612) 305-2927

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

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: 4 / 1 / 88

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

Individual

Partnership

Sub S Corporation

1120 Corporation

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

	Name	Percent Ownership	
1.	Kraus-Anderson, Incorporated	75	%
2.	Osborne Properties	25	%
3.			%
4.			%
5.			%
6.			%
7.			%
8.			%
9.			%
10.			%

YEAR OF REPORT
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UTILITY NAME: Fountain Lakes Sewer Corp.

DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY REPRESENTATIVE (1)(2)	TITLE OR POSITION	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Jerry A. Sherman	Exec. Vice President/ Chief Operating Officer	Fountain Lakes Sewer Corp	Utility matters
Robert C. Nixon	CPA	Cronin, Jackson, Nixon & Wilson	Accounting & rate matters
Martin S. Friedman, Esq	Attorney	Rose, Sundstrom & Bentley	Legal matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

UTILITY NAME: Fountain Lakes Sewer Corp.

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

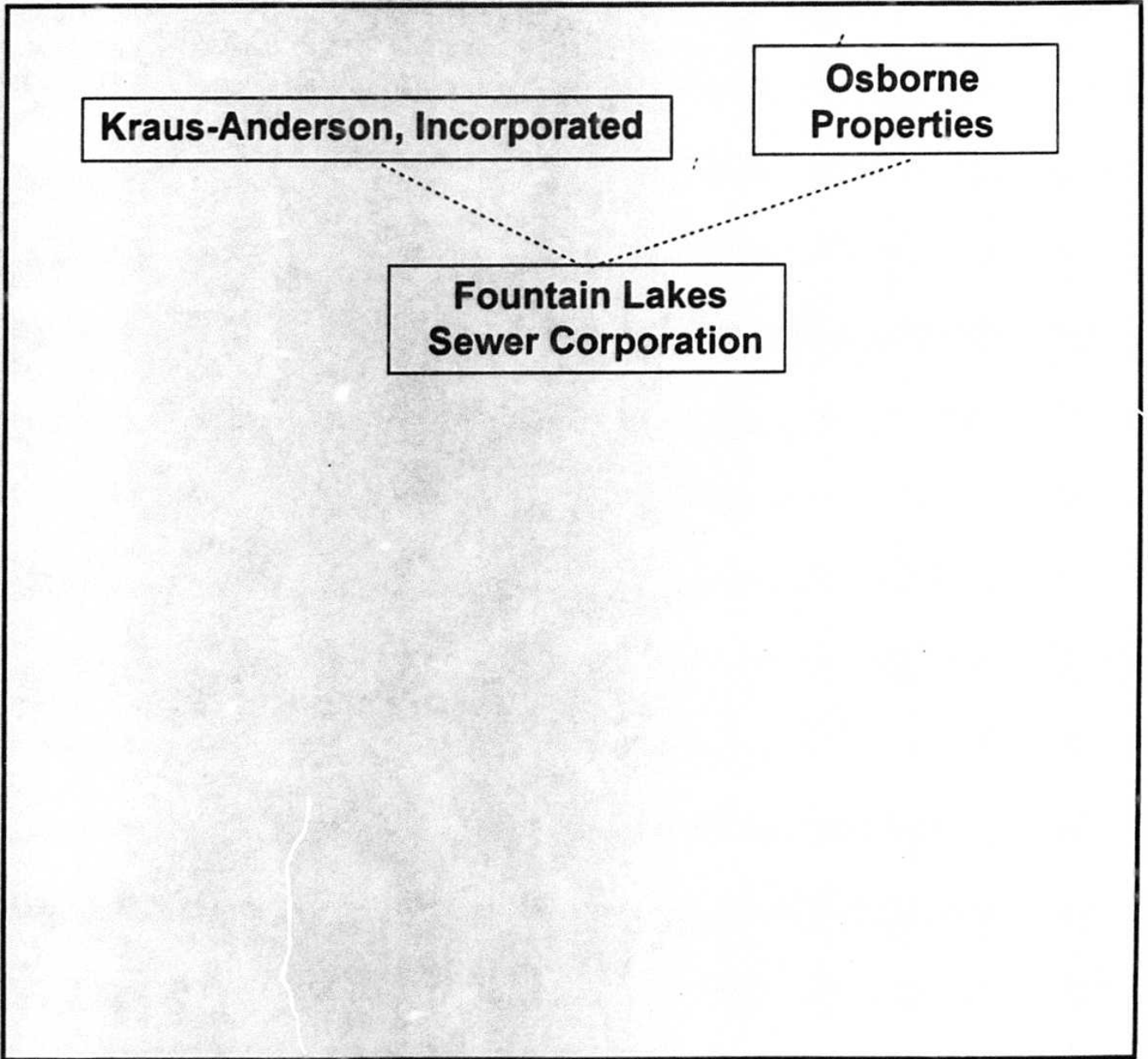
- A. The Company was formed on April 1, 1988, to provide sewer service to the residents of the Fountain Lakes Development, located in Lee County. Water Service is provided by the Bonita Springs System, Inc.
- B. The Company provides sewer service only.
- C. To provide quality sewer service to the residents of the Fountain Lakes and a fair rate of return to its stockholders.
- D. The Company only provides sewer services.
- E. The Company expects growth to continue at approximately 75 ERC's per year
- F. None

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
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PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/97

Complete below an organizational chart that shows all parents and subsidiaries of the utility. The chart must also show the relationship between the utility and the affiliates listed on E-7, E-10(a) and E-10(b).



