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April 22, 1996

**NOTICE: CONFIDENTIAL DOCUMENTS ATTACHED**

FILE COPY

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Betty Easley Conference Center  
Room 110  
Tallahassee, Florida 32399-0850

**HAND DELIVERY**

Re: Docket No. 950495-WS

Dear Ms. Bayo:

Enclosed for filing on behalf of Southern States Utilities, Inc. ("SSU"), are the following confidential documents:

1. Documents responsive to the Commission Staff's Twelfth Request for Production of Documents to Southern States Utilities, Inc.

Concurrent with the filing of this letter, SSU has submitted a Notice of Intent to Request Confidential Classification for these documents. SSU requests that the Commission treat these documents as proprietary confidential business information pending a decision on SSU's request for confidential classification, which Request will be filed within twenty-one days, and thereafter if SSU's Request is granted.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

This Notice of Intent was filed with Confidential Document No.(s) 04612-96  
The document has been placed in the confidential files pending receipt of a request for confidential treatment.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

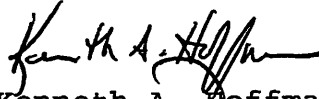
04612 APR 22 96

FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayo, Director  
Page 2  
April 22, 1996

Thank you for your assistance with this filing.

Sincerely,

  
Kenneth A. Hoffman

KAH/rl

. cc: All Parties of Record without enclosure

Trib.3z

SOUTHERN STATES UTILITIES, INC.  
RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS  
DOCKET NO.: 950495-WS

REQUESTED BY: FPSC  
SET NO: 12  
DOCUMENT REQUEST NO: 81  
ISSUE DATE: 04/10/96  
WITNESS: Bruce E. Gangnon  
RESPONDENT: Bruce E. Gangnon

DOCUMENT REQUEST: 81

Please provide the following documentation related to 1993 SSU Corporate Federal Income Tax Return (1120)

a) Computation of Entry needed to adjust State Nols to 35%

RESPONSE: 81

See attached Appendix DR81-A.

**DECLASSIFIED**

DOCUMENT NUMBER-DATE

04612 APR 22 96

FPSC-RECORDS/REPORTING

**CONFIDENTIAL**

**FPSC DOCUMENT REQUEST**

**APPENDIX DR81-A**

Exhibit 8(a)

SSU  
 Computation of Entry Needed to Adjust State NOL's to 35%

Gross-Up  
 6

Summary of NOL Carryforwards:

|                 |       |             |
|-----------------|-------|-------------|
| SSU - 1989      | CD-1  | - 0 -       |
| 1990            | CD-2  | < 1547056 > |
| 1991            | CD-3  | < 2852302 > |
| 1992            | CD-4  | < 7151040 > |
| VGU - 1990      | CD-5  | - 0 -       |
| 1991            | CD-6  | < 14962 >   |
| Seaboard - 1989 | CD-7  | < 41024 >   |
| - 1990          | CD-8  | < 134196 >  |
| - 1991          | CD-9  | < 149519 >  |
| DWI - 1990      | CD-10 | - 0 -       |
| 1991            | CD-11 | < 290620 >  |
| Lehigh - 1991   | CD-12 | < 8652 >    |
| 1992            |       | < 650347 >  |

Subtotal < 12839118 >

Adjustment needed for SSU C/F CD-13 601774

12-31-92 SSU C/F < 12237344 >

x 55%

673054 x 1.628002 1095733

x 35%

Fed effect < 235569 > x 1.628002 < 383507 >

Entry Needed:

|           |                |      |         |
|-----------|----------------|------|---------|
| 1901.7100 | } new accounts |      | 383507  |
| 1902.7100 |                |      |         |
| 1901.1000 |                | CD-9 | 378938  |
| 1902.1050 |                |      | 1114522 |
| 2540-1080 |                |      | 23358   |

To set up separate accts for state NOL and adjust to actual 92 results and 35%.  
 Assuming NOL C/F will be used in future. Have 15 C/F per CD-16.

CD T

SOUTHERN STATES UTILITIES, INC.  
RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS  
DOCKET NO.: 950495-WS

REQUESTED BY: FPSC  
SET NO: 12  
DOCUMENT REQUEST NO: 82  
ISSUE DATE: 04/10/96  
WITNESS: Bruce E. Gangnon  
RESPONDENT: Bruce E. Gangnon

DOCUMENT REQUEST: 82

Please provide the following documentation related to 1994 SSU Corporate Federal Income Tax Return (1120)

|                                   |         |
|-----------------------------------|---------|
| a) Schedule 13                    | 2 pages |
| b) Notes for 1995 return          | 1 page  |
| c) Notes for correction           | 1 page  |
| d) Notes for 1994 return          | 1 page  |
| e) Items To Do - Tax Return       | 1 page  |
| f) Notes for Return               | 1 page  |
| g) Notes for 1994                 | 1 page  |
| h) Schedule M's-Deferred Debits   | B-8/5   |
| i) Schedule M's-Lobbying Expense  | B-14    |
| j) Schedule M's                   | B-18    |
| k) Schedule M's-Invest. Portfolio | B-19    |
| l) Schedule M's-Invest Portfolio  | B-20    |
| m) Schedule M's                   | B-25    |
| n) Interco Eliminations           | I       |
| o) Gain on Disposition of Asset   | P-2     |

RESPONSE: 82

See attached Appendix DR82-A.

**CONFIDENTIAL**

**FPSC DOCUMENT REQUEST NO. 82**

**APPENDIX DR82-A**

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CONFIDENTIAL

|  |             |
|--|-------------|
| 1 NET INCOME PER BOOKS . . . . .                     | 12,671,181  |
| 2 FEDERAL INCOME TAX . . . . .                       | 7,136,252   |
| 3 EXCESS CAPITAL LOSSES OVER CAPITAL GAINS . . . . . | 0           |
| 4 INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS:       |             |
| CIAC   | 3,952,758   |
| Interim rates  | (141,563)   |
| Tax > book gain / loss                               | (2,962,153) |
|  | -----       |
| TOTAL  | 849,042     |
| 5 EXPENSES RECORDED ON BOOKS NOT IN THIS RETURN      |             |
| A DEPRECIATION . . . . .                             | 0           |
| B CONTRIBUTIONS CARRYOVER . . . . .                  | 0           |
| C TRAVEL AND ENTERTAINMENT . . . . .                 | 37,290      |
| OTHER:   |             |
| Acquisition adjustment                               | 2,008       |
| Bad debts - change in reserve                        | 14,507      |
| Jobs credit  | 1,594       |
| Penalties  | 153,647     |
| Miscellaneous  | 100,562     |
| Officers life insurance                              | 364,656     |
| OPEB - FAS 106                                       | 448,032     |
| Political activities                                 | 103,391     |
| State taxes - per books                              | 548,833     |
| Capitalized Interest                                 | 437,304     |
| Deferred Compensation                                | (22,173)    |
|  | -----       |
| TOTAL  | 2,152,361   |
| TOTAL LINE 5 . . . . .                               | 2,189,651   |
| 6 TOTAL OF LINES 1 THROUGH 5 . . . . .               | 22,846,126  |
| 7 INCOME RECORDED ON BOOKS NOT IN THIS RETURN        |             |
| A TAX-EXEMPT INTEREST . . . . .                      | 152,424     |
| OTHER:   |             |
| AFDC, net of amortization                            | 454,410     |
| Miscellaneous  | 90,919      |
| Deferred gain on condemnation                        | 16,500,952  |
|  | -----       |
| TOTAL  | 17,046,281  |
| TOTAL LINE 7 . . . . .                               | 17,198,705  |
| 8 DEDUCTIONS IN THIS RETURN NOT ON BOOKS             |             |
| A DEPRECIATION . . . . .                             | 6,679,963   |
| B CONTRIBUTIONS CARRYOVER . . . . .                  | 0           |



Exhibit 82(a)

2 of 4

08/31/95

FEDERAL 1120, SUPPORT SCHEDULES

Page: 4

Southern States Utilities, Inc.

