

CLASS "C"

WATER and/or SEWER UTILITIES

(Gross Revenue of Less Than \$150,000 Each)

ANNUAL REPORT

WU589

WU 35

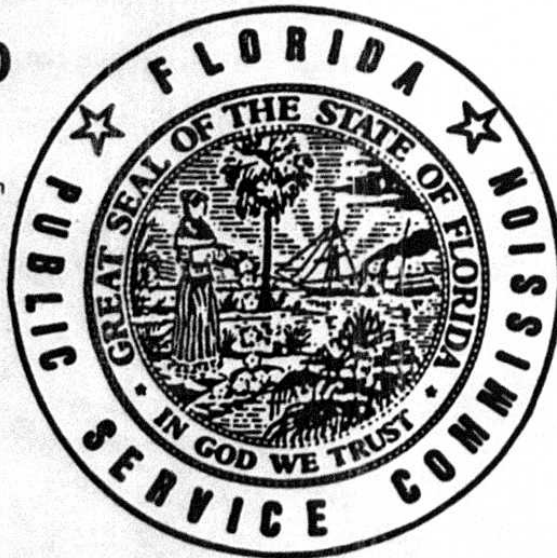
Lake Hills Utilities, Inc.
P. O. Box 915389
Longwood, FL 32791-5389

512W
Certificate Number(s)

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Florida Public Service Commission
Division of Water and Wastewater



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WATER AND SEWER
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FOR THE
YEAR ENDED DECEMBER 31, 19 94

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 requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in 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 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 statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The 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
101 East Gaines Street
Tallahassee, Florida 32399-0873

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REPORT OF

Lake Hills Utilities, Inc.

(Exact name of utility)

P.O. Box 915389

Longwood, FL 32791

(Address)

Lake

(County)

Telephone Number 407-774-8992

Date Utility First Organized: 3/7/89

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

Individual Partnership Sub Chapter S Corporation 1120 Corporation

Location where books and records are located: 1105 Kensington Park Drive

Altamonte Springs, FL 32714

Names of subdivisions where service is provided: Greater Hills and Greater Pines

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>Robert A. Mandell</u>	<u>Vice President</u>	<u>P.O. Box 3884 Longwood, FL 32791</u>	XXXXXXXXXXXX
Person who prepared this report: <u>Gina M. Grasty</u>	<u>Sr. Accountant</u>	<u>Same</u>	XXXXXXXXXXXX
Officers and Managers: <u>Lester N. Mandell</u>	<u>President</u>	<u>Same</u>	\$ None
<u>Robert A. Mandell</u>	<u>Vice President</u>	<u>Same</u>	\$ None
<u>Lester Zimmerman</u>	<u>Sec/Treasurer</u>	<u>Same</u>	\$ None
<u>George H. Billings</u>	<u>Asst. Treasurer</u>	<u>Same</u>	\$ None
-----	-----	-----	\$ -----

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

Name	Percent Ownership In Utility	Principal Business Address	Salary Charged Utility
<u>Lake Holding, Inc.</u>	<u>100</u>	<u>Same</u>	\$ None
-----	-----	-----	\$ -----
-----	-----	-----	\$ -----
-----	-----	-----	\$ -----
-----	-----	-----	\$ -----
-----	-----	-----	\$ -----

INCOME STATEMENT

Account Name	Ref. Page	Water	Sewer	Other	Total Company
Gross Revenue:					
Residential		\$ 120,389	\$	\$	\$ 120,389
Commercial		1,651			1,651
Industrial					
Multiple Family					
Guaranteed Revenues		11,360			11,360
Other (Specify) IRR		1,810			1,810
Misc Service Charges		3,535			3,535
Total Gross Revenue		\$ 138,745	\$	\$	\$ 138,745
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	\$ 60,218	\$	\$	\$ 60,218
Depreciation Expense	F-5	53,143			53,143
+CIAC					
Amortization Expense _{Org.}		(20,806)			(20,806)
Taxes Other Than Income	F-7	32,612			32,612
Income Taxes	F-7	(38,791)			(38,791)
Total Operating Expense		\$ 86,376	\$	\$	\$ 86,376
Net Operating Income (Loss)		\$ 52,369	\$	\$	\$ 52,369
Other Income:					
Nonutility Income		\$	\$	\$	\$
Interest Income		2,734			2,734
Other Deductions:					
Miscellaneous Nonutility Expenses		\$	\$	\$	\$
Interest Expense		89,648			89,648
Amort. of Loan Fees		8,303			8,303
Loss on Sale of Assets		1,109			1,109
Net Income (Loss)		\$ (43,957)	\$	\$	\$ (43,957)

