

CLASS "A" OR "B"

WATER and/or WASTEWATER UTILITIES (Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

d/b/a

WS786-04-AR *Lake Haven Utility Assoc., Ltd*
Lake Wales Utility Company
P. O. Box 9076
Lakeshore, FL 33854-9076

590-W / 508-S

Certificate Numbers

Submitted To The

STATE OF FLORIDA



05 MAR 21 11:10:33
REGISTRATION DIVISION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2004

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

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March 1, 2005

To the Partners
Lake Wales Utility Company, Ltd.

We have compiled the 2004 Annual Report of Lake Wales Utility Company, Ltd. 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 Lake Wales Utility Company, Ltd. 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

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	Business Contracts With Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers and Directors	E-8
Directory of Personnel Who Contact the FPSC	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 - Part I and II	E-10
Parent / Affiliate Organization Chart	E-5		
Compensation of Officers & Directors	E-6		
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Unamortized Debt Discount / Expense / Premium	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Extraordinary Property Losses	F-13
Comparative Operating Statement	F-3	Miscellaneous Deferred Debits	F-14
Schedule of Year End Rate Base	F-4	Capital Stock	F-15
Schedule of Year End Capital Structure	F-5	Bonds	F-15
Capital Structure Adjustments	F-6	Statement of Retained Earnings	F-16
Utility Plant	F-7	Advances From Associated Companies	F-17
Utility Plant Acquisition Adjustments	F-7	Long Term Debt	F-17
Accumulated Depreciation	F-8	Notes Payable	F-18
Accumulated Amortization	F-8	Accounts Payable to Associated Companies	F-18
Regulatory Commission Expense - Amortization of Rate Case Expense		Accrued Interest and Expense	F-19
Nonutility Property	F-9	Misc. Current and Accrued Liabilities	F-20
Special Deposits	F-9	Advances for Construction	F-21
Investments and Special Funds	F-10	Other Deferred Credits	F-21
Accounts and Notes Receivable - Net	F-11	Contributions In Aid Of Construction	F-22
Accounts Receivable From Associated Companies	F-12	Accum. Amortization of C.I.A.C.	F-23
Notes Receivable From Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income For Federal Income Taxes	F-23
Miscellaneous Current and Accrued Assets	F-12		

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
WATER OPERATION SECTION			
Listing of Water System Groups	W-1	CIAC Additions / Amortization	W-8
Schedule of Year End Water Rate Base	W-2	Water Operating Revenue	W-9
Water Operating Statement	W-3	Water Utility Expense Accounts	W-10
Water Utility Plant Accounts	W-4	Pumping and Purchased Water, Source Supply	W-11
Basis for Water Depreciation Charges	W-5	Water Treatment Plant Information	W-12
Analysis of Entries in Water Depreciation Reserve	W-6	Calculation of ERC's	W-13
Contributions in Aid of Construction	W-7	Other Water System Information	W-14
WASTEWATER OPERATION SECTION			
Listing of Wastewater System Groups	S-1	Contributions in Aid of Construction	S-7
Schedule of Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Operating Revenue	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Utility Expense Accounts	S-10
Analysis of Entries in Wastewater Depreciation Reserve	S-5	Calculation of ERC's	S-11
Basis for Wastewater Depreciation Charges	S-6	Wastewater Treatment Plant Information	S-12
		Other Wastewater System Information	S-13

EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT December 31, 2004

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) *

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

 (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

YEAR OF REPORT December 31, 2004

Lake Wales Utility Company
 (Exact Name of Utility)

County: Polk

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

P. O. Box 9076
 Lake Shore, Fl. 33854-9076

Telephone: (863) 696-1128

e-Mail Address: 1wuco@gte.net

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

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

Robert C. Nixon, CPA
 Cronin, Jackson, Nixon & Wilson, CPA's, PA
 2560 Gulf-to-Bay Blvd, Suite 200
 Clearwater, Florida 34625

Telephone: (727) 791-4020

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

W. Leisure Lane
 Nalcrest, Fl. 33856

Telephone: (863) 696-1128

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: October, 1, 1974

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. Mark Rubin	39.850 %
2. Bradley W. Schwartz	15.437 %
3. Rotchford & Julie Barker	5.142 %
4. Richard Dooley	9.285 %
5. Charles Digiovanna	10.285 %
6. Robert Andrews	9.285 %
7. Roger & Sheryl Griffin	5.142 %

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT December 31, 2004
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**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
David K. Pearce	General Manager	Lake Wales Utility Company, LTD.	Manager of utility operation
Mark Rubin	Partner	Mark Rubin, attorney	Legal matters
Robert C. Nixon (727) 791-4020	CPA	Cronin Jackson, Nixon & Wilson, CPA's, PA	Regulatory and accounting 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: Lake Wales Utility Company

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 established in 1962 to provide water and wastewater services to the retirement communities of Fedhaven, Nalcrest, Village Green, Walden Shores and Granada.