59-0948672

Year: 1994

CONFIDENTIAL

OTHER:

|  |             |
|--|-------------|
| Addtl pension contribution ded                       | 379,220     |
| Amort of computer software                           | 487,872     |
| Cost to retire                                       | 26,365      |
| Miscellaneous  | 682,171     |
| Rate case expenses                                   | (381,149)   |
|  | -----       |
| TOTAL  | 1,194,479   |
| <br>   |             |
| TOTAL LINE 8. . . . .                                | 7,874,442   |
| <br>   |             |
| 9 TOTAL OF LINES 7 AND 8. . . . .                    | 25,073,147  |
| 10 TAXABLE INCOME (LINE 28, PAGE1) - LINE 6 LESS 9 . | (2,227,021) |
|  | =====       |

Notes for 1995 Return

1. CIF Note - Per Kerin's discussion with SSU, SSU receiving CIAC hook-up fees from PGI purchase agreement where SSU keeps part, must turn over some of CIAC hook up collections to Deltona. Currently recording as taxable + depreciable only portion keeping, although looking at their booking method + may begin booking differently, possibly thru AA. Follow up in following years to determine if changing CIAC booking method.

2. K-14/t - When/if VGU Condemnation proceeds are used to purchase replacement property, must attach required statements to those years' returns (95 + 96).

3. P-1 3 of 3 - Solvay booked on meters retired. Taxable income picked up of 9162. Assets will be removed from books in 95. Don't pick up income twice.

4. B-13 - Watch for transfer of remaining balance of 1890 to CIAC in 95. S/B taxable. Possibly request entries to 2590.1000

5. B-15 SSU Meats looks small compared to MP. Discuss w/ Joe how program works to feel comfortable getting all meats. Capitalized looks small.

Notes for 1995 Return

6. B-24/1 - 1994 Booking of Rate Case Adjustment hit A/R. Per Morris may reverse in 95 through income. If so, would be a Sch M in 95.

7. U-S Correct 87 tax depr sch for note on W-4.

8. Make Sure someone looks at SSU's Tax exempt financing for arbitrage. It looks like the are earning more interest than they are paying.

- 9-5-95 - Ginger is going to discuss with Bank

9. SSU is going to receive some grant money in 1995 from certain cities. check on how it gets recorded for books <sup>they will prob go thru CTRC</sup> - & taxability - prob isn't taxable

Notes for Correction

1. Look at Pre-81 Assets as to Rate - 2% for 15 yr SL?  
Also accum depr amount looks small.

B-3 2. Add Sugar Mills to timing section of Acq Adj Analysis  
for offset to CIAC.

B-9 3. Determine if any pre 92 def comp Sch m's for history e/f.  
Check to PTF?

( B-20 4. Make sure 1993 Preliminary Survey Sch M of 1185,085  
is part of Def Debit sch M since balance transferred.  
Don't leave as a Prelim Survey Sch M.

u-1 5. Build Lehig detail into depr schedule.

## Notes for 1994 Return

1. Ask SSU to correct their books (the balances in the land accounts) for the sales proceeds they used to reduce the land additions in 1994. See w/p P-4/1. □

B-16/2 2. Get supporting documentation for the 400,000 OPEB VEBA pymt. Done

B-19 3. Verify SSU picked up portfolio income for Dec 94 in 94. Done.

B-6/5 4. Balance in ac 2361.3000 S/B adjusted at correction?

B-9/2 5. Analyze ac 2531.0000 other deferred credits for return.  $\langle 59,372.69 \rangle$  Done  
B-5

P-1 B-3 6. Try to reconcile the retirements to the 1010 summary. Done at P

P-3 7. Try to reconcile the retirements to 1081 in total. Done at P

B-3/2 8. Get entry supporting Quail ledge land entry to Acq. Adj. OK w/o entry

B-3/2 9. Look at AA at purchase of vea to determine any basis diff. None Done  
see B-2  
w-2

B-4/2 10. Get detail of 1081 expenses for the return. Done

11. Per 330-95 staff working 1st of land sales in operating trust S/B below the line. Get detail for return.

For discussion w/for  
Frederickson, could  
find any such  
land sales

Items to Dr. for Return

1. Acct 1010.3406 - Need breakdown between software & hardware - Per Ron it would be a lot of work so all was put to 5yr for Prev.

Received, 2/69

2. Acct 1010.3032 - Look at whether any of the 4.4 million can be allocated to a water asset which may have a limited use

Per Ron, no. see up. E-8

3. VGU Sale - Look at why 1992 & 1993 additions are less than the amounts pulled out for 5 & 7 yr proj as not solid

K-2/2 + K-2/1 made adjustment to 92 + 93 year additions, but still longer. There be bad years + estimate of sales not sold?

4. Ant & VGU Sale - For Provision it was assumed the ACE & Ant gains were also deferred

Same for return

5. VGU Sale - determine why CIAC at 11-28-95 was 2 14,400,000 & at sale date was 15,500,000. Part of the reason is <sup>Dec</sup> inventory 16497 which Debits Plant & Credits CIAC - need to determine proper treatment for Return

Proper treatment discussed K-6-31  
Over part of CIAC to book based on Dec 95

## Notes For Return

E/A  
 Additions See attached - Per WLP E-7, there were only  
 231,301 of Plant additions for PBE transferred from  
 Future Use to Plant in service. Per attached is  
 2,583,181

→ Able to prove out  
~~200,000~~  
 Larger amount  
 incl correct.

U-10 Note Changes - as WLP wasn't coming up with the  
 & correct 12.31.94 Basis

Noted &  
 changed.

U-11

'U section. Use new computer runs for the returns  
 SSU / SSU Prov / SS Depr 94a. WK3

Done.

Make sure to attach statement deferring Condemnation Gain (in 95+96  
 need statement re: replacement property)

Review comments per phone call from Jim at PW -

1. Is tax depr correct on U-15. Check at return.
2. Health insurance reserve balance of 37,760 may have  
 been transferred to Group Insurance 2410.3000 - Check.
3. May have been a Workers Comp Accrual of \$145,000,  
 potential Sch M. See FAX attached from PW

Fixed.

Noted &  
 adjusted  
 Sch M

Done -  
 3-27

Review comments also from Brian Holt at PW on Thurs. March 23<sup>rd</sup>  
 His fax # 407-236-5149.

Exhibit 82(g)

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NOTES FOR 94

1. New tax-exempt financing in 94, see attached. E-6
  2. The escrow interest Sch M's from prior years will be reversing, see E-2. Not true - wrong note
  3. Reversal of 94 book gain recorded which happened in 93, picked up for tax in 93 at P-2/2. Included in P section
  4. When the costs for the Marco Island pvt are amortized for books, they will be a reversing Sch M for tax up to the amount on w/p B-21. Included on B-8
  5. When Normandy Blvd Easement reverses out of cash suspense account in 94, reverse if necessary. See w/p P-8. Included in P section
  6. Watch for Income to be recognized on the books for Lehman Gross Assets, now included in a/c 1270. See w/p B-24. None - B-11
  7. Per w/p E-2, can't find old CIAC non-taxable accts. They may not be segregating non-taxable CIAC in separate a/c's any longer, determine for 94 where old a/c's balances are and how the book non-taxable now. Kerry talked to study the separate acct
  8. Get a reconciling Sch. for investment portfolio income picked up from Tapeta/MP. Should also have a reversing Sch M for 93 sch M w/p I-2. Done - B-19
  9. B-13 Pick up sch M for 141563 if acct reverse. Done B-13
  10. U-12 Convert 5 yr D/B Prep to S/I. OK w/ U-10 Copied from 93 return file
  11. U-14 Pick up PGT adjustment to basis in Disgrants, also U-15. Done
  12. U-10 Review 1263 Retire. Picked up twice in 1992 & 1993. (Rec'd Dgr 15% prep)
- NOTES FOR 94
13. U-18 - Some of the book Dgr on the DUS, UT & Seaboard if prior fully kept. See if we have detail sch by figure out what? OVER Took out Seaboard in 94 - need to look at for correct when m...



