

CLASS "B"

JUL 14 1998

Florida Public Service Commission
Division of Water and Wastewater

WATER and/or SEWER UTILITIES

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

ANNUAL REPORT

OF

IHC Realty Partnership, L. P.

Plantation Utilities (Kadnor)

336-W/291-S

Certificate Number(s)



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

FOR THE

YEAR ENDED DECEMBER 31, 1997

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
TRACY A. RIZZO, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

July 10, 1998

Officers and Directors
IHC Realty Partnership, L.P.

We have compiled the 1997 Annual Report of IHC Realty Partnership, L.P. 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 IHC Realty Partnership, L.P. 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

General Instructions

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Sewer Utilities.
2. Interpret all accounting words and phrases in accordance with the USOA.
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 should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which will create a permanent record, such as by typewriter.
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 of the page with not enough room. Such a schedule 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 statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
- 10 The report should be filled out in quadruplicate and the original and two copies returned by March 31 of the year following the date of the report. The report should be returned to:

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

TABLE OF CONTENTS

Schedule	Page	Schedule	Page
Executive Summary			
Certification	E-1	Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers and Directors	E-8
Directory of Personnel Who Contact the Fla. Public Service Commission	E-3	Businesses Which Are A Byproduct, Coproduct or Joint Product of Providing Service	E-9
Company Profile	E-4	Business Transactions With Related Parties	
Parent/Affiliate Organization Chart	E-5	- Part I and II	E-10
Compensation of Officers & Directors	E-6	Composite of Statistics	E-11
Business Contracts With Officers,			
Financial Section			
Comparative Balance Sheet - Assets And Other Debits	F-1	Companies	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Capital Stock	F-14
COMPARATIVE Operating Statement	F-3	Long Term Debt	F-14
Schedule of Year End Rate Base	F-4	Statement of Retained Earnings	F-15
Utility Plant	F-5	Bonds	F-16
Utility Plant Acquisition Adjustments	F-5	Advances From Associated Companies	F-16
Accumulated Depreciation	F-6	Accrued Taxes	F-17
Accumulated Amortization	F-6	Accrued Interest	F-18
Nonutility Property	F-7	Regulatory Commission Expense - Amortization of Rate Case Expense	F-18
Special Deposits	F-7	Misc. Current and Accrued Liabilities	F-19
Investments and Special Funds	F-8	Advances for Construction	F-19
Accounts and Notes Receivable - Net	F-9	Contributions In Aid Of Construction	F-20
Accounts Receivable From Associated Companies	F-10	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	F-21
Notes Receivable From Associated Co.	F-10	Accum. Amortization of C.I.A.C.	F-21
Prepayments	F-11	Additions to CIAC Received from All Developers or Contractors Agreements	F-22
Miscellaneous Deferred Debits	F-11	Reconciliation of Reported Net Income With Taxable Income For Federal Income Taxes	F-23
Unamortized Debt Discount and Expense and Premium on Debt	F-12	AFUDC Calculation	F-24
Extraordinary Property Losses	F-13	AFUDC Capital Structure Adjustments	F-25
Notes Payable	F-13		
Accounts Payable to Associated	F-13		
Water Operation Section			
Water Utility Plant Accounts	W-1	Statistics	W-6
Water Utility Expense Accounts	W-2	Water Treatment Plant, Mains, Services and Meters	W-7
Water Operating Revenue	W-3	Wells and Well Pumps, Reservoirs, and High Service Pumping	W-8
Basis for Water Depreciation Charges	W-4	Other Water System Information	W-9
Analysis of Entries in Water Depreciation Reserve	W-5	Calculation of ERC's	W-10
Pumping and Purchased Water			
Sewer Operation Section			
Sewer Utility Plant Accounts	S-1	Pumping Equipment and Service Connections	S-6
Sewer Utility Expense Accounts	S-2	Collecting and Force Mains	S-7
Sewer Operating Revenue	S-3	Other Sewer System Information	S-8
Basis for Sewer Depreciation Charges	S-4	Calculation of ERC's	S-9
Analysis of Entries in Sewer Depreciation Reserve	S-5		

EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT
December 31, 1997

UTILITY NAME: IHC Realty Partnership, L. P.

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

- YES NO
(X) () 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.
- YES NO
(X) () 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
- YES NO
(X) () 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
(X) () 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)

Jean Barrett

(signature of the chief executive officer of the utility)

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

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

IHC Realty Partnership, L. P.

County: Martin

(Exact Name of Utility)

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

Indian River Plantation
555 N.E. Ocean Blvd
Stuart, Florida 34996
 Telephone: (561) 225-6801

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

Terri Barnett
555 N.E. Ocean Blvd
Stuart, Florida 34996
 Telephone: (561) 225-6801

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

555 N.E. Ocean Blvd
Stuart, Florida 34996
 Telephone: (561) 225-6801

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

N/A

Date of original organization of the utility:

09 / 22 / 76

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.	IHC Member Corporation	99.9667 %
2.		%
3.		%
4.		%
5.		%
6.		%
7.		%
8.		%
9.		%
10.		%

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT December 31, 1997
--

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
W. Thomas Farrington, Jr.	President	IHC Realty Partnership, L.P.	Rate hearings and operations
J. William Richardson	V.P./ Treasurer	IHC Realty Partnership, L.P.	Rate hearings and operations
Timothy Digby	Property & Operations General Manager	IHC Realty Partnership, L.P. (Indian River Plantation)	Rate hearings and operations
Terri Barnett	Controller	IHC Realty Partnership, L.P.	Utility accounting
Robert C. Nixon, CPA	Partner	Cronin, Jackson, Nixon & Wilson, CPA's. P.A.	Rate hearings
D. Bruce May (850 - 224 - 7000)	Attorney	Holland & Knight, P.A.	Rate hearings

- (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: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

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 began operations in September, 1976, under the name Indian River Plantation Company d/b/a Plantation Utilities. The purpose of the Company was to provide water and sewer utility service to the Indian River Plantation Resort Development.

On December 31, 1985, Indian River Plantation Company was purchased by the Radnor/Plantation Corporation. Since that time, the water and sewer operations were operated under the name Radnor/Plantation Corporation d/b/a Plantation Utilities.