YEAR OF REPORT
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UTILITY NAME: Fountain Lakes Sewer Corp.

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.

NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
Bruce Engelsma	President	5 %	\$ None
Daniel Engelsma	Vice President	5 %	\$ None
Jerry A. Sherman	Executive Vice President/ Chief Operating Officer	5 %	\$ None
David J. Olson	Secretary/Treasurer	5 %	\$ None
		%	\$
		%	\$
		%	\$
		%	\$

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Bruce Engelsma	Director	1	\$ None
Daniel Engelsma	Director	1	\$ None
Janice R. Goebel	Director	1	\$ None
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
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BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
None			

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Fountain Lakes Sewer Corp.

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Bruce W. Engelsma	Developer	Officer/Director	Fountain Lakes Sewer Corp 523 South 8th Street Minneapolis, MN 55404
		Officer/Director	Kraus-Anderson, Incorporated 523 South 8th Street Minneapolis, MN 55404
		The General Partner	Osborne Properties 523 South 8th St Minneapolis, MN 55404
Daniel W. Engelsma	Developer	Officer/Director	Fountain Lakes Sewer Corp 523 South 8th St Minneapolis, MN 55404
		Officer/Director	Kraus-Anderson, Incorporated 4220 W. Old Shakopee Rd #200 Bloomington, MN 55437
		Limited Partner	Osborne Properties 523 South 8th St Minneapolis, MN 55404
Jerry A. Sherman	Developer	Officer	Fountain Lakes Sewer Corporation 523 South 8th St Minneapolis, MN 55404
		Officer	Kraus-Anderson Development and Finance Company 523 South 8th St Minneapolis, MN 55404

UTILITY NAME: Fountain Lakes Sewer Corp.

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Janice R. Goebel	Developer	Director	Fountain Lakes Sewer Corp 523 South 8th St Minneapolis, MN 55404
		Officer	Kraus-Anderson, Incorporated 523 South 8th St Minneapolis, MN 55404
David J. Olson	Developer	Officer	Fountain Lakes Sewer Corp 523 South 8th St Minneapolis, MN 55404
		Officer	Kraus-Anderson, Incorporated 523 South 8th St Minneapolis, MN 55404

UTILITY NAME: Fountain Lakes Sewer Corp.

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BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water and/or sewer service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT December 31, 1997
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6 identifying the parties, amounts, dates and product, asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
 - management, legal and accounting services
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land and equipment
 - rental transactions
 - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Kraus-Anderson, Incorporated	Management Accounting	Open Open	P	\$ 32,000
			P	26,540

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

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

1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.
2. Below are examples of some types of transactions to include:
 - purchase, sale or transfer of equipment.
 - purchase, sale or transfer of land and structures.
 - purchase, sale or transfer of securities.
 - noncash transfers of assets.
 - noncash dividends other than stock dividends.
 - writeoff of bad debts or loans.
3. The columnar instructions follow:
 - (a) Enter name of related party or company.
 - (b) Describe briefly the type of assets purchased, sold or transferred.
 - (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
 - (d) Enter the net book value for each item reported.
 - (e) Enter the net profit or loss for each item (column (c) - column (d)).
 - (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

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

UTILITY NAME: Fountain Lakes Sewer Corp.

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**COMPOSITE STATISTICS FOR ALL
PRIVATELY OWNED WATER AND SEWER UTILITIES UNDER AGENCY JURISDICTION**

DESCRIPTION (a)	WATER (b)	SEWER (c)
PLANT (Intrastate Only)(000's Omitted):		
Plant in Service	\$ N/A	\$ 1,805
Construction Work In Progress		
Plant Acquisition Adjustment		
Plant Held For Future Use		
Materials and Supplies		
Less:		
Accumulated Depreciation and Accumulated Amortization		414
Contributions In Aid Of Construction (Net)		741
Net Book Cost	\$	\$ 650
REVENUES AND EXPENSES (Intrastate Only)(000's Omitted):		
Operating Revenues	\$	\$ 266
Depreciation and Amortization Expense	\$	\$ 35
Income Tax Expense		21
Taxes Other Than Income		158
Other Operating Expenses		
Total Operating Expenses	\$	\$ 214
Net Operating Income	\$	\$ 52
Other Income	\$	\$ 32
Other Income Deductions		147
Net Income	\$	\$ (63)
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average		432
Commercial - Yearly Average		2
Industrial - Yearly Average		
Others - Yearly Average		24
Total		458
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons		81.10
Average Annual Residential Cost Per 1,000 Gallons	\$	\$ 5.86
Average Residential Monthly Bill	\$	\$ 29.97
Gross Plant Investment Per Customer	\$	\$ 3,941

FINANCIAL

SECTION

UTILITY NAME: Fountain Lakes Sewer Corp.