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant In Service (101-105)	F-5,W-1,S-1	\$2,151,656	\$1,690,958
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-3	(191,413)	(145,887)
Net Utility Plant		\$1,960,243	\$1,545,071
Cash		119,767	151,504
Customer Accounts Receivable (141)		14,976	11,606
Other Assets (Specify) <u>Equipment Deposits</u> (132)		200	200
<u>Unamortized Mortgage Costs</u> (181)		29,754	38,057
<u>Plant Materials & Supplies</u> (151)		3,231	2,756
<u>Prepays</u> (162)		2,398	3,520
<u>Prepaid Inc. Taxes</u> (133)		26,846	0
Total Assets		\$ 2,157,415	\$1,752,714
Liabilities And Capital:			
Common Stock Issued (201)	F-6	\$ 100	\$ 100
Preferred Stock Issed (204)	F-6		
Other Paid In Capital (211)		29,900	29,900
Retained Earnings (215)	F-6	(164,925)	(120,968)
Proprietary Capital (Proprietary and partnership only) (218)	F-6		
Total Capital		\$ (134,925)	\$ (90,968)
Long-Term Debt (224)	F-6	\$ 0	\$ 1,513
Accounts Payable (231)		32,270	64,407
Notes Payable (232)		0	3,025
Customer Deposits (235)		10,720	8,548
Accrued Taxes (236)		6,247	57,762
Other Liabilities (Specify) <u>Adv. from Assoc Co.</u> (223)		1,456,925	1,044,343
<u>Accrued Interest</u> (237)		18	19
<u>Misc.</u> (241)		13,200	0
<u>Deferred Tax Liability</u> (283)		23,365	13,557
Advances For Construction			
Contributions In Aid Of Construction - Net (271-272)	F-8	749,595	650,508
Total Liabilities And Capital		\$ 2,157,415	\$1,752,714

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1994

NET UTILITY PLANT

Plant Accounts: (101-107) Inclusive	Water	Sewer	W & S Other Than Reporting Systems	Total
Utility Plant In Service (101)	\$ 2,151,656	\$	\$	\$ 2,151,656
Construction Work In Progress (105)	0			0
Other (Specify)				
Total Utility Plant	\$ <u>2,151,656</u>	\$	\$	\$ <u>2,151,656</u>

ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Sewer	W & S Other Than Reporting Systems	Total
Balance First Of Year	\$ 145,887	\$	\$	\$ 145,887
Credits During Year:				
Accruals charged to depreciation account	\$ 53,143	\$	\$	\$ 53,143
Salvage				
Other credits (specify)				
Total credits	\$	\$	\$	\$
Debits During Year:				
Book cost of plant retired	\$ 7,617	\$	\$	\$ 7,617
Cost of removal				
Other debits (specify)				
Total debits	\$	\$	\$	\$
Balance End Of Year	\$ <u>191,413</u>	\$	\$	\$ <u>191,413</u>

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1994

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share -----	1	
Shares authorized -----	100	
Shares issued and outstanding -----	100	
Total par value of stock issued -----	100	
Dividends declared per share for year -----	0	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year -----	\$ -----	\$ (120,968)
Changes during the year (specify):		
----- Net Loss -----		(43,957)

Balance end of year -----	\$ -----	\$ (164,925)

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year -----	\$ -----	\$ -----
Changes during the year (specify):		

Balance end of year -----	\$ -----	\$ -----

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity):	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	

Total -----			\$ -----

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1994

TAXES ACCRUED (236)

(a)	Water (b)	Sewer (c)	Other (d)	Total (e)
Balance first of year	\$ 57,762	\$	\$	\$ 57,762
Accruals charged:				
State ad valorem tax	\$	\$	\$	\$
Local property tax	25,535			25,535
Federal income tax	(33,121)			(33,121)
State income tax	(5,670)			(5,670)
Regulatory assessment fee	6,244			6,244
Other (Specify)				
Permits	833			833
<u>Total Taxes Accrued</u>	\$ (6,179)	\$	\$	\$ (6,179)
Taxes Paid:				
State ad valorem tax	\$	\$	\$	\$
Local property tax	25,535			25,535
Federal income tax	12,270			12,270
State income tax	1,645			1,645
Regulatory assessment fee	5,053			5,053
Other (Specify)				
Permits	833			833
<u>Total Taxes Paid</u>	\$ 45,336	\$	\$	\$ 45,336
Balance end of year	\$ 6,247	\$	\$	\$ 6,247

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever, amounting to \$500 or more.