In 1997 the Company, including the utility, was sold to IHC Realty Partnersip, L.P. which is currently operating all resort facilities and the utility. As of this filing date, the Company is also in the process of completing the certificate transfer process with the FPSC.

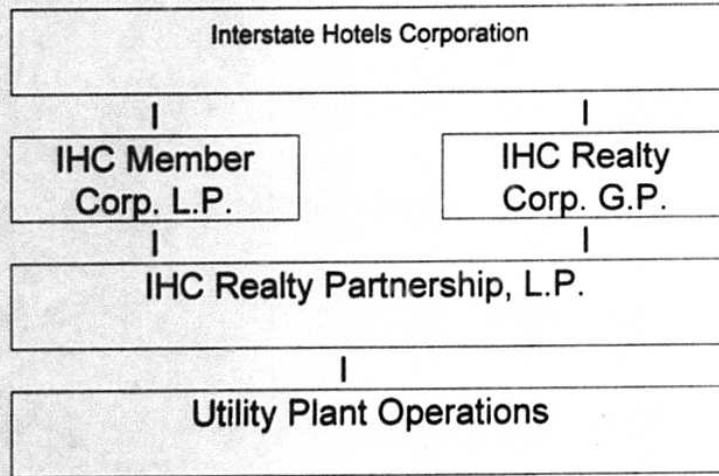
- (B) Water and sewer service
- (C) To provide adequate water and sewer service and provide a fair rate of return to the partnership
- (D) Water and sewer utilities, resort, marina and hotel and real estate development
- (E) Approximately six more connections will be added over the next three years to reach buildout
- (F) None

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

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).



UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

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)
W. Thomas Parrington, Jr.	President	2 %	\$ None
J. William Richardson	Vice President / Treasurer	2 % % % % % % % %	\$ 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)
N/A			\$ \$ \$ \$ \$ \$ \$ \$ \$

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

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: IHC Realty Partnership, L. P.

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)
N/A			

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

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: IHC Realty Partnership, L. P.

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)
IHC Realty Partnership, L.P.	Operations management, accounting & tax services, admin. overhead costs	1997	P	\$ 94,350

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: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

**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 _____	\$ 1,750	\$ 1,498
Construction Work In Progress _____		
Plant Acquisition Adjustment _____		
Plant Held For Future Use _____		
Materials and Supplies _____		
Less:		
Accumulated Depreciation and Accumulated Amortization _____	498	514
Contributions In Aid Of Construction (Net) _____	170	333
Net Book Cost _____	\$ 1,082	\$ 651
REVENUES AND EXPENSES (Intrastate Only)(000's Omitted):		
Operating Revenues _____	\$ 431	\$ 353
Depreciation and Amortization Expense _____	\$ 51	\$ 39
Income Tax Expense _____		
Taxes Other Than Income _____	55	43
Other Operating Expenses _____	219	206
Total Operating Expenses _____	\$ 325	\$ 288
Net Operating Income _____	\$ 106	\$ 65
Other Income _____	\$ 19	\$ 19
Other Income Deductions _____	64	64
Net Income _____	\$ 61	\$ 20
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average _____	33	33
Commercial - Yearly Average _____	99	80
Industrial - Yearly Average _____		
Others - Yearly Average _____		
Total _____	132	113
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons_(1) _____	432	611
Average Annual Residential Cost Per 1,000 Gallons_(1) _____	\$ 5.69	\$ 4.16
Average Residential Monthly Bill _____	\$ 16.84	\$ 9.92
Gross Plant Investment Per Customer _____	\$ 13,258	\$ 13,257

Note (1): Averages for all customers since data is not available for "Residential Only" customers

FINANCIAL

SECTION

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

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	\$ 3,247,304	\$ 3,019,157
108-110	Less: Accumulated Depreciation and Amortization	F-6	(1,011,750)	(905,422)
	Net Plant		2,235,554	2,113,735
114-115	Utility Plant Acquisition Adjustments (Net)	F-5		
	Other Plant Adjustments (specify)			
	Total Net Utility Plant		2,235,554	2,113,735
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-7	72,961	72,961
122	Less: Accumulated Depreciation and Amortization		(15,091)	(11,443)
	Net Nonutility Property		57,870	61,518
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		57,870	61,518
CURRENT AND ACCRUED ASSETS				
131	Cash		40,765	1,174
132	Special Deposits	F-7		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-9	34,368	61,624
145	Accounts Receivable from Associated Companies	F-10	8,064	
146	Notes Receivable from Associated Companies	F-10		
151	Materials and Supplies			
162	Prepayments	F-11		100
171	Accrued Interest and Dividends Receivable			
174	Misc. Current and Accrued Assets		8,510	
	Total Current and Accrued Assets		91,707	62,898

UTILITY NAME: IHC Realty Partnersh

YEAR OF REPORT
December 31, 1997

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	_____	_____
182	Extraordinary Property Losses _____	F-12	_____	_____
186	Misc. Deferred Debits _____	F-11	_____	_____
190	Accumulated Deferred Income Taxes _____		_____	_____
	Total Deferred Debits _____		_____	_____
	TOTAL ASSETS AND OTHER DEBITS _____		\$ 2,385,131	\$ 2,238,151

NOTES TO THE BALANCE SHEET

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

UTILITY NAME: IHC Realty Partnership, L. P.