B. Water and wastewater service only

C. The Company's goal is to provide a fair return on investment to its partners while providing quality water and wastewater treatment service to its customers

C. The Utility provides water and wastewater treatment services only

D. Projected growth is estimated to be minimal

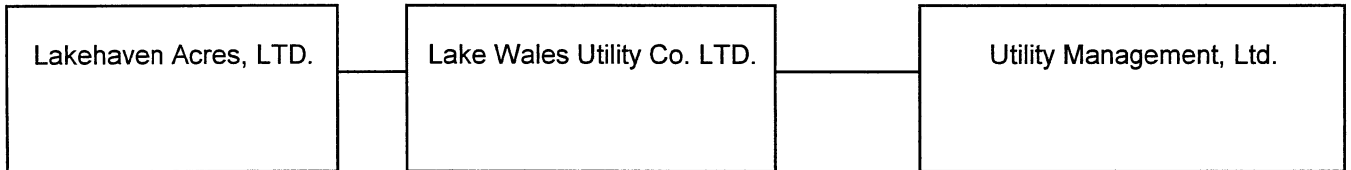
E. There were no material transactions having a material effect on operations during the current year.

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT
December 31, 2004

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/04

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).



Note: All partnerships related by a common ownership entity

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT December 31, 2004
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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)
N/A		% % % % % % % % % %	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as an director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
N/A			\$ \$ \$ \$ \$ \$ \$ \$ \$ \$

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT December 31, 2004
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BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, and 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: Lake Wales Utility Company

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principal 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)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
None			

UTILITY NAME: Lake Wales Utility Company

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: Lake Wales Utility Company

YEAR OF REPORT December 31, 2004
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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)
Lakehaven Acres, LTD.	Rent - land usage for limited access spray field	January 1, 2001	P	\$ 27,420
Utility Management, LTD.	Management services	May 16, 1994	P	28,080

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT December 31, 2004
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

- | | |
|--|---|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> - 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. | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (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		\$	\$	\$	\$

FINANCIAL SECTION

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 1,217,435	\$ 1,217,234
108-110	Less: Accumulated Depreciation and Amortization	F-8	(1,063,960)	(1,026,899)
Net Plant			153,475	190,335
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			153,475	190,335
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments				
CURRENT AND ACCRUED ASSETS				
131	Cash		14,755	3,391
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	9,085	18,926
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			23,840	22,317

* Not Applicable for Class B Utilities

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-13		
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14		
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
	Total Deferred Debits			
	TOTAL ASSETS AND OTHER DEBITS		\$ 177,315	\$ 212,652

* Not Applicable for Class B Utilities

<p><u>NOTES TO THE BALANCE SHEET</u></p> <p>The space below is provided for important notes regarding the balance sheet.</p>

UTILITY NAME: Lake Wales Utility Company

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-15	\$ -	\$ -
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital			
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16		
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)		25,191	78,477
Total Equity Capital			<u>25,191</u>	<u>78,477</u>
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	15,725	29,134
Total Long Term Debt			<u>15,725</u>	<u>29,134</u>
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		52,674	41,451
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18	30,540	2,790
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits			
236	Accrued Taxes		14,877	30,287
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20		
Total Current and Accrued Liabilities			<u>98,091</u>	<u>74,528</u>

* Not Applicable for Class B Utilities

UTILITY NAME: Lake Wales Utility Company

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-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits	F-21		
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-22	421,788	412,007
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(383,480)	(381,494)
Total Net C.I.A.C.			38,308	30,513
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			\$ 177,315	\$ 212,652

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 346,015	\$ 354,311
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			346,015	354,311
401	Operating Expenses	F-3(b)	318,885	341,260
403	Depreciation Expense	F-3(b)	39,902	37,061
	Less: Amortization of CIAC	F-22	(17,367)	(2,471)
Net Depreciation Expense			22,535	34,590
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	34,915	42,948
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			376,335	418,798
Net Utility Operating Income			(30,320)	(64,487)
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			(30,320)	(64,487)

* For each account, column e should agree with columns f, g + h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 139,784 N/A	\$ 214,527	N/A
139,784	214,527	-
135,517	205,743	
6,394 (2,335)	30,667 (136)	
4,059	30,531	-
21,390	21,558	
160,966	257,832	
(21,182)	(43,305)	
(21,182)	(43,305)	N/A

* Total of Schedules W-3/S-3 for all rate groups

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ (30,320)	\$ (64,487)
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			
421	Miscellaneous Nonutility Revenue			12,605
426	Miscellaneous Nonutility Expenses		(349)	(1,878)
Total Other Income and Deductions			(349)	10,727
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income			
409.20	Income Taxes			
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	F-19	1,859	1,811
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			1,859	1,811
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(32,528)	(55,571)

Explain Extraordinary Income:

UTILITY NAME: Lake Wales Utility Company

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 485,221	\$ 732,214
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(441,132)	(622,828)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(235,425)	(186,363)
252	Advances for Construction	F-20		
Subtotal			(191,336)	(76,977)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	202,868	180,612
Subtotal			11,532	103,635
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		16,940	25,718
	Other (Specify):		-	-
RATE BASE			\$ 28,472	\$ 129,353
NET UTILITY OPERATING INCOME			\$ (21,182)	\$ (43,305)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	-- %

NOTES:

- (1) Estimated if not known.
 - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
 - (3) Calculation consistent with last rate proceeding.
- In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ 25,191	61.57 %	8.930 %	5.50 %
Preferred Stock		%	-	%
Long Term Debt	15,725	38.43 %	6.800 %	2.61 %
Customer Deposits		%	-	%
Tax Credits - Zero Cost		%	-	%
Tax Credits - Weighted Cost		%	-	%
Deferred Income Taxes		%	-	%
Other (Explain)		%	-	%
		%	%	%
Total	\$ 40,916	100.00 %		8.11 %