Exhibit 82(h)

SSU  
1994 Sch M's - Deferred Debits

CH 215-95

History of  
Sch M

Def. Condemnation - VGU

Project # 91ES029

Balance 12-31-92 23890

< 23890 > 92 return up B-79

93 activity 276844

Balance B-8 300734

-0-

94 activity 315009

Subtotal B-8 615743

transfer to ak 4140 615743

23890

Reverse in 94  
(will offset expense  
in VGU gain  
computation)

ending balance -0-

-0-

Additional "OAP" costs:

VGU costs B-8/1 pg 2 244208

above 615743

Subtotal 860551

difference - pass 27691

probably add'l costs in 94  
i.e. pass at return also

Expenses included in VGU sale:

PS+I K-1 80,582.67

OAP 807,659.47 888242

Exhibit 82 (i)

1 of 5

LOBBYING

**SSU SCHEDULE M's  
Lobbying Expenses  
12/31/94**

Kc 8-28-95

**Lobbying Expenses**

The Omnibus Budget Reconciliation Act of 1993 denies a Federal income tax deduction for the following types of lobbying expenses:

- 1) Influencing legislation - communicating w/ members or employees of legislative bodies
- 2) participation in, or intervention in, any political campaign on behalf of, or in opposition to, any candidate for public office
- 3) any attempt to influence the general public with respect to elections, legislative matters, or referendums
- 4) any direct communication with a covered executive branch official in an attempt to influence actions or positions of such officials.

The following types of lobbying expenses are still deductible:

- 1) costs related to "mere monitoring" of bills with NO intention of influencing legislation
- 2) influencing legislation of local bodies
- 3) compelled communication - such as subpoenas, etc.
- 4) de minimus amounts - total "in-house" lobbying < \$2000/yr (excluding overheads)  
also if a person's lobbying time is less than 5% of total time, it will be treated as zero if there is no direct contact / communication with legislative parties.

The regulations provide 3 methods for allocating internal lobbying costs. These do not apply to SSU as no material internal costs are incurred. Per discussion with Joe Gieger, the few employees with internal costs charged to lobbying had no direct communications with legislative parties.

Sch M for lobbying

B-14/1

103391

B

B-14

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Exhibit 82: 2 of 5

SSU  
1994 LOBBY.XLS

Cont'd from B-14/2 - 8-19-95

13458 MOORE WILLIAMS BRYANT PEEBLES  
 13458 MOORE WILLIAMS BRYANT PEEBLES  
 2425 RUTLEDGE, ECENIA, UNDERWOOD,  
 2425 RUTLEDGE, ECENIA, UNDERWOOD,  
 10840 PAYROLL  
 13226 MESSER, VICKERS  
 11081 MASTERCARD  
 11470 MASTERCARD  
 11843 MASTERCARD  
 11878 FLORIDA INSTITUTE OF CERTIFIED  
 13598 PAYROLL  
 16201 MASTERCARD  
 16517 CAPITAL STRATEGIES  
 16517 MOORE, WILLIAMS, BRYANT

17485 4/06/1994 PROF SVC.  
 20166 11/1/94 PROFESSIONAL SERVICES  
 3/3/1995 5/12/1994 PROF SERV  
 3.001 4/25/1994 PROF SERV THRU 3/31/94  
 Feb-94  
 INV #224973 Jul-94  
 Feb-94 IDA ROBERTS  
 Mar-94 KARLA TEASLEY  
 Apr-94 BRIAN ARMSTRONG  
 May-94 ANNUAL DUES-GINGER CLARK  
 Aug-94  
 Dec-94 KARLA TEASLEY  
 #1821 Dec-94  
 #37738 Dec-94

4,249.99  
 6,239.09  
 40.00  
 327.04  
 1,101.81  
 120.00  
 62.98  
 218.28  
 119.51  
 21.00  
 200.25  
 46.47  
 3,725.00  
 4,700.00  
 102,541.36

Agrees to B-14/3

Add lobbying released  
from contributions  
Total lobbying

7

850.00

103,391.36

B-14/1

SSU  
1994 LOBBY.XLS

8-19-95

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Exhibit 82 (i) 3 of 5

| VENDOR # | PAYEE                          | C         | DATE      | DESCRIPTION                  | AMOUNT     |
|----------|--------------------------------|-----------|-----------|------------------------------|------------|
| 8380     | ANITA GREENE/PETTY CASH CUSTOD | 41394     | 4/18/1994 | PETTY CASH                   | 154.53     |
| 1875     | CAPITAL STRATEGIES             | 1221      | 7/08/1994 | LOBBYING                     | 3,725.00   |
| 1875     | CAPITAL STRATEGIES             | 1721      | 12/2/94   | LOBBYING EXPENCES            | 3,725.00   |
| 1875     | CAPITAL STRATEGIES             | 1618      | 11/1/94   | LOBBYING EXPENSES            | 3,725.00   |
| 1875     | CAPITAL STRATEGIES             | 1122      | 6/02/1994 | MAY RETAINER FEES            | 3,725.00   |
| 1875     | CAPITAL STRATEGIES             | 1321      | 8/05/1994 | MONTHLY RETAINER OUT OF O    | 4,701.51   |
| 1875     | CAPITAL STRATEGIES             | 1420      | 9/02/1994 | MONTHLY RETAINER/OOP EXPE    | 3,725.00   |
| 1875     | CAPITAL STRATEGIES             | 1518      | 10/3/94   | MONTHLY RETAINER/OOP EXPE    | 3,725.00   |
| 1875     | CAPITAL STRATEGIES             | 1022      | 5/06/1994 | RETAINER FEE/EXPENSES        | 4,305.69   |
| 1875     | CAPITAL STRATEGIES             | 924       | 4/06/1994 | RETAINER/LOBBY FEES          | 80.00      |
| 2533     | DICK LOCKE & ASSOCIATES, INC.  | 42694     | 4/26/1994 | LOBBING RETAINER             | 5,000.00   |
| 2533     | DICK LOCKE & ASSOCIATES, INC.  | 42694     | 4/26/1994 | LOBBING RETAINER             | (5,000.00) |
| 2533     | DICK LOCKE & ASSOCIATES, INC.  | 42694     | 4/26/1994 | LOBBING RETAINER             | 5,000.00   |
| 2533     | DICK LOCKE & ASSOCIATES, INC.  | 42694     | 4/26/1994 | LOBBING RETAINER             | (5,000.00) |
| 1860     | EILEEN BALLARD                 | 10097     | 6/06/1994 | EXP REPORT - MILEAGE         | 25.20      |
| 1246     | FICPA                          |           | 7/01/1994 | M BENCINI                    | 21.00      |
| 1244     | FLORIDA INSTITUTE OF CERTIFIED | 20290     | 7/01/1994 | ANNUAL DUES                  | 21.00      |
| 1244     | FLORIDA INSTITUTE OF CERTIFIED | 70194     | 7/01/1994 | ANNUAL DUES                  | 18.00      |
| 6125     | FLORIDA WATERWORKS ASSOCIATION | 1994 DUES | 3/30/1994 | ANNUAL DUES                  | 1,600.00   |
| 6125     | FLORIDA WATERWORKS ASSOCIATION | 1995 DUES | 12/20/94  | ANNUAL DUES                  | 3,200.00   |
| 7065     | GRAY HARRIS & ROBINSON         | 235524    | 2/16/1994 | SSU-GENERAL                  | 840.00     |
| 7077     | GREATER ORLANDO CHAMBER OF COM | 37050     | 10/5/94   | MEMBERSHIP 10/1/94 - 9/30/95 | 76.00      |
| 771      | IDA M. ROBERTS                 | 10085     | 3/29/1994 | EXP REPORT                   | 332.14     |
| 3561     | MASTERCARD                     | 661420910 | 7/12/1994 | I. ROBERTS                   | 110.04     |
| 13172    | MESSER VICKERS CAPARELLO MADSE | 225957    | 4/12/1994 | PROF SERV.                   | 1,169.84   |
| 13172    | MESSER VICKERS CAPARELLO MADSE | 226479    | 5/06/1994 | PROFESSIONAL SERVICES        | 1,040.00   |
| 13172    | MESSER VICKERS CAPARELLO MADSE | S213-6046 | 3/14/1994 | SERV THRU 2/28/94            | 1.64       |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 20650     | 12/13/94  | CONTRACT LOBBYING            | 4,446.09   |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 19787     | 10/11/94  | LOBBYING                     | 4,061.04   |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 19379     | 9/06/1994 | MONTHLY RETAINER & EXPENS    | 4,338.96   |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 17227     | 3/10/1994 | PROF SERV                    | 4,674.06   |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 179001    | 5/09/1994 | PROF SERV                    | 4,715.64   |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 16851     | 2/08/1994 | PROF SERV THRU 1/31/94       | 4,928.00   |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 18250     | 6/03/1994 | PROF SERVICE                 | 5,267.40   |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 18650     | 7/01/1994 | PROF SERVICE                 | 4,683.99   |
| 13458    | MOORE WILLIAMS BRYANT PEEBLES  | 18950     | 8/05/1994 | PROF SERVICE                 | 4,208.17   |

outside lobbyists

Allocations from dues stmts  
J. GEIGER  
Allocation due to lobbying. Total dues 729,000

|                  |                |            |    |
|------------------|----------------|------------|----|
| Date             | 8/15/95        | # of pages | 18 |
| From             | Tie Geiger     |            |    |
| Co.              | SSU            |            |    |
| Phone #          | K-273          |            |    |
| Fax #            | (407) 880-1395 |            |    |
| Post-It Fax Note | 7671           |            |    |
| To               | Jamie Jago     |            |    |
| Co/Dept.         | MP-TAX         |            |    |
| Phone #          | X-3475         |            |    |
| Fax #            | (218) 720-2515 |            |    |