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	_____	\$ _____
204	Preferred Stock Issued _____	F-14	_____	_____
211	Other Paid-in Capital _____		_____	_____
212	Discount on Capital Stock _____		_____	_____
213	Capital Stock Expense _____		_____	_____
214-215	Retained Earnings (Deficit) _____	F-15	_____	344,790
216	Reacquired Capital Stock _____		_____	_____
218	Proprietary Capital (Proprietorship and Partnership Only) _____		1,746,993	_____
	Total Equity Capital _____		1,746,993	344,790
LONG TERM DEBT				
221	Bonds _____	F-16	_____	_____
223	Advances from Associated Companies _____	F-16	_____	_____
224	Other Long Term Debt _____	F-14	_____	_____
	Total Long Term Debt _____		_____	_____
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable _____		33,611	9,234
232	Notes Payable _____	F-13	_____	_____
233	Accounts Payable to Associated Co. _____	F-13	66,750	31,800
234	Notes Payable to Associated Co. _____	F-13	_____	1,475,073
235	Customer Deposits _____		_____	_____
236	Accrued Taxes _____	F-17	35,325	32,344
237	Accrued Interest _____	F-18	_____	_____
238	Accrued Dividends _____		_____	_____
239	Matured Long Term Debt _____		_____	_____
240	Matured Interest _____		_____	_____
241	Miscellaneous Current and Accrued Liabilities _____	F-19	_____	_____
	Total Current and Accrued Liabilities _____		135,686	1,548,451

UTILITY NAME: IHC Realty Partnersh

YEAR OF REPORT
December 31, 1997

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 _____			_____
255	Accumulated Deferred Investment Tax Credits _____			_____
	Total Deferred Credits _____			_____
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	594,731	420,081
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(92,279)	(75,171)
	Total Net C.I.A.C. _____		502,452	344,910
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____			_____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____			_____
283	Accumulated Deferred Income Taxes - Other _____			_____
	Total Accum. Deferred Income Taxes _____			_____
	TOTAL EQUITY CAPITAL AND LIABILITIES _____		\$ 2,385,131	\$ 2,238,151

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

COMPARATIVE OPERATING INCOME

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues _____	\$ 718,751	F-3(b)	\$ 784,298
401	Operating Expenses _____	382,341	F-3(b)	425,148
403	Depreciation Expense _____	88,417	F-6/F-21	89,220
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____			
408.1	Taxes Other Than Income _____	79,553	F-17	98,193
409.1	Income Taxes _____		F-17	
410.10	Deferred Federal Income Taxes _____			
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 _____	550,311		612,561
	Utility Operating Income _____	168,440		171,737
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)] _____	168,440		171,737

COMPARATIVE OPERATING INCOME

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	SEWER (c)	OTHER (e)
W-3	\$ 431,303	S-3	\$ 352,995	\$ N/A
W-2	219,315	S-2	205,833	
F-6	50,708	F-6	38,512	
F-6		F-6		
F-17	54,875	F-17	43,318	
F-17		F-17		
	324,898		287,663	
	106,405		65,332	
	\$ 106,405		\$ 65,332	\$ N/A

UTILITY NAME: IHC Realty Partnership, L. P.

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)]	168,440		171,737
	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			
420	Allowance for Funds Used During Construction			
421	Nonutility Income	31,108		37,781
426	Miscellaneous Nonutility Expenses	(4,581)		(128,424)
	Total Other Income and Deductions	26,527		(90,643)
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income		F-17	
409.20	Income Taxes		F-17	
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
	Total Taxes Applicable to Other Income			
	INTEREST EXPENSE			
427	Interest Expense	130,590	F-18	
428	Amortization of Debt Discount & Expense		F-12	
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	130,590		
	EXTRAORDINARY ITEMS			
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	NET INCOME	\$ 64,377		\$ 81,094

UTILITY NAME: IHC Realty Partnership, L. P.

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	\$ 1,749,770	\$ 1,497,534
	Less:			
	Nonused and Useful Plant (1) _____			
108.1	Accumulated Depreciation _____	F-5	498,092	513,658
110.1	Accumulated Amortization _____	F-6		
271	Contributions in Aid of Construction _____	F-20	187,549	407,182
252	Advances for Construction _____	F-19		
	Subtotal _____		1,064,129	576,694
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	17,613	74,666
	Subtotal' _____		1,081,742	651,360
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5		
	Working Capital Allowance (3) _____		27,414	25,729
	Other (Specify): _____			

	RATE BASE _____		\$ 1,109,156	\$ 677,089
	UTILITY OPERATING INCOME _____		\$ 106,405	\$ 65,332
	ACHIEVED RATE OF RETURN _____		9.59 %	9.65 %

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.

YEAR OF REPORT
December 31, 1997

UTILITY NAME: IHC Realty Partnership, L. P.

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 _____	\$ 1,749,770	\$ 1,497,534	\$ N/A	\$ 3,247,304
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 _____	\$ 1,749,770	\$ 1,497,534	\$	\$ 3,247,304

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):				
N/A	\$	\$	\$	\$
Total Plant Acquisition Adjs. _____				
ACCUMULATED AMORTIZATION (115):				
N/A				
Total Accumulated Amortization _____				
Net Acquisition Adjustments _____	\$	\$	\$	\$

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year	\$ 443,978	\$ 461,444	\$ N/A	\$ 905,422
Credits during year:				
Accruals charged:				
to Account 108	54,114	52,214		106,328
Accruals charged other accounts (specify)				
Salvage				
Other Credits (specify)				
Total credits	54,114	52,214		106,328
Debits during year:				
Book cost of plant retired				
Cost of removal				
Other debits (specify)				
Total debits				
Balance end of year	\$ 498,092	\$ 513,658	\$ N/A	\$ 1,011,750

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: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

INVESTMENTS AND SPECIAL FUNDS (ACCTS. 123 - 127)

Report hereunder all investments and special funds carried in Accounts 123 thru 127.		
DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123): <div style="text-align: center;">N/A</div> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> Total Investment In Associated Companies _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____
UTILITY INVESTMENTS (ACCT. 124): <div style="text-align: center;">N/A</div> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> Total Utility Investments _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____
OTHER INVESTMENTS (ACCT. 125): <div style="text-align: center;">N/A</div> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> Total Other Investments _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____
SPECIAL FUNDS (ACCTS. 126 & 127) <div style="text-align: center;">N/A</div> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> Total Special Funds _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____

UTILITY NAME: IHC Realty Partnership, L. P.

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 Combined _____	\$ 34,368
Sewer _____	
Other _____	
Total Customer Accounts Receivable _____	34,368
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
N/A _____	\$ _____

Total Other Accounts Receivable _____	
NOTES RECEIVABLE (Acct. 144):	
N/A _____	\$ _____

Total Notes Receivable _____	
Total Accounts and Notes Receivable _____	34,368
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 _____	\$ 34,368

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
A/R - Related Company	\$ 8,064
Total -----	\$ 8,064

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
N/A		\$
Total -----		\$

UTILITY NAME: IHC Realty Partnership, L. P. _____

PREPAYMENTS (ACCT. 162)

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

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) _____	_____
_____	_____
Total Miscellaneous Deferred Debits _____	\$ NONE

UTILITY NAME: IHC Realty Partnership, L. P.