(1) If the Utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	<u>8.93</u> %
Commission order approving Return on Equity:	<u>PSC-99-1742-PAA-WS</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate:	<u>None</u> %
Commission order approving AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

UTILITY NAME: Lake Wales Utility Company

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 SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (g)
Common Equity	\$ 25,191	-	\$ -	\$ -	-	\$ 25,191
Preferred Stock	-					-
Long Term Debt	15,725					15,725
Customer Deposits						
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Income Taxes						
Other (Explain):						
Total	\$ 40,916	\$ -	\$ -	\$ -	\$ -	\$ 40,916

(1) Explain below all adjustments made in Columns (e) and (f)

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 485,221	\$ 732,214	N/A	\$ 1,217,435
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		\$ 485,221	\$ 732,214	N/A	\$ 1,217,435

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	N/A	N/A	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
Total Plant Acquisition Adjustment		\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization			\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
Total Accumulated Amortization		\$ -	\$ -	\$ -	\$ -
Total Acquisition Adjustments		\$ -	\$ -	\$ -	\$ -

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 434,739	\$ 592,160	N/A	\$ 1,026,899
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	6,394	30,667		37,061
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				

Salvage				
Other Credits (specify) :				

Total credits	6,394	30,667		37,061
Debits during year:				
Book cost of plant retired	-	-		
Cost of removal				
Other debits (specify)				
Rounding	(1)	1		

Total debits	(1)	1		
Balance end of year	\$ 441,132	\$ 622,828	N/A	\$ 1,063,960

ACCUMULATED AMORTIZATION Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				

to Account 110.2 (2)				
Other Accounts (specify):				

Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				

Total debits				
Balance end of year	N/A	N/A	N/A	N/A

(1) Account 108 for Class B utilities.
(2) Not applicable for Class B utilities.
(3) Account 110 for Class B utilities.

**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCTS. 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT
December 31, 2004

INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123-127

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): N/A	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
Total Utility Investments		\$ -
OTHER INVESTMENTS (Account 125): N/A	\$ -	\$ -
Total Other Investments		\$ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
Total Special Funds		\$ -

ACCOUNTS AND NOTES RECEIVABLE - NET

ACCOUNTS 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)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 9,085	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 9,085
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
	\$ -	
Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		9,085
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
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		\$ 9,085

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ -
Total	\$ -

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
None	\$ -
Total	\$ -

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT December 31, 2004

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
 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 (Account 181):		
N/A	\$ -	\$ -
Total Unamortized Debt Discount and Expense		
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
Total Unamortized Premium on Debt	\$ -	\$ -

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$ -
Total Extraordinary Property Losses	\$ -

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	\$ -
Total Deferred Rate Case Expense	NONE	NONE
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): None	\$ -	\$ -
Total Other Deferred Debits	NONE	NONE
REGULATORY ASSETS (Class A Utilities: Account 186.3): None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	NONE	NONE

UTILITY NAME: Lake Wales Utility Company

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share	\$ -	\$ -
Shares authorized		-
Shares issued and outstanding		-
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None
PREFERRED STOCK		
Par or stated value per share	\$ -	\$ -
Shares authorized		-
Shares issued and outstanding		-
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

* Account 204 not applicable for Class B utilities

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

* For variable rate obligations, provide the basis for the rate. (I.e.. Prime + 2%, etc)

UTILITY NAME: Lake Wales Utility Company

STATEMENT OF RETAINED EARNINGS

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- 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	N/A
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	_____
	Total Credits	_____
	Debits: _____	_____
	Total Debits	_____
435	Balance transferred from Income	_____
436	Appropriations of Retained Earnings: _____	_____
	Total appropriations of Retained Earnings	_____
437	Dividends declared: Preferred stock dividends declared _____	_____
438	Common stock dividends declared _____	_____
	Total Dividends Declared	_____
	Year end Balance	-
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	_____
	Total Retained Earnings	_____

Notes to Statement of Retained Earnings:
The Company is a Partnership; therefore , this schedule is not applicable

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT December 31, 2004
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**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

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

**OTHER LONG TERM DEBT
ACCOUNT 224**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
John Deere - 7/03 through 6/06	9.87 %	F	\$ 5,814
Colonial Bank - 12/00 through 12/05	5.00 %	F	9,911
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 15,725

* For variable rate obligations, provide the basis for the rate. (I.e.. Prime + 2%, etc)

UTILITY NAME: Lake Wales Utility Company

YEAR OF REPORT
December 31, 2004

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			

* For variable rate obligations, provide the basis for the rate. (i.e.. Prime +2%, etc)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Utility Management, Ltd. - management fees & rent of wastewater sprayfield	\$ 30,540
Total	\$ 30,540

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

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					
John Deere	\$ -		\$ 768	\$ 768	\$ -
Colonial Bank	-		820	820	
Total Account No. 237.1	-		1,588	1,588	-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
RAF Interest			223	223	-
Total Account 237.2	-		223	223	
Total Account 237 (1)	\$ -		\$ 1,811	\$ 1,811	\$ -
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 1,811		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 1,811		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest
(2) Must agree to F-3(c), Current Year Interest Expense