Name of Recipient	Amount	Description of Service
Conklin, Porter, & Holmes	\$ 11,041	Design & Consulting Engineers
Cummins Southeastern	\$ 682	Technical Support
Lowndes, Drosdick, Doster, Kantor & Reed	\$ 4,501	Legal Consulting
Orlando Laboratories	\$ 4,909	Laboratory Services
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1994

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Sewer (c)	Total (d)
Balance first of year	\$ 693,187	\$	\$ 693,187
Add credits during year			
Total	\$ 122,992	\$	\$ 122,992
Deduct charges during year Capitalized Taxes	2,932		2,932
Balance end of year			
Less Accumulated Amortization	63,652		63,652
Net CIAC	\$ 749,595	\$	\$ 749,595

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Sewer
Greater Construction Corp. Utility Agreement	Cash	48,600	
Greater Construction	Property	66,600	
Sub-total		\$ 115,200	\$
Report below all capacity charges, main extension charges and customer connections charges recieved during the year.			
Description of Charge	Number of Connections	Charge per Connection	
3/4" Meter Installation	81	\$ 73.00	\$ 5,913
Back Flow Devices		Various	1,879
Total Credits During Year		\$ 122,992	\$

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

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>94</u>

SCHEDULE 'A' Not Applicable

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	\$	%	%	%
Preferred Stock		%	%	%
Long Term Debt		%	%	%
Customer Deposits		%	%	%
Tax Credits - Zero Cost		%	0.00 %	%
Tax Credits - Weighted Cost		%	%	%
Deferred Income Taxes		%	%	%
Other (Explain)		%	%	%
Total	\$	100.00 %		%

- (1) Should equal amounts on Schedule B, Column (f), Page F-25.
- (2) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission order approving AFUDC rate:	_____

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

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>94</u>

SCHEDULE 'B' Not Applicable

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

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

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

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ 4,377	\$	\$ 168	\$ 4,209
302	Franchises				
303	Land and Land Rights	24,369			24,369
304	Structures and Improvements	231,747	195,386		427,133
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	428,794			428,794
308	Infiltration Galleries and Tunnels				
309	Supply Mains	4,571			4,571
310	Power Generation Equipment	6,950	79,332		86,282
311	Pumping Equipment	100	169,280		169,380
320	Water Treatment Equipment	42,689	32,391		75,080
330	Distribution Reservoirs and Standpipes	53,200	52,037		105,237
331	Transmission and Distribution Mains	631,225	41,020		672,245
333	Services	56,302	15,980		72,282
334	Meters and Meter Installations	20,198	4,600		24,798
335	Hydrants	44,487	9,600		54,087
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment		486		486
341	Transportation Equipment	11,708		11,428	280
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	1,483			1,483
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant	940			940
	Total Water Plant	\$ 1,563,140	\$ 600,112	\$ 11,596	\$ 2,151,656

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

YEAR OF REPORT
DECEMBER 31, 1994

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage Percent In (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)
304	Structures & Improvements	28	%	3.57 %	\$ 28,968	\$ 8,277	\$	\$ 37,245
305	Collecting & Impounding Reservoirs		%					
306	Lake River & Other Intakes		%					
307	Well & Springs	27	%	3.70 %	55,380	15,881		71,261
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains	32	%	3.13 %	500	173		673
310	Power Generating Equipment	17	%	5.88 %	1,431	409		1,840
311	Pumping Equipment	17	%	5.88 %	21	6		27
320	Water Treatment Equipment	17	%	5.88 %	8,789	2,511		11,300
330	Distribution Reservoirs & Standpipes	30	%	3.33 %	6,206	1,773		7,979
331	Trans. & Dist. Mains	35	%	2.86 %	27,870	18,621		46,491
333	Services	35	%	2.86 %	3,921	1,837		5,758
334	Meter & Meter Installations	17	%	5.88 %	2,491	1,188		3,679
335	Hydrants	40	%	2.50 %	2,835	1,232		4,067
339	Other Plant and		%					
340	Miscellaneous Equipment		%					
341	Office Furniture and Equipment	15	%	6.67 %				
342	Transportation Equipment	7	%	16.67 %	6,690	11		11
343	Stores Equipment		%			998		7,617
393	Tools, Shop and Garage Equipment	15	%	6.67 %	347	99		446
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant	6	%	16.67 %	438	157		595
	Totals				\$ 145,887	\$ 53,143	\$ 7,617	\$ 191,413