B-14/2

2/15/1995  
16:05:31  
GLREPORT

SOUTHERN STATES UTILITIES, INC  
AUDIT LEAD SCHEDULES  
FOR THE PERIOD ENDED 12/31/1994  
INCOME STATEMENT

GLLEADJEC  
PAGE 21

COMBINED

OTHER NON-OPERATING INC/EXP

| DESCRIPTION                 | YTD<br>ACTUAL                             | YTD<br>PRIOR YEAR | 0<br>VARIANCE | X<br>VARIANCE |
|-----------------------------|---|-------------------|---------------|---------------|
| 4150.1000                   | FIRE HYDRANT REVENUES ( 5,455.00) ✓       | 1,776.07 (        | 1,678.13)     | 94.44         |
| 4150.2000                   | MANAGEMENT FEES ( 5,920.51) ✓             | 5,806.72 (        | 121.79)       | 2.09          |
| 4160.0000                   | M & J COSTS 176.54 ✓                      | 294.07 (          | 118.53) (     | 40.12)        |
| 4160.1000                   | FIRE HYDRANT COSTS .00                    | 211.09 (          | 211.09) (     | 100.00)       |
| 4210.0000                   | NON-UTILITY INCOME/RENTALS ( 89,062.94) ( | 11,439.44) (      | 20,425.50)    | 240.46        |
| 4210.1000                   | INCOME FROM GAS OPS ( 374,362.79) (       | 230,443.16) (     | 143,919.63)   | 62.45         |
| 4260.1000                   | DISALLOWED RATE CASE COSTS 196,587.61     | 129,614.62        | 66,942.99     | 51.64         |
| 4260.2000                   | CHARITABLE CONTRIBUTIONS 10,000.10 ✓      | 4,501.00          | 14,307.10     | 317.06        |
| 4260.3000                   | PENALTIES 153,646.77 ✓                    | 57,005.47)        | 211,532.24 (  | 365.43)       |
| 4260.4000                   | LOBBYING COSTS 102,541.36 ✓               | 63,420.37         | 39,112.99     | 61.66         |
| 4260.5000                   | POSSIBLE ACQUISITION/DISPOSITI 80,721.45  | 16,464.00         | 64,257.65     | 390.29        |
| 4260.9000                   | MISC NON-UTILITY EXPENSE 45,710.14        | 210,032.97 (      | 172,322.83) ( | 79.03)        |
| LESS INCOME FROM GAS OPS    |   |                   |               |               |
| 4210.1000                   | INCOME FROM GAS OPS ( 374,362.79) (       | 230,443.16) (     | 143,919.63)   | 62.45         |
| OTHER NON-OPERATING INC/EXP | 540,915.72                                | 355,639.22        | 195,276.50    | 54.34         |

Exhibit 82 (i) 4 of 5

✓ Agrees to detail at B-14.

B-14/3

Exhibit 82 (i) 5 of 6

CONFIDENTIAL

01/27/95

**OTHER NON OPERATING INC. <EXP>  
JANUARY - DECEMBER 1994**

SSU  
1994 Sch M's

Prepared by: N.Norris  
01/27/95

|  |                              | Actual                         | Budget              | Variance           |
|--|------------------------------|--------------------------------|---------------------|--------------------|
| CIAC Gross Up  |                              | <sup>B-14/3</sup> 10,589.00    | 59,450.00           | (48,861.00)        |
| Dues & Subscriptions                                   |                              | (4,929.71)                     | (4,265.00)          | (664.71)           |
| Pirates Harbor Management Income                       | 4150.2000                    | 5,928.51 ✓                     | 6,000.00            | (71.49)            |
| OPEB Costs   |                              | (60,882.00)                    | (308,898.00)        | 248,016.00         |
| M & J  |                              |                                |                     |                    |
| - Revenue  | 4150.1000                    | 3,455.00 ✓                     |                     |                    |
| - Costs  | 4160.0850                    | (176.54) ✓                     |                     |                    |
| - Net  |                              | 3,278.46                       | 0.00                | 3,278.46           |
| Charitable Donations                                   |                              |                                |                     |                    |
| - Contributions  | 4260.2000                    | (17,954.53)                    | (36,000.00)         | 18,045.47          |
| - Labor (Payroll Deduction)                            |                              | (853.57)                       | 0.00                | (853.57)           |
| Fines & Penalties                                      | A/c 4260.3000                | (153,646.77) <sup>B-17</sup>   | (150,000.00)        | (3,646.77)         |
| Lobbying   | 4260.4000                    | (92,202.38) <sup>B-17</sup>    | (68,879.96)         | (23,322.42)        |
| Disallowed Rate Case Expense                           | 4260.1000                    | (209,875.84) <sup>B-14/2</sup> | 0.00                | (209,875.84)       |
| Possible Acquisitions                                  |                              | (66,231.98)                    | 0.00                | (66,231.98)        |
| True-Up Accrued Pension Expense                        |                              | 158,811.00 <sup>B-18</sup>     | 0.00                | 158,811.00         |
| Write Off Accounts                                     |                              | 26,341.71                      | 0.00                | 26,341.71          |
| Lehigh Deferred Income Tax                             |                              | 0.00                           | (2,160.00)          | 2,160.00           |
| Possible Disposition of VGU - labor                    |                              | (14,474.51)                    | 0.00                | (14,474.51)        |
| Accrued Interest Payable to MP for 1988-1990 IRS Audit |                              | (111,675.00) <sup>(11)</sup>   | 0.00                | (111,675.00)       |
| Miscellaneous  |                              |                                |                     |                    |
| AFPI (1993) Refund - Marion Oaks                       | Taxed in 93 deductible in 94 | (16,318.89)                    | 0.00                | (16,318.89)        |
| Admin Fee for Payroll Deductions                       |                              | 648.02                         | 0.00                | 648.02             |
| Rental Income  |                              |                                |                     |                    |
| - Traller (Univerity Shores)                           |                              | 140.00                         | 0.00                | 140.00             |
| - Land Hillsborough County                             |                              | 500.00                         | 0.00                | 500.00             |
| - Land Osceola County                                  |                              | 60.00                          | 0.00                | 60.00              |
| Redemption of scrip certificate                        |                              | (6,000.00)                     | 0.00                | (6,000.00)         |
| Miscellaneous sales/rebates                            |                              | 339.76                         | 0.00                | 339.76             |
| Other  |                              | (507.00)                       | 0.00                | (507.00)           |
|  |                              | <u>(548,915.72)</u>            | <u>(504,752.96)</u> | <u>(44,162.76)</u> |

✓ Agrees to the balance on B-14/3.  
 (11) Agrees to interest billed from MP per 93 correction up to.

§ Note that amount does not agree to GL at B-14/3. Requesting detail for return.

B-14/4

As shown 209,875.84  
 per B-24 + a/c 176,557.6  
 DFF 13,318.23  
 Pass diff as a/c reconciled on B-24.