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241**

DESCRIPTION (a)	BALANCE END OF YEAR (b)
None	
Total Miscellaneous Current and Accrued Liabilities	\$ _____ -

**ADVANCES FOR CONSTRUCTION
ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None			\$ -	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total	\$ _____ -		\$ _____ -	\$ _____ -	\$ _____ -

* Report advances separately by reporting group, designating water or wastewater in column (a)

OTHER DEFERRED CREDITS
ACCOUNT 253

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1) N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Regulatory Liabilities	\$ -	\$ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2) N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Deferred Liabilities	\$ -	\$ -
TOTAL OTHER DEFERRED CREDITS	\$ -	\$ -

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 231,530	\$ 180,477	N/A	\$ 412,007
Add credits during year:	3,895	5,886		9,781
Less debits charged during				-
Total Contributions In Aid of Construction	\$ 235,425	\$ 186,363	\$ -	\$ 421,788

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	\$ 200,533	\$ 180,961	N/A	\$ 381,494
Debits during year:	2,335	136		2,471
Credits during year (specify): Adjustment to correct prior- year over amortization		485		485
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 202,868	\$ 180,612		\$ 383,480

**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	<u>F-3(c)</u>	<u>N/A</u>
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 included in return:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal tax net income		\$ _____ -
Computation of tax:		
The Company is taxed as a Partnership; therefore, this Schedule is not applicable		

**WATER
OPERATION
SECTION**

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 485,221
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(441,132)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(235,425)
252	Advances for Construction	F-20	
	Subtotal		(191,336)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	202,868
	Subtotal		11,532
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		16,940
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		\$ 28,472
	UTILITY OPERATING INCOME	W-3	\$ (21,182)
ACHIEVED RATE OF RETURN (Water Operating Income/Water Rate Base)			-- %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
 (2) Include only those Acquisition Adjustments that have been approved by the Commission.
 (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	W-9	139,784
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		<u>139,784</u>
401	Operating Expenses	W-10(a)	135,517
403	Depreciation Expense	W-6(a)	6,394
	Less: Amortization of CIAC	W-8(a)	(2,335)
	Net Depreciation Expense		4,059
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		6,306
408.11	Property Taxes		1,078
408.12	Payroll Taxes		3,586
408.13	Other Taxes & Licenses		10,420
408	Total Taxes Other Than Income		21,390
409.1	Income Taxes	F-16	
410.10	Deferred Federal Income Taxes		
410.11	Deferred State 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		<u>160,966</u>
	Utility Operating Income (Loss)		<u>(21,182)</u>
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	-
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income (Loss)		<u>\$ (21,182)</u>

UTILITY NAME: Lake Wales Utility Company
SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises				
303	Land and Land Rights	14,473			14,473
304	Structure and Improvements	2,856			2,856
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	120,725			120,725
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	30,832			30,832
320	Water Treatment Equipment	4,096			4,096
330	Distribution Reservoirs and Standpipes	90,577			90,577
331	Transmission and Distribution Mains	147,138			147,138
333	Services				
334	Meters and Meter Installations	6,554			6,554
335	Hydrants	8,026			8,026
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment				
340	Office Furniture and Equipment	4,702			4,702
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	1,322			1,322
344	Laboratory Equipment	875			875
345	Power Operated Equipment	52,939			52,939
346	Communication Equipment				
347	Miscellaneous Equipment	106			106
348	Other Tangible Plant				
	TOTAL WATER PLANT	\$ 485,221	\$ -	\$ -	\$ 485,221

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

W-4(a)
GROUP 1

UTILITY NAME: Lake Wales Utility Company
SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization		\$ -				
302	Franchises						
303	Land and Land Rights	14,473					14,473
304	Structure and Improvements	2,856			2,856		
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	120,725		120,725			
308	Infiltration Galleries and Tunnels						
309	Supply Main Lake Wales Utility Comp						
310	Power Generation Equipment						
311	Pumping Equipment	30,832		30,832			
320	Water Treatment Equipment	4,096			4,096		
330	Distribution Reservoirs and Standpipes	90,577				90,577	
331	Transmission and Distribution Mains	147,138				147,138	
333	Services						
334	Meters and Meter Installations	6,554				6,554	
335	Hydrants	8,026				8,026	
336	Backflow Prevention Devices						
339	Other Plant / Miscellaneous Equipment						
340	Office Furniture and Equipment	4,702					4,702
341	Transportation Equipment						
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	1,322					1,322
344	Laboratory Equipment	875					875
345	Power Operated Equipment	52,939					52,939
346	Communication Equipment						
347	Miscellaneous Equipment						
348	Other Tangible Plant	106					106
	TOTAL WATER PLANT	\$ 485,221	\$ -	\$ 151,557	\$ 6,952	\$ 252,295	\$ 74,417

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
 December 31, 2004

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 (e)
301	Organization			
302	Franchises			
304	Structure and Improvements	33.00		3.03
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30.00		3.33
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	20.00		5.00
320	Water Treatment Equipment	22.00		4.55
330	Distribution Reservoirs and Standpipes	37.00		2.70
331	Transmission and Distribution Mains	43.00		2.33
333	Services			
334	Meters and Meter Installations	20.00		5.00
335	Hydrants	45.00		2.22
336	Backflow Prevention Devices			
339	Other Plant / Miscellaneous Equipment			
340	Office Furniture and Equipment	15.00		6.67
341	Transportation Equipment			
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	15.00		6.67
344	Laboratory Equipment	15.00		6.67
345	Power Operated Equipment	12.00		8.33
346	Communication Equipment			
347	Miscellaneous Equipment	15.00		6.67
348	Other Tangible Plant			
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: Lake Wales Utility Company
SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