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	UTILITY PLANT			
101-105	Utility Plant _____	F-5	\$ 1,805,403	\$ 1,802,089
108-110	Less: Accumulated Depreciation and Amortization _____	F-6	(413,692)	(342,044)
	Net Plant _____		1,391,711	1,460,045
114-115	Utility Plant Acquisition Adjustments (Net) _____	F-5		
	Other Plant Adjustments (specify) _____			
	Total Net Utility Plant _____		1,391,711	1,460,045
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property _____	F-7		
122	Less: Accumulated Depreciation and Amortization _____			
	Net Nonutility Property _____			
123	Investment in Associated Companies _____	F-8		
124	Utility Investments _____	F-8		
125	Other Investments _____	F-8		
127	Special Funds _____	F-8		
	Total Other Property and Investments _____			
	CURRENT AND ACCRUED ASSETS			
131	Cash _____		18,851	15,420
132	Special Deposits _____	F-7	380,543	242,905
134	Working Funds _____			
135	Temporary Cash Investments _____			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts _____	F-9	30,857	30,085
145	Accounts Receivable from Associated Companies _____	F-10		
146	Notes Receivable from Associated Companies _____	F-10		
151	Materials and Supplies _____			
162	Prepayments _____	F-11	101	7,008
171	Accrued Interest and Dividends Receivable _____			
174	Misc. Current and Accrued Assets _____			
	Total Current and Accrued Assets _____		430,352	295,418

UTILITY NAME: Fountain Lakes Sewer Corp.

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COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense _____	F-12	15,888	22,244
182	Extraordinary Property Losses _____	F-12		
186	Misc. Deferred Debits _____	F-11	2,865	4,011
190	Accumulated Deferred Income Taxes _____		30,123	35,046
	Total Deferred Debits _____		48,876	61,301
	TOTAL ASSETS AND OTHER DEBITS _____		\$ 1,870,939	\$ 1,816,764

NOTES TO THE BALANCE SHEET

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

UTILITY NAME: Fountain Lakes Sewer Corp.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued _____	F-14	7,500	\$ 7,500
204	Preferred Stock Issued _____	F-14		
211	Other Paid-in Capital _____		200,000	200,000
212	Discount on Capital Stock _____			
213	Capital Stock Expense _____			
214-215	Retained Earnings (Deficit) _____	F-15	(572,528)	(509,813)
216	Reacquired Capital Stock _____			
218	Proprietary Capital (Proprietorship and Partnership Only) _____			
	Total Equity Capital (Deficit) _____		(365,028)	(302,313)
LONG TERM DEBT				
221	Bonds _____	F-16		
223	Advances from Associated Companies _____	F-16		
224	Other Long Term Debt _____	F-14	960,105	980,179
	Total Long Term Debt _____		960,105	980,179
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable _____		36,599	7,785
232	Notes Payable _____	F-13		
233	Accounts Payable to Associated Co. _____	F-13	279,058	275,806
234	Notes Payable to Associated Co. _____	F-13		
235	Customer Deposits _____		940	738
236	Accrued Taxes _____	F-17	11,983	9,970
237	Accrued Interest _____	F-18		
238	Accrued Dividends _____			
239	Matured Long Term Debt _____			
240	Matured Interest _____			
241	Miscellaneous Current and Accrued Liabilities _____	F-19	4,436	10,966
	Total Current and Accrued Liabilities _____		333,016	305,265

UTILITY NAME: Fountain Lakes Sewer Corp.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED CREDITS			
251	Unamortized Premium on Debt _____	F-12		\$ _____
252	Advances for Construction _____	F-19		
253	Other Deferred Credits (Contributed Taxes) _____		181,697	182,795
255	Accumulated Deferred Investment Tax Credits _____			
	Total Deferred Credits _____		181,697	182,795
	OPERATING RESERVES			
261	Property Insurance Reserve _____			
262	Injuries and Damages Reserve _____			
263	Pensions and Benefits Reserve _____			
265	Miscellaneous Operating Reserves _____			
	Total Operating Reserves _____			
	CONTRIBUTIONS IN AID OF CONSTRUCTION			
271	Contributions in Aid of Construction _____	F-20	969,878	820,078
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(228,440)	(191,298)
	Total Net C.I.A.C. _____		741,438	628,780
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		19,711	22,058
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____			
283	Accumulated Deferred Income Taxes - Other _____			
	Total Accum. Deferred Income Taxes _____		19,711	22,058
	TOTAL EQUITY CAPITAL AND LIABILITIES _____		\$ 1,870,939	\$ 1,816,764

UTILITY NAME: Fountain Lakes Sewer Corp.