CONFIDENTIAL

8-21-95  
Kc 8-28-95

SSU  
Schedule M's  
12/31/94

**History:**

Previously we have not taken a Sch M for pension expense, even though the financial statements state that "the Company's funding policy is to contribute annually the maximum amount that can be deducted for federal income tax purposes".

The Pension Plan year runs from July 1 to June 30.

During 1994, per Morris, the plan was overfunded for book purposes, however their contributions were never over the tax deductible amount per the actuarial report.

**Analysis of Current Year:**

|                   |        |                |   |
|-------------------|--------|----------------|---|
| Beginning balance | B-18/1 | (29,993)       |   |
| net book expense  |        | (172,910) ①    |   |
| fees              |        | 18,906 ②       |   |
| contributions     |        | 563,217 ③      |   |
| Ending balance    |        | <u>379,220</u> | f |

If tax treatment were to follow books for 1994, we would be picking up

|              |   |                |
|--------------|---|----------------|
| book expense | ① | 172,910        |
| book fees    | ② | (18,906)       |
| subtotal     |   | <u>154,004</u> |

However since the cash contributions always are the tax deductible amounts allowed per the actuarial report, without an advanced cash contribution for payments made to 9-15-95, we would be allowed

|                              |   |                |
|------------------------------|---|----------------|
|                              | ③ | <u>563,217</u> |
| Difference                   |   | 409,213        |
| less deducted in prior years |   | (29,993)       |
| Net allowable deduction      |   | <u>379,220</u> |

A  
B

**Proof:**

Since we never took a Sch M when we were in a book overpaid situation, we should take only the difference in the account from a zero beginning balance.

|                      |                |
|----------------------|----------------|
| Beginning balance    | 0              |
| Ending balance       | <u>379,220</u> |
| Additional deduction | <u>379,220</u> |

FAACCOUNT2630000.WQ1  
Prepared By: A. Johnson  
12-Jan-95

5/18/95

Build from the Love  
John 8/19/95

SOUTHERN STATES UTILITIES, INC.  
ACCRUED PENSION EXPENSE

001 00001 60099 6049 5000 106

| DESCRIPTION                          | BEGINNING BALANCE<br>01/01/94 | RTR & IIS           | PYMT              | OTHER             | ENDING BALANCE<br>12/31/94 |
|--------------------------------------|-------------------------------|---------------------|-------------------|-------------------|----------------------------|
| ACCRUED UNION PENSION EXPENSE        | (7,404.79)                    | (12,815.14)         | 20,219.93         | 0.00              | 0.00                       |
| ACCRUED DEFINED BENEFIT PENSION      | (22,588.01)                   | (300,000.00)        | 542,997.00        | 158,811.00        | 379,219.99                 |
| <b>TOTAL ACCRUED PENSION EXPENSE</b> | <b>(29,992.80)</b>            | <b>(312,815.14)</b> | <b>563,216.93</b> | <b>158,811.00</b> | <b>379,219.99</b>          |

SSU

Agrees to B-7/1

B-18/1

ANALYSIS OF EXPENSE ACCOUNT

|  |                   |   |
|--|-------------------|---|
| BALANCE #001.90001.600.99.6049.5000.106          | 331,720.80        | ① |
| ADMIN. PLAN FEE(UNION)                           | (56.00)           | ② |
| SSU PENSION PLAN ASSET ALLOCATION FEE 1ST QTR    | (1,358.33)        |   |
| PBGC FORM 1-SSU PENSION PLAN                     | (6,992.00)        |   |
| ADMIN. DEFINED BENEFIT PLAN                      | (1,450.60)        |   |
| JB# 11399; CORR O/ACCR '93 NET PENS              | 158,811.00        |   |
| PENSION PLAN ASSET ALLOCATION FEE 2ND QTR        | (912.50)          | ② |
| PROFESSIONAL SVCS FOR PENSION PLAN               | (677.20)          |   |
| SSU PENSION PLAN ASSET ALLOCATION FEE 3RD QTR    | (912.50)          |   |
| UNION MONEY PURCHASE PLAN FEE                    | (821.20)          |   |
| UNION MONEY PURCHASE PLAN MODEL TX NOTICE        | (264.48)          |   |
| SSU PENSION PLAN ASSET ALLOCATION FEE 4TH QTR    | (912.50)          |   |
| CHECK VOIDED IN SEPT., CHG POSTED THRU AP IN OCT | 912.50            |   |
| UNION MONEY PURCHASE PLAN                        | (857.34)          |   |
| SSU PENSION PLAN ADMIN EXPENSE                   | (2,671.00)        |   |
| ADMIN. PLAN FEE-UNION MONEY PURCHASE PLAN        | (1,020.01)        |   |
| RECLASS TO NON-UTILITY INC(EXP #4260.9000)       | (158,811.00)      |   |
| <b>TOTAL ACCRUALS FOR 10/94</b>                  | <b>312,815.14</b> |   |

B-7/1 < 29,992.80 > < 312,815.14 > 563,216.93 158,811.00 379,219.99

Offset

Summary:

|                                |                   |               |
|--------------------------------|-------------------|---------------|
| Begin balance 12-31-93         | A/c 2630.1000     | < 29,992.80 > |
| Book expense a/c 6049.5000     | ① < 331,720.80 >  |               |
| Fees                           | ② = 18,905.66     |               |
| Cash Payments                  | 563,216.93        |               |
| Non Utility Income B-14/4      | 158,811.00        |               |
| <b>Ending Balance 12-31-94</b> | <b>379,219.99</b> |               |

dr Exp  
cr Liab

dr Liab  
cr Cash?

Plan Assets:

dr Liab  
cr Cash

dr Liab  
cr Income

Agrees to book expense in a/c c/R 15 of 18.

99



FAACCOUNT2630000.WQ1  
 Prepared By: A. Johnson  
 12-Jan-95

SOUTHERN STATES UTILITIES, INC.  
 ACCRUED PENSION EXPENSE

001.0001.000.99.2630.0000.000

| DESCRIPTION                             | BEGINNING BALANCE | R32                | BYAMT.           | OTHER       | ENDING BALANCE |
|---|-------------------|--------------------|------------------|-------------|----------------|
| ACCRUED UNION PENSION EXPENSE 1/94      | (7,404.79)        | (1,600.00)         | 0.00             | 0.00        | (9,004.79)     |
| 2/94                                    | (9,004.79)        | (1,600.00)         | 0.00             | 0.00        | (10,604.79)    |
| 3/94                                    | (10,604.79)       | (1,600.00)         | 0.00             | 0.00        | (12,204.79)    |
| 4/94                                    | (12,204.79)       | (1,600.00)         | 0.00             | 0.00        | (13,804.79)    |
| 5/94                                    | (13,804.79)       | (1,600.00)         | 0.00             | 0.00        | (15,404.79)    |
| 6/94                                    | (15,404.79)       | (1,600.00)         | 20,219.93        | 0.00        | 3,215.14       |
| 7/94                                    | 3,215.14          | (1,600.00)         | 0.00             | 0.00        | 1,615.14       |
| 8/94                                    | 1,615.14          | (1,600.00)         | 0.00             | 0.00        | 15.14          |
| 9/94                                    | 15.14             | (15.14)            | 0.00             | 0.00        | (0.00)         |
| 10/94                                   | (0.00)            | 0.00               | 0.00             | 0.00        | (0.00)         |
| 11/94                                   | (0.00)            | 0.00               | 0.00             | 0.00        | (0.00)         |
| 12/94                                   | (0.00)            | 0.00               | 0.00             | 0.00        | (0.00)         |
| <b>TOTAL ACCR UNION PENSION EXPENSE</b> |                   | <b>(12,615.14)</b> | <b>20,219.93</b> | <b>0.00</b> |                |

B-18/2

SSU

Exhibit 82(1) 3 of 4

FAACCOUNT26300000.WQ1  
 Prepared By: A. Johnson  
 12-Jan-95

SOUTHERN STATES UTILITIES, INC.