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	\$ -	\$ -	\$ -	\$ -
302	Franchises				
304	Structure and Improvements	2,856			
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	120,725			
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	30,832			
320	Water Treatment Equipment	1,476	186		1,662
330	Distribution Reservoirs and Standpipes	90,577			
331	Transmission and Distribution	146,070	1,068		1,214
333	Services				
334	Meters and Meter Installations	3,766	327		4,093
335	Hydrants	8,026			
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment				
340	Office Furniture and Equipment	2,725	249		2,974
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	217	88		305
344	Laboratory Equipment	145	59		204
345	Power Operated Equipment	27,306	4,410	(1)	31,715
346	Communication Equipment				
347	Miscellaneous Equipment	18	7		25
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 434,739	\$ 6,394	\$ (1)	\$ 6,393

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

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
 December 31, 2004

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i+j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	\$ -
302	Franchises					
304	Structure and Improvements					2,856
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					120,725
308	Infiltration Galleries and Tunnels					
309	Supply Mains					
310	Power Generation Equipment					
311	Pumping Equipment					30,832
320	Water Treatment Equipment					1,662
330	Distribution Reservoirs and Standpipes					90,577
331	Transmission and Distribution					147,138
333	Services					
334	Meters and Meter Installations					4,093
335	Hydrants					8,026
336	Backflow Prevention Devices					
339	Other Plant / Miscellaneous Equipment					
340	Office Furniture and Equipment					2,974
341	Transportation Equipment					
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					305
344	Laboratory Equipment					204
345	Power Operated Equipment					31,715
346	Communication Equipment					
347	Miscellaneous Equipment					25
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	441,132

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

**CONTRIBUTIONS IN AID OF CONSTRUCTION
 ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance First of Year		\$ 231,530
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	W-8(a)	3,895
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	
Total Credits		3,895
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 235,425

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all Debits charged to Account 271 during the year below:

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

WATER CIAC 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)	AMOUNT (d)
Connection fees: Various rates per water	1	455	\$ 455
CIAC tariff	8	430	3,440
			-
			-
Total Credits			\$ 3,895

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 200,533
Debits during year:	
Accruals charged to Account	2,335
Other Debits (specify):	
Total debits	2,335
Credits during year (specify):	
Total credits	
Balance end of year	\$ 202,868

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT December 31, 2004

WATER CIAC SCHEDULE "B"
ADDITIONS TO CONTRIBUTION 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)
N/A		
Total Credits		<u>N/A</u>

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
460	Water Sales: Unmetered Water Revenue			
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	121	131	\$ 111,450
461.2	Metered Sales to Commercial Customers	32	32	28,334
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings			
	Total Metered Sales	153	163	139,784
462.1	Fire Protection Revenue: 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			
	Total Water Sales	153	163	139,784
469	Other Water Revenues: Guaranteed 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			\$ 139,784

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

WATER UTILITY EXPENSE ACCOUNTS

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	\$ 53,886	\$ 2,240	\$ 941
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits	8,481	100	278
610	Purchased Water			
615	Purchased Power	10,604	3,347	
616	Fuel for Power Production			
618	Chemicals	656	49	
620	Materials and Supplies	4,383		60
631	Contractual Services - Engineering			
632	Contractual Services - Accounting	1,978		
633	Contractual Services - Legal			
634	Contractual Services - Mgt. Fees	10,390		
635	Contractual Services - Testing	1,891		
636	Contractual Services - Other	21,011		8,487
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	9,973	492	481
656	Insurance - Vehicle	1,319		
657	Insurance - General Liability	4,084		
658	Insurance - Workmens Comp.			
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	6,861	82	183
Total Water Utility Expenses		\$ 135,517	\$ 6,310	\$ 10,430

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

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 ADMIN. & GENERAL EXPENSES (k)
\$ 24,290	\$ 10,430	\$ 1,953	\$ -	\$ 192	\$ 13,840
6,692	559	100			752
2,916		4,341			
502	105				
2,902	793	183		111	334
					1,978
					10,390
1,095	415	288			93
316	9,883	1,000		125	1,200
5,745	2,088	472	695		
878		441			
3,675			358		51
1,338		147	256	93	4,762
\$ 50,349	\$ 24,273	\$ 8,925	\$ 1,309	\$ 521	\$ 33,400

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		3,999		3,999	3,685
February		3,673		3,673	3,390
March		3,969		3,969	3,730
April		3,851		3,851	3,491
May		3,521		3,521	3,488
June		2,769		2,769	2,791
July		3,202		3,202	3,230
August		2,393		2,393	2,057
September		2,438		2,438	2,464
October		3,761		3,761	3,509
November		4,466		4,466	4,246
December		4,613		4,613	3,695
Total for year	N/A	42,655	N/A	42,655	39,776

If water is purchased for resale, indicate the following:

Vendor N/A

Point of deliver N/A

If Water is sold to other water utilities for redistribution, list names of such utilities below:

N/A

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Deep Well	500,000	118,600	Ground