COMPARATIVE OPERATING INCOME

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues _____	\$ 221,545	F-3(b)	\$ 266,281
401	Operating Expenses _____	140,435	F-3(b)	159,339
403	Depreciation Expense _____	39,929	F-6	34,506
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____			
408.1	Taxes Other Than Income _____	17,881	F-17	21,102
409.1	Income Taxes _____	1,164	F-17	
410.10	Deferred Federal Income Taxes _____	8,309		2,576
411.10	Provision for Deferred Income Taxes - Credit _____			
412.10	Investment Tax Credits Deferred to Future Periods _____			
412.11	Investment Tax Credits Restored to Operating Income _____			
	Utility Operating Expenses _____	207,718		217,523
	Utility Operating Income _____	13,827		48,758
413	Income From Utility Plant Leased To Others _____			
414	Gains (Losses) From Disposition of Utility Property _____			
	Total Utility Operating Income [Enter here and on Page F-3(c)] _____	13,827		48,758

COMPARATIVE OPERATING INCOME

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	SEWER (c)	OTHER (e)
W-3	\$ N/A	S-3	\$ 266,281	\$ N/A
W-2 F-6		S-2 F-6	159,339 34,506	
F-6 F-17 F-17		F-6 F-17 F-17	21,102 2,576	
			217,523	
	N/A		48,758	
	\$ N/A		\$ 48,758	\$ N/A

UTILITY NAME: Fountain Lakes Sewer Corp.

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COMPARATIVE OPERATING INCOME (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	Total Utility Operating Income [From Page F-3(a)]	13,827		48,758
	OTHER INCOME AND DEDUCTIONS			
415	Revenues From Merchandising, Jobbing and Contract Deductions		:	
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income	5,790		12,964
420	Allowance for Funds Used During Construction		:	
421	Nonutility Income	17,749		19,481
426	Miscellaneous Nonutility Expenses	(2,991)		(49,565)
	Total Other Income and Deductions	20,548		(17,120)
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income	954	F-17	
409.20	Income Taxes		F-17	
410.20	Provision for Deferred Income Taxes	(9,123)		
411.20	Provision for Deferred Income Taxes - Cred ^{it}	(8,137)		
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
	Total Taxes Applicable to Other Income	(16,306)		
	INTEREST EXPENSE			
427	Interest Expense	88,509	F-18	87,998
428	Amortization of Debt Discount & Expense	6,355	F-12	6,355
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	94,864		94,353
	EXTRAORDINARY ITEMS			
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	NET INCOME	\$ (44,183)		\$ (62,715)

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	SEWER UTILITY (e)
101	Utility Plant In Service _____	F-5	\$ N/A	\$ 1,805,403
	Less:			
	Nonused and Useful Plant (1) _____			54,688
108.1	Accumulated Depreciation _____	F-6		413,692
110.1	Accumulated Amortization _____	F-6		
271	Contributions in Aid of Construction _____	F-20		969,878
252	Advances for Construction _____	F-19		
	Subtotal _____			367,145
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21		228,440
	Subtotal _____			595,585
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5		
	Working Capital Allowance (3) _____			19,917
	Other (Specify): _____			

	RATE BASE _____		\$	\$ 615,502
	UTILITY OPERATING INCOME _____		\$	\$ 48,758
	ACHIEVED RATE OF RETURN _____		- %	7.92 %

NOTES:

- (1) Estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculated using the 1/8th of O & M method.

UTILITY NAME: Fountain Lakes Sewer Corp.

UTILITY PLANT (ACCTS. 101 - 106)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
	Plant Accounts				
101	Utility Plant In Service	\$ N/A	\$ 1,805,403	\$ N/A	\$ 1,805,403
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
	Total Utility Plant	\$	\$ 1,805,403	\$	\$ 1,805,403

UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACQUISITION ADJUSTMENTS (114):				
	\$	\$	\$	\$
Total Plant Acquisition Adjts.				
ACCUMULATED AMORTIZATION (115):				
Total Accumulated Amortization				N/A
Net Acquisition Adjustments	\$ N/A	\$ N/A	\$ N/A	\$ N/A

UTILITY NAME: Fountain Lakes Sewer Corp.

ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year	\$ N/A	\$ 342,044	\$ N/A	\$ 342,044
Credits during year:				
Accruals charged:				
to Account 108		71,648		71,648
Accruals charged other accounts (specify)				
Salvage				
Other Credits (specify)				
Total credits		71,648		71,648
Debits during year:				
Book cost of plant retired				
Cost of removal				
Other debits (specify)				
Total debits				
Balance end of year	\$	\$ 413,692	\$ N/A	\$ 413,692

ACCUMULATED AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year	\$ N/A	\$	\$	\$
Credits during year:				
Accruals charged:				
to Account 110				
Accruals charged other accounts (specify)				
Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
Total debits				
Balance end of year	\$	\$	\$	\$

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

ACCOUNTS AND NOTES RECEIVABLE - NET (ACCTS. 141 - 144)

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

DESCRIPTION (a)	TOTAL (b)
ACCOUNTS RECEIVABLE:	
Customer Accounts Receivable (Acct. 141):	
Water _____ \$ _____	
Sewer _____ _____ 30,857	
Other _____ _____	
Total Customer Accounts Receivable _____	30,857
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
_____ \$ _____	
_____ _____	
Total Other Accounts Receivable _____	
NOTES RECEIVABLE (Acct. 144):	
_____ \$ _____	
_____ _____	
Total Notes Receivable _____	
Total Accounts and Notes Receivable _____	30,857
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Acct. 143):	
Balance First of Year _____ N/A _____ \$ _____	
Add: Provision for uncollectables for current year _____	
Collections of accounts previously written off _____	
Utility accounts _____	
Others _____	
Total Additions _____	
Deduct accounts written off during year:	
Utility accounts _____	
Others _____	
Total accounts written off _____	
Balance end of year _____	
Total Accounts and Notes Receivable - Net _____	\$ 30,857

UTILITY NAME: Fountain Lakes Sewer Corp.