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>94</u>

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ -----
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	-----
604	Employee Pensions and Benefits	-----
610	Purchased Water	-----
615	Purchased Power	----- 9,302
616	Fuel for Power Production	-----
618	Chemicals	----- 180
620	Materials and Supplies	----- 4,513
630	Contractual Services	----- 27,007
640	Rents	----- 3,522
650	Transportation Expense	----- 3,473
655	Insurance Expense	----- 3,976
665	Regulatory Commission Expenses	-----
670	Bad Debt Expense	-----
675	Miscellaneous Expenses	----- 8,245
	Total Water Operation And Maintenance Expense	\$ <u>60,218</u>

WATER CUSTOMERS

Description	Number First of Year	Additions	Disconnects	Number End of Year
Metered Customers:				
5/8 X 3/4"	359	81		440
1"	-----	-----	-----	-----
1 - 1/2"	2			2
2"	1		1	0
2 - 1/2"	-----	-----	-----	-----
3"	-----	-----	-----	-----
Other (Specify):	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
Unmetered Customers	-----	-----	-----	-----
Total Customers	<u>362</u>	<u>81</u>	<u>1</u>	<u>442</u>

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1994

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER FROM WELLS (Omit 000's) (c)	ACCOUNTED FOR LOSS THROUGH LINE FLUSHING ETC. (OMIT 000'S) (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		4,378	64	4,314	4,725
February		2,807	2	2,805	3,473
March		5,852	60	5,792	3,634
April		7,802	248	7,554	7,305
May		8,525	60	8,465	9,250
June		4,853	8	4,845	10,256
July		4,396	19	4,377	5,970
August		3,543	87	3,456	4,754
September		5,110	0	5,110	5,651
October		5,951	27	5,924	3,846
November		5,303	0	5,303	6,122
December		4,295	0	4,295	4,638
Total for year		62,815*	575	62,240	69,624

* Master Meter does not measure accurately at very low flows.

If water is purchased for resale, indicate the following:

Vendor N/A

Point of delivery _____

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

N/A

MAINS (Feet)

Kind of Pipe (Cast iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2"	420			420
PVC	4"	2,413	200'		2,613
PVC	6"	4,078	2,800'		6,878
PVC	8"	6,680	1,500'		8,180
PVC	10"	1,160			1,160
PVC	12"	6,408			6,408
PVC	14"	1,460			1,460
PVC	16"	7,195			7,195

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1994

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed	1989	1990		
Types of Well Construction and Casing	Cable & Rotary	Rotary		
Depth of Wells	1315'	1310'		
Diameters of Wells	10"	18"		
Pump - GPM	1250	1250		
Motor - HP	60	60		
Yields of Wells in GPD	1.8 MGD	1.8MGD		
Auxiliary Power	Yes	No		

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete or pneumatic)	Pneumatic	Steel	Steel	
Capacity of Tank	10,000	50,000	50,000	
Ground or Elevated	Ground	Ground	Ground	

HIGH SERVICE PUMPING

Motors (a)	(b)	(c)	(d)	(e)
Manufacturer	U.S. Motors	U.S. Motors	U.S. Motors	
Type				
Rated Horsepower	50	50	50	
Pumps				
Manufacturer	Crane Demming	Crane Demming	Crane Demming	
Type	Centrifugal	Centrifugal	Centrifugal	
Capacity in GPM	750	750	750	
Average Number Of Hours Operated Per Day	1.5	1.5	1.5	
Auxiliary Power	Yes	Yes	Yes	

SOURCE OF SUPPLY

List for each source of supply:

Gals. per day of source	<u>1,800,000</u>	<u>1,800,000</u>	
Type of source	<u>Groundwater</u>	<u>Groundwater</u>	

WATER TREATMENT FACILITIES

List for each water treatment facility:

Type	<u>Primary</u>		
Make	<u>N/A</u>		
Gals. per day capacity	<u>1,400,000</u>		
Method of measurement	<u>Metered</u>		