UTILITY NAME: Lake Wales Utility Company
SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>240,000 gpd</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Control Room</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc):	<u>Aeration & Chlorination</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u> Manufacturer <u>N/A</u>
FILTRATION	
Type and size of area:	
Pressure (in square feet):	<u>N/A</u> Manufacturer <u>N/A</u>
Gravity (in GPM/square feet):	<u>N/A</u> Manufacturer <u>N/A</u>

CALCULATION 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)
All Residential		1.0	131	131
5/8"	Displacement	1.0	18	18
3/4"	Displacement	1.5		
1"	Displacement	2.5	9	23
1 1/2"	Displacement or Turbine	5.0	2	10
2"	Displacement, Compound or Turbine	8.0	2	16
3"	Displacement	15.0		
3"	Compound	16.0	1	16
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 Water System Meter Equivalents				214

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC Calculation:

$$\begin{array}{r}
 ERC = \quad 39,776 \text{ gallons, divided by} \\
 \quad \quad 125 \text{ gallons per day} \\
 \quad \quad \underline{365 \text{ days}} \\
 \quad \quad \underline{871.8} \text{ ERC's}
 \end{array}$$

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.	
1. Present ERC's * that system can efficiently serve.	<u>872</u>
2. Maximum number of ERC's * which can be served.	<u>1,020</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>1,020</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>1,020</u>
5. Estimated annual increase in ERC's *.	<u>Minimal - Service area is essentially built-out</u>
6. Is the utility required to have fire flow capacity? If so, how much capacity is required?	<u>No</u>
7. Attach a description of the fire fighting facilities.	<u>Volunteer fire station @ Lakeshore & Nalcrest; 18 Fire Hydrants</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u></u>
9. When did the company last file a capacity analysis report with the DEP?	<u>June 1998</u>
10. If the present system does not meet the requirements of DEP rules:	<u>System in Compliance</u>
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	<u>N/A</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction be _____	<u>N/A</u>
d. Attach plans for funding the required upgrading.	<u>N/A</u>
e. Is this system under any Consent Order of the DEP?	<u>N/A</u>
11. Department of Environmental Protection ID #	<u>3531008</u>
12. Water Management District Consumptive Use Permit #	<u>53-00030-W</u>
a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

* An ERC is determined based on the calculation on the bottom of Page W-13

**WASTEWATER
OPERATION
SECTION**

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 732,214
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	<u>(622,828)</u>
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	<u>(186,363)</u>
252	Advances for Construction	F-20	
	Subtotal		<u>(76,977)</u>
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	180,612
	Subtotal		<u>103,635</u>
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		<u>25,718</u>
	Other (Specify): Completed Construction not Classified		<u>-</u>
	WASTEWATER RATE BASE		<u>\$ 129,353</u>
	UTILITY OPERATING INCOME	S-3	<u>\$ (43,305)</u>
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		<u>--</u> %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	S-9	\$ 214,527
530	Less: Guaranteed Revenue and AFPI	S-9	
	Net Operating Revenues		214,527
401	Operating Expenses	S-10(a)	205,743
403	Depreciation Expense	S-6(a)	30,667
	Less: Amortization of CIAC	S-8(a)	(136)
	Net Depreciation Expense		30,531
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		9,667
408.11	Property Taxes		5,819
408.12	Payroll Taxes		5,972
408.13	Other Taxes & Licenses		100
408	Total Taxes Other Than Income		21,558
409.1	Income Taxes	F-16	
410.10	Deferred Federal Income Taxes		
410.11	Deferred State 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		257,832
	Utility Operating Income (Loss)		(43,305)
530	Add Back: Guaranteed Revenue (and AFPI)		
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income (Loss)		\$ (43,305)

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
 December 31, 2004

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization		\$ -	\$ -	\$ -
352	Franchises				
353	Land and Land Rights	34,247			34,247
354	Structure and Improvements	43,056			43,056
355	Power Generation Equipment				
360	Collection Sewers - Force	58,987			58,987
361	Collection Sewers - Gravity	98,615			98,615
362	Special Collecting Structures	(12,116)			(12,116)
363	Services to Customers	27,809			27,809
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	1,051			1,051
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	29,901			29,901
381	Plant Sewers	408,495			408,495
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	2,646			2,646
390	Office Furniture & Equipment	8,026	201		8,227
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	297			297
394	Laboratory Equipment	950			950
395	Power Operated Equipment	29,401			29,401
396	Communication Equipment				
397	Miscellaneous Equipment	648			648
398	Other Tangible Plant				
	Total Wastewater Plant	\$ 732,013	\$ 201	\$ -	\$ 732,214

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.
 Note (1): Rounding

S-4(a)
 GROUP 1

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
 December 31, 2004

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ -						
352	Franchises							
353	Land and Land Rights							
354	Structure and Improvements							
355	Power Generation Equipment							
360	Collection Sewers - Force							
361	Collection Sewers - Gravity		58,987					
362	Special Collecting Structures		98,615					
363	Services to Customers		(12,116)					
364	Flow Measuring Devices		27,809					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells							
371	Pumping Equipment			1,051				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment & Disposal Equipment				408,495		29,901	
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant / Miscellaneous Equipme							8,227
390	Office Furniture & Equipment							297
391	Transportation Equipment							950
392	Stores Equipment							29,401
393	Tools, Shop and Garage Equipment							648
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Total Wastewater Plant	\$ -	\$ 173,295	\$ 1,051	\$ 411,141	\$ 77,303	\$ 29,901	\$ 39,523