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):		
N/A	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense _____	\$ _____	\$ _____
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: IHC Realty Partnership, L. P.

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:					
<u>N/A</u>			%		\$ _____
_____			%		_____
_____			%		_____
_____			%		_____
_____			%		_____
Total Account 232 _____					\$ _____
ACCOUNT 234 - NOTES PAYABLE TO ASSOCIATED COMPANILS:					
<u>N/A</u>			%		\$ _____
_____			%		_____
_____			%		_____
_____			%		_____
_____			%		_____
Total Account 234 _____					\$ _____

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
IHC Realty Partnership, L.P. - Parent Corporation (management & accounting services)	\$ 66,750
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total _____	\$ 66,750

UTILITY NAME: IHC Realty Partnership, L. P.

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 _____	\$ 344,790
	Changes to account:	
439	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits: IHC Realty Partnership, L.P. purchased the utility from Radnor/ Plantation Utilities excluding any debt and net equity balances.	(344,790)
	Total Credits _____	(344,790)
	Debits: _____	
	Total Debits _____	
435	Balance transferred from Income _____	
436	Appropriations of Retained Earnings:	

	Total appropriations of Retained Earnings _____	
	Dividends declared:	
437	Preferred stock dividends declared _____	
438	Common stock dividends declared _____	
	Total Dividends Declared _____	
	Balance end of year _____	
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	

	Total Appropriated Retained Earnings _____	
	Total Retained Earnings _____	\$ None

Notes to Statement of Retained Earnings:

UTILITY NAME: IHC Realty Partnership, L. P.

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	-----

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

ACCRUED TAXES (ACCT. 236)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year _____	\$ 17,661	\$ 14,683	\$ N/A	\$ 32,344
	Accruals Charged:				
408.10	Utility Regulatory Assessment Fees _____	19,409	15,885		35,294
408.11	Property Taxes _____	19,261	11,227		30,488
408.12	Payroll Taxes _____	14,346	14,347		28,693
408.13	Other Taxes & Licenses _____	1,859	1,859		3,718
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 _____	54,875	43,318		98,193
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment Fees _____	17,661	14,683		32,344
408.11	Property Taxes _____	19,261	11,227		30,488
408.12	Payroll Taxes _____	14,330	14,332		28,662
408.13	Other Taxes & Licenses _____	1,859	1,859		3,718
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 _____	53,111	42,101		95,212
	Balance End of Year _____	\$ 19,425	\$ 15,900	\$ N/A	\$ 35,325

UTILITY NAME: IHC Realty Partnership, L. P.

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: N/A	\$ _____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Account No. 237.1	_____	_____	_____	_____	NONE
ACCOUNT NO. 237.2 - ACCRUED INTEREST ON OTHER LIABILITIES: N/A	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Account 237.2	_____	_____	_____	_____	_____
Total Account 237	\$ _____	_____	\$ _____	\$ _____	\$ NONE

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: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCT. 241)

DESCRIPTION (a)	BALANCE END OF YEAR (b)
N/A	\$
Total Miscellaneous Current and Accrued Liabilities _____	\$ _____

ADVANCES FOR CONSTRUCTION (ACCT. 252)

NAME OF PAYOR (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
N/A	\$		\$	\$	\$
Total _____	\$ _____		\$ _____	\$ _____	\$ _____

UTILITY NAME: IHC Realty Partnership, L. P.

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)
N/A		\$ _____	\$ _____	\$ _____
Total Credits _____		\$ _____	\$ _____	\$ _____

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 _____	\$ 14,207	\$ 60,964	\$ N/A	\$ 75,171
Debits during year:				
Accruals charged to Account 272 _____	3,406	13,702		17,108
Other debits (specify): _____				
Total debits _____	3,406	13,702		17,108
Credits during year (specify): _____				
Total Credits _____				
Balance end of year _____	\$ 17,613	\$ 74,666	\$ N/A	\$ 92,279

UTILITY NAME: IHC Realty Partnership, L. P.

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 _____		\$ N/A
Reconciling items for the year:		
Taxable income not reported on the books:		

Deductions recorded on books not deducted for return:		

Income recorded on books not deducted for return:		

Deduction on return not charged against book income:		

Federal tax net income _____		\$ N/A
Computation of tax:		
The Company is an operating division of IHC Realty Partnership L.P. ; therefore, this schedule is not applicable.		

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

YEAR OF REPORT December 31, 1997
--

UTILITY NAME: IHC Realty Partnership, L. P.

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	\$ N/A	%		%

- (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: <u>8.21</u> %
Commission order approving AFUDC rate: <u>20853</u>

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

UTILITY NAME: IHC Realty Partnership, L. P.

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

YEAR OF REPORT
December 31, 1997

UTILITY NAME: IHC Realty Partnership, L. P.

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
301	Organization	\$ 790	\$ 18,025	\$
302	Franchises			
303	Land and Land Rights	164,510		
304	Structure and Improvements	539,054		
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	42,590		
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	69,353		
320	Water Treatment Equipment	381,383		
330	Distribution Reservoirs and Standpipes	94,797		
331	Transmission and Distribution Mains	168,384	63,381	
333	Services	22,285	27,041	
334	Meters and Meter Installations	44,667	185	
335	Hydrants	7,800		
339	Other Plant and Miscellaneous Equipment	90,688	4,788	
340	Office Furniture and Equipment	2,622		
340	Computer Equipment	2,809		
341	Transportation Equipment	938		
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	184		
344	Laboratory Equipment	984		
345	Power Operated Equipment	420		
346	Communication Equipment			
347	Miscellaneous Equipment	1,495		
348	Other Tangible Plant	597		
	Total Water Plant	\$ 1,636,350	\$ 113,420	\$