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance _____	\$ 101
Prepaid Rents _____	
Prepaid Interest _____	
Prepaid Taxes _____	
Other Prepayments (Specify): _____	
Total Prepayments _____	\$ 101

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186):

DESCRIPTION (a)	TOTAL (b)
MISCELLANEOUS DEFERRED DEBITS (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1) _____	\$
Other Deferred Debits (Acct 186.2)	
Unamort. Oper. Permit _____	2,865
Total Miscellaneous Deferred Debits _____	\$ 2,865

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Acct. 181):		
Long Term Debt - Barnett Bank	\$ 6,355	\$ 15,888

Total Unamortized Debt Discount and Expense _____	\$ 6,355	\$ 15,888
UNAMORTIZED PREMIUM ON DEBT (Acct. 251):		
N/A	\$	\$

Total Unamortized Premium on Debt _____	\$	\$

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$

Total Extraordinary Property Losses _____	\$

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION (a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	FREQUENCY OF PAYMENT (e)	
ACCOUNT 232 - NOTES PAYABLE:					
			%		\$
			%		
			%		
			%		
			%		
Total Account 232					\$ NONE
ACCOUNT 234 - NOTES PAYABLE TO ASSOCIATED COMPANIES:					
N/A			%		\$
			%		
			%		
			%		
			%		
Total Account 234					\$ NONE

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
Kraus-Anderson, Inc.	\$ 279,058
Total	\$ 279,058

UTILITY NAME: Fountain Lakes Sewer Corp.

CAPITAL STOCK (ACCTS. 201 and 204)

DESCRIPTION (a)	COMMON STOCK (b)	PREFERRED STOCK (c)
Par or stated value per share _____	\$ 0.10	\$ N/A
Shares authorized _____	75,000	
Shares issued and outstanding _____	75,000	
Total par value of stock issued _____	\$ 7,500	\$
Dividends declared per share for year _____	\$ None	\$

LONG TERM DEBT (ACCT. 224)

DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
	RATE (d)	FREQUENCY OF PAYMENT (e)	
Barnett Bank; Issued 11/27/95; Matures 11/27/2000	P+ 5 %	Monthly	\$ 960,105
Total _____			\$ 960,105

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

STATEMENT OF RETAINED EARNINGS

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

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings:	
	Balance beginning of year (Deficit) _____	\$ (509,813)
439	Changes to account:	
	Adjustments to Retained Earnings (requires	
	Commission approval prior to use):	
	Credits: _____	

	Total Credits _____	
	Debits: _____	

435	Total Debits _____	(62,715)
436	Balance transferred from Income (Loss) _____	
	Appropriations of Retained Earnings:	

	Total appropriations of Retained Earnings _____	
437	Dividends declared:	
438	Preferred stock dividends declared _____	

	Common stock dividends declared _____	

	Total Dividends Declared _____	

	Balance end of year (Deficit) _____	(572,528)
214	Appropriated Retained Earnings (state balance and purpose of	
	each appropriated amount at year end):	

	Total Appropriated Retained Earnings _____	
	Total Retained Earnings (Deficit) _____	\$ (572,528)

Notes to Statement of Retained Earnings:

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

BONDS (ACCT. 221)

DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	RATE (b)	FREQUENCY OF PAYMENT (c)	
N/A	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

ADVANCES FROM ASSOCIATED COMPANIES (ACCT. 223)

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
N/A	\$
Total	\$

	Accruals Charged:				
408.10	Utility Regulatory Assessment Fees		11,983		11,983
408.11	Property Taxes		8,779		8,779
408.12	Payroll Taxes				
408.13	Other Taxes & Licenses		340		340
409.10	Federal Income Taxes				
409.11	State Income Taxes				
	Taxes Applicable to Other Income (Accts. 408.2, 409.2, 409.3, 410.2)				
	Total Taxes Accrued		21,102		21,102
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment Fees		9,970		9,970
408.11	Property Taxes		8,779		8,779
408.12	Payroll Taxes				
408.13	Other Taxes & Licenses		340		340
409.10	Federal Income Taxes				
409.11	State Income Taxes				
	Taxes Applicable to Other Income (Accts. 408.2, 409.2, 409.3, 410.2)				
	Total Taxes Paid		19,089		19,089
	Balance End of Year	\$ N/A	\$ 11,983	\$ N/A	\$ 11,983

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

ACCRUED INTEREST (ACCT. 237)