ACCRUED PENSION EXPENSE

001.00001.000.95.26.96.0000.000

| DESCRIPTION                                 | BEGINNING BALANCE | RI D6               | PYMT              | OTHER             | ENDING BALANCE    |
|---|-------------------|---------------------|-------------------|-------------------|-------------------|
| ACCRUED DEFINED BENEFIT PENSION 1/94        | (22,588.01)       | (34,000.00)         | 167,786.00        | 0.00              | 111,197.99        |
| 2/94  | 111,197.99        | (34,000.00)         | 0.00              | 0.00              | 77,197.99         |
| 3/94  | 77,197.99         | (34,000.00)         | 79,230.00         | 158,811.00        | 281,238.99        |
| 4/94  | 281,238.99        | (34,000.00)         | 40,220.00         | 0.00              | 287,458.99        |
| 5/94  | 287,458.99        | (34,000.00)         | 0.00              | 0.00              | 253,458.99        |
| 6/94  | 253,458.99        | (34,000.00)         | 0.00              | 0.00              | 219,458.99        |
| 7/94  | 219,458.99        | (34,000.00)         | 83,893.00         | 0.00              | 269,351.99        |
| 8/94  | 269,351.99        | (34,000.00)         | 0.00              | 0.00              | 235,351.99        |
| 9/94  | 235,351.99        | (34,000.00)         | 0.00              | 0.00              | 201,351.99        |
| 10/94                                       | 201,351.99        | (34,000.00)         | 83,893.00         | 0.00              | 251,244.99        |
| 11/94                                       | 251,244.99        | (34,000.00)         | 0.00              | 0.00              | 217,244.99        |
| 12/94                                       | 217,244.99        | 74,000.00           | 87,975.00         | 0.00              | 379,219.99        |
| <b>TOTAL ACCR'D BENEFIT PENSION EXPENSE</b> |                   | <b>(300,000.00)</b> | <b>542,997.00</b> | <b>158,811.00</b> | <b>379,219.99</b> |

*from previous month ending balance*

SSU

08/22/95 TUE 11:08 FAX 880 1395

*Exhibit 82(j) - 4 of 4*

*B-18/3*

CONFIDENTIAL

Approved by  
Topeka Group, INC  
Paul M. Holt

Exhibit 82(a) / of 4  
SSU  
1994 Schedule M's  
Investment Portfolio

27-Jan-95  
Prepared by: Robie Small

VC 8-21-91

SOUTHERN STATES UTILITIES, INC.  
AP - TGI  
203494  
TOPEKA RECONCILIATION  
© DECEMBER 31, 1994

| PER TGI                               | COMMENTS          |
|---------------------------------------|-------------------|
| AP TO SSU (12/1/94)                   |                   |
| Investment Portfolio                  | 1,947,433.60      |
| A/R FROM SSU                          |                   |
| December Credit Support Fee           | 3,795.55          |
| December Credit Receivable Fee        | 3,795.24          |
| December Credit Receivable Fee Volume | 4389.75           |
| November Expenses Billing             | 115,485.83        |
| December Expenses Billing             | 45,894.65         |
| November Credit Support Fee           | 3,692.47          |
| November Credit Receivable Fee        | 3,585.62          |
| November Credit Receivable Fee Volume | 4,228.77          |
|                                       | <u>263,072.26</u> |

| PER SSU                                 | COMMENTS              |
|---|-----------------------|
| Investment Portfolio Per Gr.            | 4,988,000.00          |
| Monthly Gain(Loss)                      | 47,433.60             |
| TOTAL MP INVESTMENT PORTFOLIO           | <u>4,940,566.40</u>   |
| A/R From TGI                            |                       |
| Refundable Advances-December Billing    | 164,572.21            |
| Expenses for MAWC Billed to TGI         | 2,284.72              |
|   | <u>166,856.93</u>     |
| TOTAL A/R From TGI                      |                       |
| AP TO TGI                               |                       |
| 89/94 Accrued Interest (35 days)        | (103,854.00)          |
| 90/94 Accrued Interest                  | (211,717.19)          |
| 91/94 Accrued Interest                  | (211,717.19)          |
| 92/94 Accrued Interest                  | (211,717.19)          |
| 93/94 Accrued Interest                  | (211,717.19)          |
| SSU Overpaid Interest                   | 0.01                  |
| 12/94 Credit Support Fee                | (3,195.55)            |
| 12/94 Credit Receivable Fee             | (3,795.24)            |
| 12/94 Credit Receivable Fee-Volume Bond | (4,389.75)            |
| December Expenses Accrued               | (38,185.31)           |
| Header Changes to Wrong Acct            | 754.87                |
| November Expenses                       | (115,485.83)          |
| 88-90 IRS Audit                         | (111,675.89)          |
| AMT Crns                                | (3,488,798.00)        |
| TOTAL AP to TGI                         | <u>(2,778,424.94)</u> |
| AP & A/R                                | <u>(2,611,568.54)</u> |

| RECONCILING ITEMS:                      |                       |  |
|---|-----------------------|--|
| Accrued Interest-Notes Payable          | 82,722.26             | Not included in TGI Reconciliation                 |
| November Expenses Accrued               | 38,786.31             |  |
| Refundable Advances                     | (164,572.21)          | Not included in this section of TGI Reconciliation |
| SSU Overpaid Interest                   | (0.01)                |  |
| November Expenses Billing               | (45,894.65)           | Billed in January, 1995                            |
| 11/94 Credit Support Fee                | (3,092.47)            | Paid in December, 1994                             |
| 11/94 Credit Receivable Fee             | (3,585.62)            | Paid in December, 1994                             |
| 11/94 Credit Receivable Fee-Volume Bond | (4,228.75)            | Paid in December, 1994                             |
| Expenses for MAWC Billed to TGI         | (2,284.72)            | Not included in TGI Reconciliation                 |
| 88-90 IRS Audit                         | 111,675.89            | Not included in TGI Reconciliation                 |
| AMT Crns                                | 1,488,798.00          | Not included in TGI Reconciliation                 |
| Header Changes to Wrong Acct            | (354.87)              | FR completed in January, 1995                      |
| Total Reconciling Items                 | <u>1,348,802.35</u>   |  |
| Total AP & A/R                          | <u>(2,611,568.54)</u> |  |
| PER TGI                                 | <u>(263,072.26)</u>   |  |

Purpose of work paper:  
This is a copy of the intercompany account reconciliation between Topeka & SSU showing the portfolio balances to determine Sch M's below.

B-19/1

Note  
Per Ginger, the 47,433.60 recorded in interest receivable.

Note: When do MP "H" section  
Can verify total portfolio income picked up. Verify at return time.  
Noted on Notes for 94 return.  
See total income for 94 at B-26 - # of pages > 2

see B-19/3

|  |              |                    |    |
|--|--------------|--------------------|----|
| Post-It brand fax transmittal memo 7871 # of pages > 2 | Paul Holt    | Robin Small        | TO |
|  | Co. MP       | Co. SSU            |    |
|  | Cap Acctg.   | 407-880-0058 x 272 |    |
|  | A/R-723-3911 | 407-880-1395       |    |

Sch M for Investment Portfolio:

In 1993 The December MP managed portfolio income was recorded as paid to SSU in 93, but not picked up on SSU's books until 94. Therefore Sch M'd to pick up in income in 93, per attached 93 up. I-2.

For 1994 the December 94 portfolio income has been picked up by SSU from per Ginger Clarke, as interest income and a debit to interest receivable instead of the portfolio account. Therefore should only have a reversal of the 1993 Sch M in 94. 94 Sch M <106,255.78 B-19

2/15/1995  
15:39:20  
OLRPORT

SOUTHERN STATES UTILITIES, INC  
AUDIT LEAD SCHEDULES  
FOR THE PERIOD ENDED 12/31/1994  
BALANCE SHEET

OLBSLEADJC  
PAGE 25

| DESCRIPTION                             | YTD<br>ACTUAL | YTD<br>PRIOR YEAR-END | \$<br>VARIANCE  | %<br>VARIANCE |
|---|---------------|-----------------------|-----------------|---------------|
| TEMPORARY CASH INVESTMENTS<br>1350.0000 | 0,000,000.00  | 9,102,259.15          | ( 1,102,259.15) | ( 12.07)      |
| TEMPORARY CASH INVEST.                  | 0,000,000.00  | 9,102,259.15          | ( 1,102,259.15) | ( 12.07)      |