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

S-4(b)
 GROUP 1

BASIS FOR WASTEWATER 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 (e)
351	Organization		%	%
352	Franchises		%	%
354	Structure and Improvements	32	%	3.13 %
355	Power Generation Equipment		%	%
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		%	%
366	Reuse Services		%	%
367	Reuse Meters and Meter Installations		%	%
370	Receiving Wells		%	%
371	Pumping Equipment	18	%	5.56 %
374	Reuse Distribution Reservoirs		%	%
375	Reuse Transmission and Distribution System	43	%	2.33 %
380	Treatment & Disposal Equipment	18	%	5.56 %
381	Plant Sewers		%	%
382	Outfall Sewer Lines		%	%
389	Other Plant / Miscellaneous Equipment	18	%	5.56 %
390	Office Furniture & Equipment	15	%	6.67 %
391	Transportation Equipment		%	%
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment	15	%	6.67 %
394	Laboratory Equipment	15	%	6.67 %
395	Power Operated Equipment	12	%	8.33 %
396	Communication Equipment		%	%
397	Miscellaneous Equipment	15	%	6.67 %
398	Other Tangible Plant		%	%
Wastewater 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: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
 December 31, 2004

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	\$ -	\$ -	-	\$ -
352	Franchises				
354	Structure and Improvements	30,230	1,347		1,347
355	Power Generation Equipment				
360	Collection Sewers - Force	58,987	-		
361	Collection Sewers - Gravity	80,873	1,921		1,921
362	Special Collecting Structures				
363	Services to Customers	26,655	732		732
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	389	59		59
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System	2,435	696		696
380	Treatment & Disposal Equipment	370,970	22,713		22,713
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	368	147		147
390	Office Furniture & Equipment	5,712	477		477
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	30	20		20
394	Laboratory Equipment	683	63	1	64
395	Power Operated Equipment	14,243	2,449		2,449
396	Communication Equipment				
397	Miscellaneous Equipment	585	43		43
398	Other Tangible Plant				
Total Depreciable Wastewater Plant in Service		\$ 592,160	\$ 30,667	\$ 1	\$ 30,668

* Specify nature of transaction.
 Use () to denote reversal entries.
 Note: Other Credits (Column (e)) to correct rounding

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	
352	Franchises					31,577
354	Structure and Improvements					
355	Power Generation Equipment					58,987
360	Collection Sewers - Force					82,794
361	Collection Sewers - Gravity					
362	Special Collecting Structures					
363	Services to Customers					27,387
364	Flow Measuring Devices					
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					448
374	Reuse Distribution Reservoirs					
375	Reuse Transmission and Distribution System					3,131
380	Treatment & Disposal Equipment					393,683
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant / Miscellaneous Equipment					515
390	Office Furniture & Equipment					6,189
391	Transportation Equipment					
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					50
394	Laboratory Equipment					747
395	Power Operated Equipment					16,692
396	Communication Equipment					
397	Miscellaneous Equipment					628
398	Other Tangible Plant					
	Total Depreciable Wastewater Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ 622,828

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT December 31, 2004

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (b)
Balance First of Year		\$ 180,477
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	S-8(a)	5,886
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	
Total Credits		5,886
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 186,363

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all Debits charged to Account 271 during the year below:

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

WASTEWATER CIAC 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)	AMOUNT (d)
Connection fees - Various rates per	1	769	\$ 769
CIAC tariff	7	731	5,117
			-
			-
Total Credits			\$ 5,886

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 180,961
Debits during year:	
Accruals charged to Account	136
Other Debits (specify):	
Rounding	
Total debits	136
Credits during year (specify):	
Adjustment to correct prior year over amortization	485
Total credits	485
Balance end of year	\$ 180,612

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

WASTEWATER CIAC SCHEDULE "B"
ADDITIONS TO CONTRIBUTION 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)	WASTEWATER (c)
None		\$ -
Total Credits		\$ -

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
WASTEWATER SALES				
	Flat Rate Revenues:			
521.1	Residential Revenues	121	131	\$ 188,125
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues			
521.6	Other Revenues			
521	Total Flat Rate Revenues	<u>121</u>	<u>131</u>	<u>188,125</u>
	Measured Revenues:			
522.1	Residential Revenues			
522.2	Commercial Revenues	32	32	26,402
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)			
522	Total Measured Revenues	<u>153</u>	<u>163</u>	<u>26,402</u>
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	<u>153</u>	<u>163</u>	<u>\$ 214,527</u>
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ -
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			
	Total Other Wastewater Revenues			<u>\$ -</u>

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues			\$ -
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
541.1	Measured Reuse Revenues: Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 214,527