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - ACCRUED INTEREST ON LONG TERM DEBT:					
Barnett Bank	\$	427	\$ 87,998	\$ 87,998	\$ 0
Total Account No. 237.1			87,998	87,998	0
ACCOUNT NO. 237.2 - ACCRUED INTEREST ON OTHER LIABILITIES:					
Total Account 237.2					
Total Account 237	\$		\$ 87,998	\$ 87,998	\$ 0

REGULATORY COMMISSION EXPENSE - AMORTIZATION
OF RATE CASE EXPENSE (ACCTS. 666 and 766)

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO ACCT. NO. 186.1 (c)	CHARGED OFF DURING YEAR	
			ACCT. (d)	AMOUNT (e)
N/A	\$	\$		\$
Total	\$	\$		\$

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & S OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ N/A	\$ 820,078	\$ N/A	\$ 820,078
Add credits during year:				
Contributions received from Capacity, Main Extension and Customer Connection Charges (Schedule "A")		149,800		149,800
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B")				
Total Credits		149,800		149,800
Less debits charged during the year (All debits charged during year must be explained below)				
Total Contributions In Aid of Construction	\$ N/A	\$ 969,878	\$ N/A	\$ 969,878

Explain all debits charged to Account 271 below:

Lined area for explaining debits charged to Account 271.

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT December 31, 1997
--

SCHEDULE "A"
**ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY, MAIN
 EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR**

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	WATER (d)	SEWER (e)
Connection Charges	107	\$ 1,400.00	\$	\$ 149,800
Total Credits	-----		\$	\$ 149,800

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 272)

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & S OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ N/A	\$ 191,298	\$ N/A	\$ 191,298
Debits during year:				
Accruals charged to Account 272		37,142		37,142
Other debits (specify):				
Total debits		37,142		37,142
Credits during year (specify):				
Total Credits				
Balance end of year	\$ N/A	\$ 228,440	\$ N/A	\$ 228,440

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

SCHEDULE "B"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS FROM WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE "CASH" OR "PROPERTY" (b)	WATER (c)	SEWER (d)
None		\$	\$
Total Credits		\$	\$

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT
December 31, 1997

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year (Loss) _____		\$ (62,715)
Reconciling items for the year:		
Taxable income not reported on the books:		

Deductions recorded on books not deducted for return:		
Deferred income taxes _____		2,576

Income recorded on books not deducted for return:		
Amort of Contributed taxes _____		1,098

Deduction on return not charged against book income:		
Tax depreciation _____		52,126

Federal tax net income (Loss) _____		\$ (113,363)
Computation of tax:		
None		

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

YEAR OF REPORT December 31, 1997
--

UTILITY NAME: Fountain Lakes Sewer Corp.

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (2)

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ N/A	%	%	%
Preferred Stock		%	%	%
Long Term Debt		%	%	%
Customer Deposits		%	%	%
Tax Credits - Zero Cost		%	%	%
Tax Credits - Weighted Cost		%	%	%
Deferred Income Taxes		%	%	%
Other (Explain)		%	%	%
Total	\$ <u>N/A</u>	<u>%</u>		<u>%</u>

- (1) Should equal amounts on Schedule B, Column (f), page F-25.
- (2) 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 approving AFUDC rate: _____

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

UTILITY NAME: Fountain Lakes Sewer Corp.

YEAR OF REPORT December 31, 1997
--

SCHEDULE "B"

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	\$ N/A	\$	\$	\$	\$
Preferred Stock					
Long Term Debt					
Customer Deposits					
Tax Credits - Zero Cost					
Tax Credits - Weighted Cost					
Deferred Income Taxes					
Other (Explain)					
Total	\$ N/A	\$	\$	\$	\$

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

WATER

OPERATION

SECTION

Fountain Lakes Sewer Corporation provides sewer only service; therefore, this section has been omitted.

**SEWER
OPERATION
SECTION**

UTILITY NAME: Fountain Lakes Sewer Corp.

SEWER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
351	Organization _____	\$ 19,419	\$	\$
352	Franchises _____			
353	Land and Land Rights _____	72,352		
354	Structure and Improvements _____	1,696	3,314	
360	Collection Sewers - Force _____	35,381		
361	Collection Sewers - Gravity _____	556,015		
362	Special Collecting Structures _____			
363	Services to Customers _____	90,846		
364	Flow Measuring Devices _____			
365	Flow Measuring Installations _____			
370	Receiving Wells _____	119,109		
371	Pumping Equipment _____			
380	Treatment and Disposal Equipment _____	905,267		
381	Plant Sewers _____	2,004		
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 Sewer Plant _____	\$ 1,802,089	\$ 3,314	\$

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

SEWER UTILITY PLANT MATRIX

	.1	.2	.3	.4	.5
CURRENT YEAR (f)	INTANGIBLE PLANT (g)	COLLECTION PLANT (h)	SYSTEM PUMPING PLANT (i)	TREATMENT AND DISPOSAL PLANT (j)	GENERAL PLANT (k)
\$ 19,419	\$ 19,419				
72,352		\$	\$	\$ 72,352	\$
5,010				5,010	
35,381		35,381			
556,015		556,015			
90,846		90,846			
119,109			119,109		
905,267				905,267	
2,004				2,004	
\$ 1,805,403	\$ 19,419	\$ 682,242	\$ 119,109	\$ 984,633	\$

UTILITY NAME: Fountain Lakes Sewer Corp.