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 * now being served 545
- Present ERC's * that system can efficiently serve 787
- Estimated annual increase in ERC's * 70
- List fire fighting facilities and capacities Hydrants with minimum capacities of 500 GPM
- List percent of certificated area where service connections are installed (total for each county) 30%
- What is the current need for system upgrading and/or expansion? Not at this time.
- What are plans for future system upgrading and/or expansion? Expansion as required by operating conditions and demand for service.
- Have questions 6 and 7 been discussed with an engineer (if so, state name and address)? Yes. Conklin, Porter & Holmes, Engineers, Inc., 1104 E. Robinson Street, Orlando, FL 32801
- Have questions 6 and 7 been discussed with appropriate state sanitary engineering office? Yes

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

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1994

SEWER 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	-----	-----	-----	-----
354	Structures and Improvements	-----	-----	-----	-----
360	Collection Sewers - Force	-----	-----	-----	-----
361	Collection Sewers - Gravity	-----	-----	-----	-----
362	Special Collecting Structures	-----	-----	-----	-----
363	Services to Customers	-----	-----	-----	-----
364	Flow Measuring Devices	-----	-----	-----	-----
365	Flow Measuring Installations	-----	-----	-----	-----
370	Receiving Wells	-----	-----	-----	-----
371	Pumping Equipment	-----	-----	-----	-----
380	Treatment and Disposal Equipment	-----	-----	-----	-----
381	Plant Sewers	-----	-----	-----	-----
382	Outfall Sewer Lines	-----	-----	-----	-----
389	Other Plant and Miscellaneous Equipment	-----	-----	-----	-----
390	Office Furniture and Equipment	-----	-----	-----	-----
391	Transportation Equipment	-----	-----	-----	-----
392	Stores Equipment	-----	-----	-----	-----
393	Tools, Shop and Garage Equipment	-----	-----	-----	-----
394	Laboratory Equipment	-----	-----	-----	-----
395	Power Operated Equipment	-----	-----	-----	-----
396	Communication Equipment	-----	-----	-----	-----
397	Miscellaneous Equipment	-----	-----	-----	-----
398	Other Tangible Plant	-----	-----	-----	-----
	Total Sewer Plant	\$	\$	\$	\$

UTILITY NAME: Lake Hills Utilities, Inc.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - SEWER

YEAR OF REPORT
DECEMBER 31, 1994

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage In Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)
354	Structures and Improvements	--	--	%	\$	\$	\$	\$
360	Collection Sewers - Force	--	%	%	--	--	--	--
361	Collection Sewers - Gravity	--	%	%	--	--	--	--
362	Special Collecting Structures	--	%	%	--	--	--	--
363	Services to Customers	--	%	%	--	--	--	--
364	Flow Measuring Devices	--	%	%	--	--	--	--
365	Flow Measuring Installations	--	%	%	--	--	--	--
370	Receiving Wells	--	%	%	--	--	--	--
371	Pumping Equipment	--	%	%	--	--	--	--
380	Treatment and Disposal Equipment	--	%	%	--	--	--	--
381	Plant Sewers	--	%	%	--	--	--	--
382	Outfall Sewer Lines	--	%	%	--	--	--	--
389	Other Plant and Miscellaneous Equipment	--	%	%	--	--	--	--
390	Office Furniture and Equipment	--	%	%	--	--	--	--
391	Transportation Equipment	--	%	%	--	--	--	--
392	Stores Equipment	--	%	%	--	--	--	--
393	Tools, Shop and Garage Equipment	--	%	%	--	--	--	--
394	Laboratory Equipment	--	%	%	--	--	--	--
395	Power Operated Equipment	--	%	%	--	--	--	--
396	Communication Equipment	--	%	%	--	--	--	--
397	Miscellaneous Equipment	--	%	%	--	--	--	--
398	Other Tangible Plant	--	%	%	--	--	--	--
	Totals				\$	\$	\$	\$

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>94</u>

SEWER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	-----
704	Employee Pensions and Benefits	-----
710	Purchased Sewage Treatment	-----
711	Sludge Removal Expense	-----
715	Purchased Power	-----
716	Fuel for Power Production	-----
718	Chemicals	-----
720	Materials and Supplies	-----
730	Contractual Services	-----
740	Rents	-----
750	Transportation Expense	-----
755	Insurance Expense	-----
765	Regulatory Commission Expenses	-----
770	Bad Debt Expense	-----
775	Miscellaneous Expenses	-----
	Total Sewer Operation And Maintenance Expense	\$ =====