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 68,739	\$ 2,659	\$ 1,008	\$ 401	\$ 377	\$ 32,092	\$ 17,027
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits	13,182	332	473	44	113	9,894	761
710	Purchased Sewage Treatment							
711	Sludge Removal Expense							
715	Purchased Power	18,028	130		1,482		13,547	
716	Fuel for Power Production							
718	Chemicals	2,155	84				1,408	663
720	Materials and Supplies	5,434		125	575	363	2,624	770
731	Contractual Services - Engineering							
732	Contractual Services - Accounting	1,041						
733	Contractual Services - Legal							
734	Contractual Services - Mgt. Fees	17,690						
735	Contractual Services - Testing	9,778				225	2,664	295
736	Contractual Services - Other	8,720				5,350	537	2,386
741	Rental of Building/Real Property	27,420						
742	Rental of Equipment							
750	Transportation Expense	14,883	456	586	670	480	9,220	2,162
756	Insurance - Vehicle	2,300		54	1,495		751	
757	Insurance - General Liability	6,859					4,419	1,220
758	Insurance - Workmens Comp.							
759	Insurance - Other							
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	9,514	140	98	373		987	111
	Total Wastewater Utility Expenses	\$ 205,743	\$ 3,801	\$ 2,344	\$ 5,040	\$ 6,908	\$ 78,143	\$ 25,395

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION OPERATIONS EXPENSES (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salaries and Wages - Employees	\$ -	\$ 14,441	\$ 406	\$ 328	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders						
704	Employee Pensions and Benefits	170	1,395				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power					2,869	
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies		824			153	
731	Contractual Services - Engineering						
732	Contractual Services - Accounting		1,041				
733	Contractual Services - Legal						
734	Contractual Services - Mgt. Fees		17,690				
735	Contractual Services - Testing		628	1,853		2,383	1,730
736	Contractual Services - Other		207		240		
741	Rental of Building/Real Property					27,420	
742	Rental of Equipment						
750	Transportation Expense	101	24	725		459	
756	Insurance - Vehicle						
757	Insurance - General Liability	1,220					
758	Insurance - Workmens Comp.						
759	Insurance - Other						
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses	41	4,911		59		2,794
	Total Wastewater Utility Expenses	\$ 1,532	\$ 41,161	\$ 2,984	\$ 627	\$ 33,284	\$ 4,524

S-10(b)
 GROUP 1

CALCULATION OF THE WASTEWATER 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)
All Residential		1.0	131	131
5/8"	Displacement	1.0	18	18
3/4"	Displacement	1.5		
1"	Displacement	2.5	9	23
1 1/2"	Displacement or Turbine	5.0	2	10
2"	Displacement, Compound or Turbine	8.0	2	16
3"	Displacement	15.0		
3"	Compound	16.0	1	16
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 Wastewater System Meter Equivalents				214

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non-residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per

NOTE: Total gallons treated includes both treated and purchased treatment

ERC Calculation:	(<u>44,289,000</u>	/ 365 days) / 125 gpd =	<u>971</u>
		(total gallons treated)		

UTILITY NAME: Lake Wales Utility Company
 SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

WASTEWATER TREATMENT PLANT INFORMATION
 Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	200,000		
Basis of Permit Capacity (1)	Avg Daily Flow		
Manufacturer	Walker Process		
Type (2)	Contact Stabilization		
Hydraulic Capacity	500,000		
Average Daily Flow	121,340		
Total Gallons of Wastewater Treated	44,289,000		
Method of Effluent Disposal	Limited access Spray field		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
 (i.e. average annual daily flow, etc)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Lake Wales Utility Company
SYSTEM NAME / COUNTY: Lake Wales Utility Company / Polk

YEAR OF REPORT
December 31, 2004

OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * that system can efficiently serve.	<u>971</u>
2. Maximum number of ERC's * which can be served.	<u>1,020</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>1,020</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>1,020</u>
5. Estimated annual increase in ERC's	<u>Minimal - Service area is essentially built-out.</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u></u>
7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.	<u>Lakehaven Utility Associates , LTD (limited access spray field)</u>
8. If the utility does not engage in reuse, has a reuse feasibility study been completed?	<u>N/A</u>
If so, when?	<u>N/A</u>
9. Has the utility been required by the DEP or water management district to implement reuse?	<u>No</u>
If so, what are the utility's plans to comply with the DE	<u>N/A</u>
10. When did the company last file a capacity analysis report with the DEP?	<u>December 2004</u>
11. If the present system does not meet the requirements of DEP rules:	
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	<u>N/A</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction begin?	<u>N/A</u>
d. Attach plans for funding the required upgrading.	<u>N/A</u>
e. Is this system under any Consent Order of the DEP?	<u>N/A</u>
11. Department of Environmental Protection ID #	<u>FLA110434-002-dwzp</u>

* An ERC is determined based on the calculation on the bottom of Page S-11

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class A & B**

Company: LakeWales Utility Company, Ltd.

For the Year Ended December 31, 2004

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. W-9	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	-	-	\$ -
Total Metered Sales (461.1 - 461.5)	\$ 139,784	\$ 139,784	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	-	-	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	-	-	-
Total Water Operating Revenue	\$ 139,784	\$ 139,784	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 139,784	\$ 139,784	\$ -

Explanations:

Instructions:

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

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B**

Company: LakeWales Utility Company, Ltd.

For the Year Ended December 31, 2004

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate Revenues (521.1 - 521.6)	-	-	\$ -
Total Measured Revenues (522.1 - 522.5)	\$ 214,527	\$ 214,527	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	-	-	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
Total Wastewater Operating Revenue	\$ 214,527	\$ 214,527	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 214,527	\$ 214,527	\$ -

Explanations:

Instructions:

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