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

WATER UTILITY PLANT MATRIX

CURRENT YEAR (f)	.1 INTANGIBLE PLANT (g)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (h)	.3 WATER TREATMENT PLANT (i)	.4 TRANSMISSION AND DISTRIBUTION PLANT (j)	.5 GENERAL PLANT (k)
\$ 18,815	\$ 18,815				
164,510		\$	\$ 164,510	\$	\$
539,054			539,054		
42,590					
		42,590			
69,353					
381,383		69,353			
94,797			381,383		
231,765				94,797	
49,326				231,765	
44,852				49,326	
7,800				44,852	
				7,800	
95,476				95,476	
2,622					2,622
2,809					2,809
938					938
184					184
984					984
420					420
1,495					1,495
597					597
\$ 1,749,770	\$ 18,815	\$ 111,943	\$ 1,084,947	\$ 524,016	\$ 10,049

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 81,619	\$	\$
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits			
610	Purchased Water			
615	Purchased Power	38,039		
616	Fuel for Power Purchased			
618	Chemicals	21,222		
620	Materials and Supplies	6,137		
631	Contractual Services - Engineering			
632	Contractual Services - Accounting	2,807		
633	Contractual Services - Legal			
634	Contractual Services - Management Fees	41,025		
635	Contractual Services - Other	2,491		
641	Rental of Building/Real Property			
642	Rental of Equipment	87		
650	Transportation Expense	794		
656	Insurance - Vehicle			
657	Insurance - General Liability	9,253		
658	Insurance - Workmens Compensation	1,908		
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Expenses Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	13,933		
	Total Water Utility Expenses	\$ 219,315	\$	\$

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ 81,619	\$	\$	\$	\$	\$
38,039					
21,222					
	6,137				
					2,807
2,491					41,025
87					
794					
					9,253
					1,908
8,914	4,835				184
\$ 153,166	\$ 10,972	\$	\$	\$	\$ 55,177

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
460	Unmetered Water Revenue -----			\$ -----
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers -----	33	33	6,668
461.2	Metered Sales to Commercial Customers -----	96	101	424,635
461.3	Metered Sales to Construction Customers -----			
461.4	Metered Sales to Public Authorities -----			
461.5	Metered Sales to Multiple Family Dwellings -----			
	Total Metered Sales -----	129	134	431,303
	Fire Protection Revenue:			
462.1	Public Fire Protection -----			
462.2	Private Fire Protection -----			
	Total Fire Protection Revenue -----			
464	Other Sales to Public Authorities -----			
465	Sales to Irrigation Customers -----			
466	Sales for Resale -----			
467	Interdepartmental Sales -----			
	Totals -----	129	134	431,303
	Other Water Revenues:			
469	Guarenteed Revenues -----			
470	Forfeited Discounts -----			
471	Miscellaneous Service Revenues -----			
472	Rents From Water Property -----			
473	Interdepartmental Rents -----			
474	Other Water Revenues -----			
	Total Other Water Revenues -----			
	Total Water Operating Revenues -----			\$ 431,303

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

BASIS FOR WATER 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)
301	Organization -----	40	%	2.50 %
302	Franchises -----		%	%
304	Structure and Improvements -----	33	%	3.03 %
305	Collecting and Impounding Reservoirs -----		%	%
306	Lake, River and Other Intakes -----		%	%
307	Wells and Springs -----	30	%	3.33 %
308	Infiltration Galleries and Tunnels -----		%	%
309	Supply Mains -----		%	%
310	Power Generation Equipment -----		%	%
311	Pumping Equipment -----	20	%	5.00 %
320	Water Treatment Equipment -----	22	%	4.55 %
330	Distribution Reservoirs and Standpipes -----	37	%	2.70 %
331	Transmission and Distribution Mains -----	43	%	2.33 %
333	Services -----	40	%	2.50 %
334	Meters and Meter Installations -----	20	%	5.00 %
335	Hydrants -----	45	%	2.22 %
339	Other Plant and Miscellaneous Equipment (Fire Mains) -----	25	%	4.00 %
340	Office Furniture and Equipment -----	15	%	6.67 %
340	Computer Equipment -----	6	%	16.67 %
341	Transportation Equipment -----	6	%	16.67 %
342	Stores Equipment -----		%	%
343	Tools, Shop and Garage Equipment -----	16	%	6.25 %
344	Laboratory Equipment -----	15	%	6.67 %
345	Power Operated Equipment -----	6	%	16.67 %
346	Communication Equipment -----		%	%
347	Miscellaneous Equipment -----	15	%	6.67 %
348	Other Tangible Plant -----	15	%	6.67 %
	Water 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: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ 172	\$ 245	\$	\$ 245
302	Franchises				
304	Structure and Improvements	128,977	16,335		16,335
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	7,648	1,420		1,420
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	37,161	3,478		3,478
320	Water Treatment Equipment	132,566	17,336		17,336
330	Distribution Reservoirs and Standpipes	43,603	2,562		2,562
331	Transmission and Distribution Mains	39,583	4,654		4,654
333	Services	2,874	895		895
334	Meters and Meter Installations	15,177	2,228		2,228
335	Hydrants	1,383	173		173
339	Other Plant and Miscellaneous Equipment	30,446	3,724		3,724
340	Office Furniture and Equipment	1,561	175		175
340	Computer Equipment	647	468		468
341	Transportation Equipment	234	156		156
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	184	12		12
344	Laboratory Equipment	444	66		66
345	Power Operated Equipment	46	47		47
346	Communication Equipment				
347	Miscellaneous Equipment	1,072	100		100
348	Other Tangible Plant	200	40		40
	Total Depreciable Water Plant In Service	\$ 443,978	\$ 54,114	\$	\$ 54,114

* Specify nature of transaction.