SEWER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)		
			.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 COLLECTION EXPENSES - MAINTENANCE (e)
701	Salaries and Wages - Employees _____	\$ _____	\$ _____	\$ _____
703	Salaries and Wages - Officers, Directors and Majority Stockholders _____	_____	_____	_____
704	Employee Pensions and Benefits _____	_____	_____	_____
710	Purchased Sewage Treatment _____	_____	_____	_____
711	Sludge Removal Expense _____	_____	_____	_____
715	Purchased Power _____	15,524	_____	_____
716	Fuel for Power Purchased _____	_____	_____	_____
718	Chemicals _____	_____	_____	_____
720	Materials and Supplies _____	22,027	_____	_____
731	Contractual Services - Engineering _____	32,569	_____	_____
732	Contractual Services - Accounting _____	5,009	_____	_____
733	Contractual Services - Legal _____	32,000	_____	_____
734	Contractual Services - Management Fees _____	40,655	_____	_____
735	Contractual Services - Other _____	_____	_____	_____
741	Rental of Building/Real Property _____	_____	_____	_____
742	Rental of Equipment _____	_____	_____	_____
750	Transportation Expense _____	_____	_____	_____
756	Insurance - Vehicle _____	_____	_____	_____
757	Insurance - General Liability _____	1,329	_____	_____
758	Insurance - Workmens Compensation _____	_____	_____	_____
759	Insurance - Other _____	_____	_____	_____
760	Advertising Expense _____	_____	_____	_____
766	Regulatory Commission Expenses - Amortization of Rate Case Expense _____	_____	_____	_____
767	Regulatory Commission Expenses Other _____	_____	_____	_____
770	Bad Debt Expense _____	158	_____	_____
775	Miscellaneous Expenses _____	10,068	_____	_____
	Total Sewer Utility Expenses _____	\$ 159,339	\$ _____	\$ _____

SEWER EXPENSE ACCOUNT MATRIX

.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 & DISPOSAL EXPENSES - MAINTENANCE (i)	.7 TREATMENT CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
		15,524			
			18,334		3,693
					32,569
					5,009
					32,000
		40,655			
					1,329
				158	
75		1,146			8,847
\$ <u>75</u>	\$ _____	\$ <u>57,325</u>	\$ <u>18,334</u>	\$ <u>158</u>	\$ <u>83,447</u>

UTILITY NAME: Fountain Lakes Sewer Corp.

SEWER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
	Fiat Rate Revenues:			\$
521.1	Residential Revenues -----			
521.2	Commercial Revenues -----			
521.3	Industrial Revenues -----			
521.4	Revenues From Public Authorities -----			
521.5	Multiple Family Dwelling Revenues -----			
521.6	Other Revenues -----			
	Total Fiat Rate Revenues -----			
	Measured Revenues:			
522.1	Residential Revenues -----	394	470	155,339
522.2	Commercial Revenues -----	1	2	3,081
522.3	Industrial Revenues -----			
522.4	Revenues From Public Authorities -----			
522.5	Multiple Family Dwelling Revenues ----- (serves 400 units)	17	31	106,166
	Total Measured Revenues -----	412	503	264,586
523	Revenues From Public Authorities -----			
524	Revenues From Other Systems -----			
525	Interdepartmental Revenues -----			
	Totals -----	412	503	264,586
	Other Sewer Revenues:			
530	Guarenteed Revenues -----			
531	Sale of Sludge -----			
532	Forfeited Discounts -----			
534	Rents From Sewer Property -----			
535	Interdepartmental Rents -----			1,695
536	Other Sewer Revenues -----			
	Total Other Sewer Revenues -----			1,695
	Total Sewer Operating Revenues -----			\$ 266,281

UTILITY NAME: Fountain Lakes Sewer Corp.

BASIS FOR SEWER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (f)
351	Organization	40	%	2.50 %
352	Franchises		%	%
354	Structure and Improvements	32	%	3.13 %
360	Collection Sewers - Force	30	%	3.33 %
361	Collection Sewers - Gravity	45	%	2.22 %
362	Special Collecting Structures		%	%
363	Services to Customers	38	%	2.63 %
364	Flow Measuring Devices		%	%
365	Flow Measuring Installations		%	%
370	Receiving Wells	25	%	4.00 %
371	Pumping Equipment		%	%
380	Treatment and Disposal Equipment	18	%	5.56 %
381	Plant Sewers	35	%	2.86 %
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		%	%
	Sewer Plant Composite Depreciation Rate		%	%

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

UTILITY NAME: Fountain Lakes Sewer Corp.