6-19

Exhibit 82 (K) 2 of 4

B-19/1

CONFIDENTIAL

Exhibit 82 K  
3 of SSU  
1993 Interest Alc's

8-6-94

|       |  |
|-------|--|
| FROM  | Post-It brand fax transmittal memo 7871 # of pages - 2 |
| TO    | Paul Holt  |
| CC    | MP   |
| DATE  | 1/20/94  |
| PHONE | (407) 880-1395   |
| FAX   | (218) 723-3911   |

Paul M Holt  
1/20/94

TOPEKA RECONCILIATION  
@ 12/31/93

J. Geiger  
01/20/94

| PER TOI                        | COMMENTS     |
|--------------------------------|--------------|
| A/R TO SSU (12/31/93)          |              |
| Investment Portfolio           | 9,288,514.27 |
| <hr/>                          |              |
| A/R FROM SSU                   |              |
| December Credit Support Fee    | 3,365.41     |
| December Credit Receivable Fee | 3,959.93     |
| November Credit Support Fee    | 3,256.85     |
| November Credit Receivable Fee | 3,832.19     |
| October Credit Receivable Fee  | 3,959.93     |
| November Expenses Billing      | 11,855.17    |
| December Expenses Billing      | 31,154.58    |
| <hr/>                          |              |
| TOTAL A/R EXP. BILLING FROM    | 61,364.06    |

| PER SSU                              | COMMENTS                                 |
|--------------------------------------|--|
| Investment Portfolio                 | 9,182,259.15                             |
| December Gains                       | 106,255.12                               |
| <hr/>                                |  |
| TOTAL INVESTMENT PORTFOLIO           | 9,288,514.27                             |
| <hr/>                                |  |
| A/R FROM TOI                         |  |
| <hr/>                                |  |
| TOTAL A/R FROM TOI                   | 0.00                                     |
| <hr/>                                |  |
| A/R TO TOI                           |  |
| 8/93 Accrued Interest-Notes Payable  | (185,858.62)                             |
| 9/93 Accrued Interest-Notes Payable  | (281,717.19)                             |
| 10/93 Accrued Interest-Notes Payable | (281,717.19)                             |
| 11/93 Accrued Interest-Notes Payable | (281,717.19)                             |
| 12/93 Accrued Interest-Notes Payable | (281,717.19)                             |
| 12/93 Credit Support Fee             | (3,365.41)                               |
| 12/93 Credit Receivable Fee          | (3,959.93)                               |
| Accrued Expense Liability Inv.       | (96,400.00)                              |
| Accrued 12/93 TOI Charges            | (23,120.76)                              |
| Refundable Advances - Dec Billing    | 121,480.73                               |
| Accrued Federal Taxes                | 77,125.00                                |
| <hr/>                                |  |
| TOTAL A/R TO TOI                     | (882,617.73)                             |
| <hr/>                                |  |
| A/R + A/R                            | (882,617.73)                             |
| <hr/>                                |  |
| RECONCILING ITEMS:                   |  |
| Accrued Expense Liability Inv.       | 96,400.00 - Not included in TOI Recon    |
| Accrued Interest Notes Payable       | 952,727.58 - Not included in TOI Recon   |
| Accrued Federal Taxes                | (77,125.00) - Corrected in January 1994  |
| Refundable Advances                  | (121,480.73) - Not included in TOI Recon |
| December Expenses Accrued            | 23,120.76 - Not included in TOI Recon    |
| December Expenses Billed             | (31,154.58) - Billed in January 1994     |
| 11/93 Credit Support Fee             | (3,256.85) - Unpaid                      |
| 11/93 Credit Receivable Fee          | (3,832.19) - Unpaid                      |
| 10/93 Credit Receivable Fee          | (3,959.93) - Paid 12/29/93               |
| November Expenses Billed             | (11,855.17) - Paid 1/14/94               |
| <hr/>                                |  |
|                                      | 821,253.60                               |
| <hr/>                                |  |
| PER SSU TOTAL                        | (882,617.73)                             |
| <hr/>                                |  |
| PER TOI                              | (61,364.06)                              |

-B/S 20'

I-1  
Agrees w/ Topoka balance

+ 952,727.58  
54,038.73

100,976.6  
882,617.73  
104,148  
I-1

Recorded in January 1994 ← Not yet recorded on SSU's books must be Sch m'd.

Agrees to Topoka books  
Add Topoka receivable from SSU (per Topoka books)  
SSU Payable  
Difference to 1/18/94

One does this reconciliation at the end of the year + sends to Paul Holt to reconcile errors to SSU.

Copied from 93 return w/p's

106,255  
106,255  
Gain on Investments  
B-19

B-19/2

CONFIDENTIAL

Minnesota Power  
Analysis of Subsidiary Allocations  
1994

summary of allocations per attached spreadsheets:

|                                       | Energy                   | Topeka       | SSU          | UtilEquip   | Irving<br>Upper<br>Mn Prop | Heater    | East LA  | Total                    |
|---------------------------------------|--------------------------|--------------|--------------|-------------|----------------------------|-----------|----------|--------------------------|
| jan - aug                             | H-6/3 (20,103.57)        | (331,287.78) | (841,968.38) | (37,851.18) | 979.91                     | 17,898.90 |          | (1,212,330.06)           |
| sept                                  | pass attaching 22,850.62 | 352,742.36   | 4,086.60     | 71.95       | 1,480.53                   | 5,327.39  |          | 386,539.45               |
| oct                                   | 18,771.56                | 288,167.18   | 9,488.73     | 0.00        | 1,186.71                   | 4,383.79  | 2,499.40 | 324,455.37               |
| nov                                   | 15,893.77                | 246,564.57   | 7,749.28     | 0.00        | 1,004.82                   | 3,694.74  | 2,118.18 | 277,023.38               |
| dec                                   | ↓ 19,114.04              | 304,405.87   | 47,433.60    | 0.00        | 1,208.31                   | 4,443.29  | 2,545.07 | 379,149.98               |
| total                                 | 56,526.42                | 860,592.02   | (773,230.15) | (37,579.23) | 5,840.28                   | 35,528.11 | 7,160.65 | 154,838.10               |
| allocate granite loss to Topeka H-4/4 |                          | (880,364.93) | 880,364.93   |             |                            |           |          | 0.00                     |
| net balance per books allocations     | 56,526.42                | (18,772.91)  | 107,134.78   | (37,579.23) | 5,840.28                   | 35,528.11 | 7,160.65 | 154,838.10               |
| balance per MP's books                |                          |              |              |             |                            |           | H-2      | 154,851.05<br>12.95 Diff |

Income recorded on sub's books:

|                           |             |           |              |           |            |             |             |              |
|---------------------------|-------------|-----------|--------------|-----------|------------|-------------|-------------|--------------|
| amount recorded (inc) exp | (56,526.42) | 19,772.91 | (185,866.25) | 37,579.23 | (5,840.28) | (35,528.00) | (15,779.07) | (221,987.88) |
| account                   | 4210-2000   | 4210-2000 | 4190.000     | 4210-2000 | 4210-1000  | 419.100     | 90122       |              |
| Difference                | (0.00)      | (0.00)    | (58,531.47)  | 0.00      | 0.00       | 0.11        | (8,618.42)  |              |

• Difference immaterial, pass finding as s/b no Sch M involved. See H-6/5.

pass finding diff as separate Sch M on SSU books related to portfolio recompute there

pass as assuming East LA adding other amounts in same account.

Purpose of WP

Subsidiaries invest in MP's managed investment portfolio. Prior to 1994 subs were allocated amounts from each type of investment, such as dividend income, etc. Beginning in 1994 the allocation method was changed to allocate "interest income" to the subs, which had a factor built in for lost DRD, etc. See H-6/1, H-6/2

Therefore purpose of wp for 1994 is just to prove all income subtracted from MP's books and allocated to the subs has been picked up on the subs' books.

Since no problems noted, no Sch M needed.

↑  
understatement

⊗ SSU Interest from Portfolio per E-2/5.  
Total interest income on E-2/5 is early interest income, therefore does not include dec amount of \$47,000. Total SSU income looks reasonable.

Exhibit 82 (L)

1 of 2

CONFIDENTIAL

SSU  
Preliminary Survey & Investigation  
12/31/94

CA 2-21-95  
K 8-21-95

Preliminary Survey & Investigation - a/c 1830.