ANALYSIS OF ENTRIES IN WATER 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)
\$	\$	\$	\$	\$	\$ 417
					145,312
					9,068
					40,639
					149,902
					46,165
					44,237
					3,769
					17,405
					1,556
					34,170
					1,736
					1,115
					390
					196
					510
					93
					1,172
					240
\$	\$	\$	\$	\$	\$ 498,092

YEAR OF REPORT
December 31, 1997

UTILITY NAME: IHC Realty Partnership, L. P.
SYSTEM NAME: Same

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		5,963	250	5,713	5,462
February		6,673		6,673	6,215
March		7,743	250	7,493	7,157
April		6,647		6,647	6,021
May		4,582	250	4,332	4,098
June		4,365		4,365	3,266
July		4,935	250	4,685	4,598
August		4,810		4,810	4,512
September		4,120	250	3,870	3,374
October		4,779		4,779	3,879
November		5,182	250	4,932	4,355
December		5,017		5,017	4,114
Total for year		64,816	1,500	63,316	57,051

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

UTILITY NAME: IHC Realty Partnership, L. P.
SYSTEM NAME: Same

WATER TREATMENT PLANT INFORMATION

Type of treatment (reverse osmosis, etc.): Reverse Osmosis
Methods used (sedimentation, chemical, aerated, etc.): Chemical pretreatment

LIME TREATMENT

Unit rating (GPM): N/A Manufacturer: N/A

FILTRATION

Type and area: Pressure - Square Feet: 200 PSI/450 FT²
 Gravity - GPM/Square Feet: _____

MAINS

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (in inches)	MAINS BEGINNING OF YEAR (in feet)	ADDITIONS	RETIREMENTS	MAINS END OF YEAR (in feet)
PVC	12"	1,200			1,200
PVC	8"	6,547			6,547
PVC	6"	10,697			10,697
Ductile	8"	220			220
PVC	4"	20			20
Total feet of mains		18,684			18,684

SERVICES AND METERS

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	61			61
1"	15			15
1 1/2"	22			22
2"	23			23
3"	8			8
4"		5		5
6"				
8"				
Other (Specify): _____				
Total meters in service	129	5		134
Total meters in stock		20		20
Number of services in use	129	5		134

UTILITY NAME: IHC Realty Partnership, L. P.
 SYSTEM NAME: Same

YEAR OF REPORT
December 31, 1997

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1978	1978		
Types of Well Construction and Casing _____	Rotary	Rotary		
Depth of Wells _____	1,000'	1,000'		
Diameters of Wells _____	8"	8"		
Pump - GPM _____	420gpm@120'	420gpm@120'		
Motor - HP _____	20 HP	20 HP		
Yeilds of Wells in GPD _____	Standby	403,200		
Auxiliary Power _____	Diesel	Diesel		

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete, or pneumatic) _____	Prestressed Concrete	Steel		
Capacity of Tank _____	400,000	20,000		
Ground or Elevated _____	Ground	Ground		
	16'5" height	10' height		

HIGH SERVICE PUMPING

MOTORS (a)	(b)	(c)	(d)	(e)
Manufacturer _____	Peerless	Peerless	Peerless	Peerless
Type _____	Turbine	Turbine	Turbine	Turbine
Rated Horsepower _____	15 HP	15 HP	15 HP	15 HP
PUMPS				
Manufacturer _____	Peerless	Peerless	Peerless	Peerless
Type _____	Vertical Turbine	Vertical Turbine	Vertical Turbine	Vertical Turbine
Capacity in GPM _____	250	250	250	250
Average Number of Hours Operated Per Day _____	3.3 Peak	3.3 Peak	3.3 Peak	3.3 Peak
Auxiliary Power _____	Diesel Generator	Diesel Generator	Diesel Generator	Diesel Generator

UTILITY NAME: IHC Realty Partnership, L. P.
SYSTEM NAME: Same

SOURCE OF SUPPLY

List for each source of supply:			
Gallons per day of source _____	484,800	_____	_____
Type of source _____	Floridian aquifer	Wells	_____
	1,000"		

WATER TREATMENT FACILITIES

List for each water treatment facility:			
Type _____	Reverse Osmosis Permutit - Hydropro mfg.	_____	_____
Make _____	Dow Hollow Fiber - Low pressure membrane	_____	_____
Gallons per day capacity _____	400,000 gallons per day design	_____	_____
Method of measurement _____	Electric & remote	_____	_____

OTHER WATER SYSTEM INFORMATION

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

- Present ERC's * that system can efficiently serve. 447
- Estimated annual increase in ERC's * . None - 1 connection remaining
- List fire fighting facilities and capacities. 3 high service pumps @ 250 gallons per minute
- List percent of certificate area where service connection are installed (total for each county). 99 %
- What is the current need for system upgrading and/or expansion? Assessment ongoing for retrofit of existing reverse osmosis units for modification and not for expansion
- What are plans for future upgrading and/or expansion? See No. 5 above
- Have questions 6 and 7 been discussed with an engineer (if so, state name and address)? CPH / Von Whitmer
- Have questions 6 and 7 been discussed with appropriate state sanitary engineering office? CPH / Von Whitmer

* ERC = (Total Gallons Sold / 365 Days) / 350 Gallons Per Day

UTILITY NAME: IHC Realty Partnership, L. P.
SYSTEM NAME: Same

CALCULON OF THE WATER 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	61	61
3/4"	Displacement	1.5		
1"	Displacement	2.5	15	38
1 1/2"	Displacement or Turbine	5.0	22	110
2"	Displacement, Compound or Turbine	8.0	23	184
3"	Displacement	15.0		
3"	Compound	16.0	8	128
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0	5	150
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 Water System Meter Equivalents -----				671

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{57,050,661}{\text{(total gallons sold)}} / 365 \text{ days} \right) / 350 \text{ gpd} = 447$$

**SEWER
OPERATION
SECTION**

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

SEWER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
351	Organization	\$ 790	\$ 18,024	\$
352	Franchises			
353	Land and Land Rights	165,091		
354	Structure and Improvements	476,728	30	
360	Collection Sewers - Force	88,907	2,527	
361	Collection Sewers - Gravity	109,940	39,112	
362	Special Collecting Structures			
363	Services to Customers	3,835	4,368	
364	Flow Measuring Devices	3,066		
365	Flow Measuring Installations			
370	Receiving Wells			
371	Pumping Equipment	19,166	8,953	
380	Treatment and Disposal Equipment	338,532	2,573	
381	Plant Sewers	33,318		
382	Outfall Sewer Lines			
389	Other Plant and Miscellaneous Equipment	134,060	39,140	
390	Office Furniture and Equipment	2,534		
390	Computer Equipment	934		
391	Transportation Equipment	938		
392	Stores Equipment			
393	Tools, Shop and Garage Equipment	1,066		
394	Laboratory Equipment	3,769		
395	Power Operated Equipment			
396	Communication Equipment			
397	Miscellaneous Equipment	133		
398	Other Tangible Plant			
	Total Sewer Plant	\$ 1,382,807	\$ 114,727	\$