SEWER CUSTOMERS

Description	Number First of Year	Additions	Disconnects	Number End of Year
Measured Service				
Customers By Water				
Meter Size:				
5/8 X 3/4"	-----	-----	-----	-----
1"	-----	-----	-----	-----
1 - 1/2"	-----	-----	-----	-----
2"	-----	-----	-----	-----
2 - 1/2"	-----	-----	-----	-----
3"	-----	-----	-----	-----
Other (Specify):	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
Unmetered Customers	-----	-----	-----	-----
Total Customers	=====	=====	=====	=====

PUMPING EQUIPMENT

Lift station number	---	---	---	---	---	---
Make or type and nameplate data of pump	---	---	---	---	---	---
Year installed	---	---	---	---	---	---
Rated capacity	---	---	---	---	---	---
Size	---	---	---	---	---	---
Power:	---	---	---	---	---	---
Electric	---	---	---	---	---	---
Mechanical	---	---	---	---	---	---
Nameplate data of motor	---	---	---	---	---	---

SERVICE CONNECTIONS

Size (inches)	---	---	---	---	---	---
Type (PVC, VCP, etc.)	---	---	---	---	---	---
Average length	---	---	---	---	---	---
Number of active service connections	---	---	---	---	---	---
Beginning of year	---	---	---	---	---	---
Added during year	---	---	---	---	---	---
Retired during year	---	---	---	---	---	---
End of year	---	---	---	---	---	---
Give full particulars concerning inactive connections	---	---	---	---	---	---

COLLECTING AND FORCE MAINS AND MANHOLES

	Collecting Mains				Force Mains			
Size (inches)	---	---	---	---	---	---	---	---
Type of main	---	---	---	---	---	---	---	---
Length of main (nearest foot):	---	---	---	---	---	---	---	---
Beginning of year	---	---	---	---	---	---	---	---
Added during year	---	---	---	---	---	---	---	---
Retired during year	---	---	---	---	---	---	---	---
End of year	---	---	---	---	---	---	---	---

Manholes

Size	---	---	---	---
Type	---	---	---	---
Number:	---	---	---	---
Beginning of year	---	---	---	---
Added during year	---	---	---	---
Retired during year	---	---	---	---
End of year	---	---	---	---

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1994

SYSTEM NAME: _____

TREATMENT PLANT

Manufacturer _____	_____	_____	_____
Type _____	_____	_____	_____
"Steel" or "Concrete" _____	_____	_____	_____
Total Capacity _____	_____	_____	_____
Average Daily Flow _____	_____	_____	_____
Effluent Disposal _____	_____	_____	_____
Total Gallons of Sewage Treated _____	_____	_____	_____

MASTER LIFT STATION PUMPS

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

OTHER SEWER SYSTEM INFORMATION

1. Present number of ERC's * being served _____

2. Maximum number of ERC's * which can be _____

3. Estimated annual increase in ERC's * _____

4. List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Regulation (DER) for systems in operation. _____

5. State any plans and estimated completion dates for any enlargements of this system _____

6. If present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:

- a. Evaluation of the present plant or plants in regard to meeting the DER's rules. _____
- b. Plans for funding and construction of the required upgrading. _____
- c. Have these plans been coordinated with the DER? _____
- d. Do they concur? _____
- e. When will construction begin? _____

7. In what percent of your certificated area have service connections been installed? _____ %

* $ERC = (Total\ Gallons\ Treated / 365\ days) / 275\ Gallons\ Per\ Day$

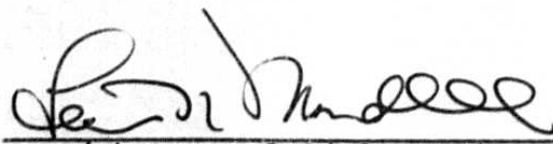
Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment

CERTIFICATION OF ANNUAL REPORT

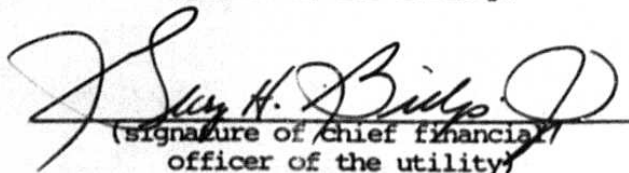
I HEREBY CERTIFY, to the best of my knowledge and belief:

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

Items Certified			
1.	2.	3.	4.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

 *
 (signature of chief executive officer of the utility)

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------

 *
 (signature of 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.