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ 4,127	\$ 485	\$	\$ 485
352	Franchises				
354	Structure and Improvements	416	105		105
360	Collection Sewers - Force	8,097	1,178		1,178
361	Collection Sewers - Gravity	120,275	12,344		12,344
362	Special Collecting Structures				
363	Services to Customers	14,548	2,390		2,390
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells	31,399	4,764		4,764
371	Pumping Equipment				
380	Treatment and Disposal Equipment	162,695	50,325		50,325
381	Plant Sewers	487	57		57
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 Depreciable Sewer Plant In Service	\$ 342,044	\$ 71,648	\$	\$ 71,648

- * Specify nature of transaction.
Use () to denote reversal entries.

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION (Cont'd)

PLANT RETIRED (g)	ASSOCIATED SALVAGE AND INSURANCE (h)	ASSOCIATED COST OF REMOVAL (i)	OTHER CHARGES (j)	TOTAL CHARGES (g-h+i+j) (k)	BALANCE AT END OF YEAR (c+f-k) (l)
\$	\$	\$	\$	\$	4,612
					521
					9,275
					132,619
					16,938
					36,163
					213,020
					544
\$	\$	\$	\$	\$	413,692

UTILITY NAME: Fountain Lakes Sewer Corp.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

PUMPING EQUIPMENT

	1	2	3	4		
Lift station number _____	1	2	3	4		
Make or type and nameplate data of pump _____	Flygt 6"	Flygt 6"	Flygt 6"	Meysers 4" 1,150 RPM		
Year installed _____	1988	1988	1988	1994		
Rated capacity_ (GPM) _____	200	200	200	110		
Size _____	1.5	1.5	1.5	1.5		
Power:						
Electric _____	x	x	x	x		
Mechanical _____						
Nameplate data of motor _____	30-230V	30-230V	30-230V	230V		

Lift station number _____						
Make or type and nameplate data of pump _____						
Year installed _____						
Rated capacity_ (GPM) _____						
Size _____						
Power:						
Electric _____						
Mechanical _____						
Nameplate data of motor _____						

SERVICE CONNECTIONS

	Single 6" PVC	Double 6" PVC	Triple 6" PVC			
Size (inches) _____						
Type (PVC, VCP, etc) _____	PVC	PVC	PVC			
Average length _____						
Number of active service connections _____	453	21	4			
Beginning of year _____	361	21	3			
Added during year _____	92		1			
Retired during year _____						
End of year _____	453	21	4			
Give full particulars concerning inactive connections _____ None						

UTILITY NAME: Fountain Lakes Sewer Corp.
SYSTEM NAME: Same

COLLECTING MAINS

COLLECTING MAINS:						
Size (inches) _____	8"	8"				
Type of main _____	PVC	VCP				
Length of main (nearest foot):						
Beginning of year _____	10,178	2,218				
Added during year _____						
Retired during year _____						
End of year _____	10,178	2,218				
MANHOLES:						
Size (inches) _____						
Type _____						
Number:						
Beginning of year _____						
Added during year _____						
Retired during year _____						
End of year _____						

FORCE MAINS

FORCE MAINS:						
Size (inches) _____	4"	4"	8"			
Type of main _____	PVC	DIP	DIP			
Length of main (nearest foot):						
Beginning of year _____	6,092	260	40			
Added during year _____						
Retired during year _____						
End of year _____	6,092	260	40			

YEAR OF REPORT
December 31, 1997

UTILITY NAME: Fountain Lakes Sewer Corp.
SYSTEM NAME: Same

TREATMENT PLANT

Manufacturer _____	EMG		
Type _____	Contact Stabilization		
"Steel" or "Concrete" _____	Steel		
Total Capacity _____	190,000		
Average Daily Flow _____	101,767		
Effluent Disposal _____	Pond		
Total Gallons of Sewage Treated _____	37,145,000		

MASTER LIFT STATION PUMPS

Manufacturer _____						
Capacity _____						
Motor: Mfr. _____						
Horsepower _____						
Power (Electric or Mechanical) _____						

OTHER SEWER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

- Maximum number of ERC's * which can be served. _____ 691
- Estimated annual increase in ERC's * _____ 75
- List permit numbers required by Chapter 14-17, Rules of the Department of Environmental Regulation (DER) for systems in operation. _____ DC36-143236, DO36-255130
- State any plans and estimated completion dates for any enlargements of this system.
Additional residential development in the area known as Marsh Landing _____
- If the present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:
 - Evaluation of the present plant or plants in regard to meeting the DER's rules.
 - Plans for funding and construction of the required upgrading.
 - Have these plans been coordinated with the DER? _____
 - Do they concur? _____
 - When will construction begin? _____
- In what percent of your certificated area have service connections been installed? _____ 68 %

* ERC = (Total Gallons Treated / 365 Days) / 275 Gallons Per Day

Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment.

UTILITY NAME: Fountain Lakes Sewer Corp.
SYSTEM NAME: Same

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
5/8"	Displacement	1.0	470	470
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0	27	135
2"	Displacement, Compound or Turbine	8.0	4	32
3"	Displacement	15.0		
3"	Compound	16.0	2	32
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total SEWER System Meter Equivalents -----				669

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{37,145,000}{\text{(total gallons treated)}} \right) / 365 \text{ days} / 275 \text{ gpd} = \underline{\underline{370}}$$