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

SEWER UTILITY PLANT MATRIX

CURRENT YEAR (f)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 GENERAL PLANT (k)
\$ 18,814	\$ 18,814				
165,091		\$	\$	\$ 165,091	\$
476,758				476,758	
91,434		91,434			
149,052		149,052			
8,203		8,203			
3,066		3,066			
28,119			28,119		
341,105				341,105	
33,318				33,318	
173,200				173,200	
2,534					2,534
934					934
938					938
1,066					1,066
3,769					3,769
133					133
\$ 1,497,534	\$ 18,814	\$ 251,755	\$ 28,119	\$ 1,189,472	\$ 9,374

UTILITY NAME: IHC Realty Partnership, L. P.

SEWER UTILITY EXPENSE ACCOUNTS

SEWER EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	SEWER EXPENSE ACCOUNT MATRIX	
			.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 COLLECTION EXPENSES - MAINTENANCE (e)
701	Salaries and Wages - Employees	\$ 81,119	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders			
704	Employee Pensions and Benefits			
710	Purchased Sewage Treatment			
711	Sludge Removal Expense	5,040		
715	Purchased Power	12,272		
716	Fuel for Power Purchased			
718	Chemicals	3,897		
720	Materials and Supplies	6,138		
731	Contractual Services - Engineering			
732	Contractual Services - Accounting	2,807		
733	Contractual Services - Legal			
734	Contractual Services - Management Fees	60,525		
735	Contractual Services - Other	5,235		
741	Rental of Building/Real Property			
742	Rental of Equipment	266		
750	Transportation Expense	795		
756	Insurance - Vehicle			
757	Insurance - General Liability	9,254		
758	Insurance - Workmens Compensation	1,908		
759	Insurance - Other			
760	Advertising Expense			
766	Regulatory Commission Expenses - Amortization of Rate Case Expense			
767	Regulatory Commission Expenses Other			
770	Bad Debt Expense			
775	Miscellaneous Expenses	16,577		
	Total Sewer Utility Expenses	\$ 205,833	\$	\$

SEWER EXPENSE ACCOUNT MATRIX

.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 Treatment & DISPOSAL EXPENSES - OPERATIONS (h)	.6 Treatment & DISPOSAL EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ _____	\$ _____	\$ 81,119	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
12,272	_____	5,040	_____	_____	_____
_____	_____	3,897	_____	_____	_____
_____	_____	6,138	_____	_____	_____
_____	_____	_____	_____	_____	2,807
_____	_____	_____	_____	_____	_____
_____	_____	5,235	_____	_____	60,525
_____	_____	_____	_____	_____	_____
266	_____	795	_____	_____	_____
_____	_____	_____	_____	_____	9,254
_____	_____	_____	_____	_____	1,908
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	4,733	11,659	_____	185
\$ 12,538	\$ _____	\$ 106,957	\$ 11,659	\$ _____	\$ 74,679

UTILITY NAME: IHC Realty Partnership, L. P.

SEWER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
	Flat 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 Flat Rate Revenues _____			_____
	Measured Revenues:			
522.1	Residential Revenues _____	33	33	3,928
522.2	Commercial Revenues _____	77	82	349,067
522.3	Industrial Revenues _____			_____
522.4	Revenues From Public Authorities _____			_____
522.5	Multiple Family Dwelling Revenues _____			_____
	Total Measured Revenues _____	110	115	352,995
523	Revenues From Public Authorities _____			_____
524	Revenues From Other Systems _____			_____
525	Interdepartmental Revenues _____			_____
	Totals _____	110	115	352,995
	Other Sewer Revenues:			
530	Guarenteed Revenues _____			_____
531	Sale of Sludge _____			_____
532	Forfeited Discounts _____			_____
534	Rents From Sewer Property _____			_____
535	Interdepartmental Rents _____			_____
536	Other Sewer Revenues _____			_____
	Total Other Sewer Revenues _____			_____
	Total Sewer Operating Revenues _____			\$ 352,995

UTILITY NAME: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

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	40	%	2.50 %
364	Flow Measuring Devices	38	%	2.63 %
365	Flow Measuring Installations		%	%
370	Receiving Wells		%	%
371	Pumping Equipment	18	%	5.56 %
380	Treatment and Disposal Equipment	18	%	5.56 %
381	Plant Sewers	35	%	2.86 %
382	Outfall Sewer Lines		%	%
389	Other Plant and Miscellaneous Equipment	18	%	5.56 %
390	Office Furniture and Equipment	15	%	6.67 %
390	Computer Equipment	6	%	16.67 %
391	Transportation Equipment	6	%	16.67 %
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment	16	%	6.25 %
394	Laboratory Equipment	15	%	6.67 %
395	Power Operated Equipment	6	%	16.67 %
396	Communication Equipment		%	%
397	Miscellaneous Equipment	15	%	6.67 %
398	Other Tangible Plant	15	%	6.67 %
	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: IHC Realty Partnership, L. P.

YEAR OF REPORT
December 31, 1997

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	\$ 313	\$ 245	\$	\$ 245
352	Franchises				
354	Structure and Improvements	126,171	14,898		14,898
360	Collection Sewers - Force	34,081	3,006		3,006
361	Collection Sewers - Gravity	31,521	2,877		2,877
362	Special Collecting Structures				
363	Services to Customers	531	158		158
364	Flow Measuring Devices	3,649	613		613
365	Flow Measuring Installations				
370	Receiving Wells				
371	Pumping Equipment	3,619	1,314		1,314
380	Treatment and Disposal Equipment	205,859	18,807		18,807
381	Plant Sewers	6,572	952		952
382	Outfall Sewer Lines				
389	Other Plant and Miscellaneous Equipment	45,647	8,536		8,536
390	Office Furniture and Equipment	1,590	169		169
390	Computer Equipment	(448)	156		156
391	Transportation Equipment	234	156		156
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	419	67		67
394	Laboratory Equipment	1,615	251		251
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	71	9		9
398	Other Tangible Plant				
	Total Depreciable Sewer Plant In Service	\$ 461,444	\$ 52,214	\$	\$ 52,214

* 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)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 558
_____	_____	_____	_____	_____	141,069
_____	_____	_____	_____	_____	37,087
_____	_____	_____	_____	_____	34,398
_____	_____	_____	_____	_____	689
_____	_____	_____	_____	_____	4,262
_____	_____	_____	_____	_____	4,933
_____	_____	_____	_____	_____	224,666
_____	_____	_____	_____	_____	7,524
_____	_____	_____	_____	_____	54,183
_____	_____	_____	_____	_____	1,759
_____	_____	_____	_____	_____	(292)
_____	_____	_____	_____	_____	390
_____	_____	_____	_____	_____	486
_____	_____	_____	_____	_____	1,866
_____	_____	_____	_____	_____	80
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 513,658

UTILITY NAME: IHC Realty Partnership, L. P.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

PUMPING EQUIPMENT

	#1	#2	#3	#4	#5	#6
Lift station number _____	R.O. Plant	Store	Hotel	River Village	Fairway Villas	River Bend
Make or type and nameplate data of pump _____	Peabody Barnes 45EH302	Peabody Barnes HSE 101	ABS AF40-4U-4	PER/EMU FA104-180	Hydromatic 53HRC	Peabody Barnes 36E203
Year installed _____						
Rated capacity_ (GPM) _____	400gpm@37tdh	406gpm/25tdh	102gpm/40tdh	60gpm/30tdh	125gpm/30tdh	275gpm/25tdh
Size _____						
Power:						
Electric _____	X	X	X	X	X	X
Mechanical _____						
Nameplate data of motor _____	4.5 HP 230V/30A	1 HP 230V/10A	5.4 HP 230V/208V 30A	5.4 HP 230V/30A	2 HP 230V/10A	2 HP 230V/10A

	#7	#8	#9	#10	#11	#12
Lift station number _____	Inlet Village	Club Villas	Porch	Triangle	Plantation House	P.B.C
Make or type and nameplate data of pump _____	Htdromatic SPGF500	ABS AF-22-4-3	Hydromatic SK100	Hydromatic SK100	Peabody Barnes 45EH502	Hydromatic SK100
Year installed _____						
Rated capacity_ (GPM) _____	25gpm/27tdh	35gpm/43tdh	40gpm/30tdh	40gpm/30tdh	200GPM/55tdh	125gpm/12tdh
Size _____						
Power:						
Electric _____	X	X	X	X	X	X
Mechanical _____						
Nameplate data of motor _____	5 HP 230V/30A	3 HP 208V/30A	1 HP 200V/10A	1 HP 200V/10A	7.5 HP 208V/10A	1 HP 208V/30A

SERVICE CONNECTIONS

Size (inches) _____	6"					
Type (PVC, VCP, etc) _____	PVC					
Average length _____	30'					
Number of active service connections _____	115					
Beginning of year _____	110					
Added during year _____	5					
Retired during year _____						
End of year _____	115					
Give full particulars concerning inactive connections _____	None					

UTILITY NAME: IHC Realty Partnership, L. P.
SYSTEM NAME: Same

COLLECTING MAINS

COLLECTING MAINS:						
Size (inches) _____	8"	6"	8"	4"	8"	
Type of main _____	PVC	PVC	DIP	PVC	DIP	
Length of main (nearest foot):						
Beginning of year _____	4,958	1,085	300	50	51	
Added during year _____						
Retired during year _____						
End of year _____	4,958	1,085	300	50	51	
MANHOLES:						
Size (inches) _____	4'					
Type _____	STD					
Number:						
Beginning of year _____	59					
Added during year _____						
Retired during year _____						
End of year _____	59					

FORCE MAINS

FORCE MAINS:						
Size (inches) _____	2"	2 1/2"	3"	4"		
Type of main _____	PVC	PVC	PVC	PVC		
Length of main (nearest foot):						
Beginning of year _____	500	875	920	1,695		
Added during year _____						
Retired during year _____						
End of year _____	500	875	920	1,695		

YEAR OF REPORT
December 31, 1997

UTILITY NAME: IHC Realty Partnership, L. P.
SYSTEM NAME: Same

TREATMENT PLANT

Manufacturer _____	Marolf	_____	_____
Type _____	Tertiary with filters	_____	_____
"Steel" or "Concrete" _____	Concrete	_____	_____
Total Capacity _____	300,000 GPD	_____	_____
Average Daily Flow _____	189,255	_____	_____
Effluent Disposal _____	Evaporation/Spray Irrigation	_____	_____
Total Gallons of Sewage Treated _____	69,078,000	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	Peabody Barnes	_____	_____	_____	_____	_____
Ca (GPM) _____	200gpm/371dh	_____	_____	_____	_____	_____
Motor: Mfr. _____	Peabody/Barnes	_____	_____	_____	_____	_____
Horsepower _____	4.5	_____	_____	_____	_____	_____
Power (Electric or Mechanical) _____	Electric	_____	_____	_____	_____	_____

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. 688
- Estimated annual increase in ERC's * . None - 1 connection remaining
- List permit numbers required by Chapter 14-17, Rules of the Department of Environmental Regulation (DER) for systems in operation. GMS 5143 POOL3
- State any plans and estimated completion dates for any enlargements of this system. None
- 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? N/A
 - Do they concur? _____
 - When will construction begin? _____
- In what percent of your certificated area have service connections been installed? 99 %

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

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

UTILITY NAME: IHC Realty Partnership, L. P.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

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		
3/4"	Displacement	1.5	44	66
1"	Displacement	2.5	15	38
1 1/2"	Displacement or Turbine	5.0	22	110
2"	Displacement, Compound or Turbine	8.0	21	168
3"	Displacement	15.0		
3"	Compound	16.0	8	128
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0	5	150
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 -----				660

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{69,078,000}{\text{(total gallons treated)}} \right) / 365 \text{ days} / 275 \text{ gpd} = \underline{688}$$