Preliminary survey costs are accumulated in this account until a project is a go, at which point the costs would be capitalized, or the project falls through, usually resulting in the write-off of the deferred costs. Occasionally the costs are material and it is decided for books that they will be transferred to account 1862 and written off over a period of years, usually three.

For tax purposes we follow books by leaving the costs deferred until the project's future is determined. If the costs are ultimately transferred to account 1862, they must be reviewed at that time to determine if they have a tax life or should be written off.

There should be no amortization in this account, book amortization should only occur once the costs are transferred to account 1862. In 1993 there was amortization which we followed for tax purposes, but probably would not do so again in the future. If there is book amortization, investigate purpose.

Conclusion:

For the current year tax is following books related to costs remaining in the 1830 account.

No schedule M

Note: For 1993 took a sch M of \$1,185,085. However this balance has been transferred to a/c 1862 and should now be part of 1862 total cumulative Sch M's. B-3/c  
Make sure timing diff transferred at correction in PTF. Notes

Exhibit 82(L) 2 of 2

7-20-92

| PRELIMINARY SURVEY & INVESTMENT<br>001.00001...99.1030.0000... |           |       |                |              |               |                  |                     |              |              |            |                |                     |         |            |            |
|--|-----------|-------|----------------|--------------|---------------|------------------|---------------------|--------------|--------------|------------|----------------|---------------------|---------|------------|------------|
| DESCRIPTION  | PROJECT # | RSP # | BALANCE        |              |               |                  | AMORT<br>1/84-12/84 | BALANCE      |              |            |                | AMORT<br>1/84-12/84 | BALANCE |            |            |
|  |           |       | 12/31/82       | ADDITIONS    | RECLASS       | OTHER            |                     | 8/30/84      | 9/30/84      | 8/30/84    | ADDITIONS      |                     | RECLASS | OTHER      | 1/84-12/84 |
| WWTP EXPANSION   | 87EW003   | 889   | \$55,361.24    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| 1MG STOR TANK & BLDG FAWELL 10                                 | 88PN008   | 889   | \$35,788.00    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-NEW CIS SOFTWARE  | 88EA013   | 635   | \$35,247.34    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-CONCEPTUAL PERMIT APPL                                      | 88EW012   | 570   | \$25,122.38    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-KRA GOALS   | 82EA068   | 850   | \$15,325.00    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-IS STRATEGIC PLANNING                                       | 82EA067   | 540   | \$47,273.28    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-LEHIGH WW MASTER PLAN                                       | 82EG065   | 570   | \$49,000.00    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-10YR WATER MASTER PLAN                                      | 82EW047   | 570   | \$63,257.17    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-CENTRAL ANALYTICAL LAB                                      | 83PA048   | 800   | \$9,802.42     |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-ST WIDE RESIDUALS MASTER PLAN                               | 83PA054   | 885   | \$18,888.40    | \$16,525.01  |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WTR/WWTR MASTER PLAN  | 83PC007   | 570   | \$4,829.62     |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WTR/WWTR MASTER PLAN  | 83PC008   | ---   | \$12,974.93    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-ELK HARRIS WATER SYS EVAL                                   | 83PC009   | 570   | \$12,714.88    | \$345.95     |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WRT/WWTR MASTER PLAN  | 83PC010   | ---   | \$4,829.63     |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WRT/WWTR MASTER PLAN  | 83PC011   | ---   | \$4,829.63     |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WRT/WWTR MASTER PLAN  | 83PC012   | ---   | \$4,829.63     |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WRT/WWTR MASTER PLAN  | 83PC013   | ---   | \$4,829.63     |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WRT/WWTR MASTER PLAN  | 83PC014   | ---   | \$4,829.63     |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WET WEATHER STORAGE/IMP                                     | 83PN005   | 570   | \$48,000.85    | \$10,275.82  |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-B. HILLS REUSE FEASIBTY STUDY                               | 83PN049   | ---   | \$8,280.00     |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-DUDE PROVS. FIELD FARMS                                     | 83PS015   | 570   | \$1,015,208.80 | \$35,285.92  | \$108,866.61  | (\$1,000,000.00) |                     |              |              |            |                |                     |         |            |            |
| PS-MRO WTP IMPROV STUDY  | 83PS044   | 570   | \$32,971.80    |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-MI REUSE FEESIBTY STUDY                                     | 83PS050   | 570   | 17801.24       |              | (\$17,391.24) |                  |                     |              |              |            |                |                     |         |            |            |
| PS-MI PERMIT FEE   |           |       |                |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-VGU INJECTION WELL SYSTEM                                   | 83PS055   | 885   | \$11,815.00    | \$56,705.80  |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-RAW WTR. LINE FICITY OF NAPLES                              | 83PS058   | 570   | \$189,788.08   | \$4,968.83   |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-P. RIDGE HYDRAU ANAL/DIGITIZE M                             | 83PW056   | ---   | \$12,880.22    |              | \$1,889.87    |                  |                     |              |              |            |                |                     |         |            |            |
| PS-C. SPRINGS HYDRA ANAL/DIGITIZE M                            | 83PW057   | ---   | \$13,448.78    |              | (\$1,889.87)  |                  |                     |              |              |            |                |                     |         |            |            |
| PS-MI JURISDICT. WETLAND PEMIT                                 | 83PN064   |       |                | \$3,800.00   |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WET WEATHER SYSTEM IMP.                                     | 84CN048   |       |                | \$1,832.49   |               | (\$1,832.49)     |                     |              |              |            |                |                     |         |            |            |
| PS-COLLIER PROPERTY CONDEMNATION                               | 84CS058   |       |                | \$17,174.11  |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-STATE WIDE RESIDUALS MASTER PL                              | 84PA054   |       |                | \$2,842.80   |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-NEW CUSTOMER INFORMATION                                    | 84PA335   |       |                | \$2,885.80   |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WELL #2 REHABILITATION                                      | 84PC005   |       |                | \$1,171.15   |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WASTEWATER EXPANSION ANALYSIS                               | 84PC016   |       |                | \$1,800.00   |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-ALTERN. WATER SOURCE EVAL                                   | 84PC038   |       |                |              |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WELL #36  | 84PN009   |       |                | \$227.21     | \$41,265.88   |                  |                     |              |              |            |                |                     |         |            |            |
| PS-REUSE FEASIBILITY STUDY                                     | 84PN012   |       |                | \$10,800.00  |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-SLUDGE STABILIZATION FACILITY                               | 84PN336   |       |                | \$25,048.80  |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-WTP EXPANSION   | 84PS014   |       |                | \$1,277.42   |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-PERMIT 180 ACRE SITE  | 84PS015   |       |                | \$84,492.47  |               |                  |                     |              |              |            |                |                     |         |            |            |
| PS-COLLIER BLVD RECLAIMED WATER L                              | 84PS338   |       |                | \$18,631.78  |               |                  |                     |              |              |            |                |                     |         |            |            |
| TOTALS   |           |       | \$1,738,974.17 | \$274,241.68 | (\$32,782.67) | (\$1,001,533.45) | \$8.00              | \$879,898.78 | \$779,898.78 | \$7,738.18 | (1,221,897.85) | \$18,417.33         | 0.00    | 774,187.89 | 774,187.89 |

Amounts referenced to 3-5 are transferred to 2/10/82.

B-20/1

Agrees to 9-7 return w/ 3-24

Rec'd from We G. Taped 2 pages together.

3-7



SSU  
 1994 Return

LAC

| 1994 PROVISION<br>(Net Net YTD + D/C Estimate)  | 2                   | 3         | 4                          |
|---|---------------------|-----------|----------------------------|
|   | Balance             |           | 11/15/94 / (Decr) / (Incr) |
|   | 12-31-93            | 11-30-94  | M-1                        |
| Wardner Hall Reserve  |                     |           |                            |
| Removal of previous years M-1 for reserve   |                     |           |                            |
| Timeshare Reserve Balance   |                     |           |                            |
| PUPW Reserve  | 25004               | <102168>  | <98703> <3465>             |
| "Paid up property warranty" Sale contract has a provision where qualifying lots are deemed to have in the event the purchaser dies. This reserve ac provides for it   |                     |           |                            |
| NY Escrow Ac  | 10780, 10721, 10722 | <4645179> | 0 <4645179>                |
| Much Escrow ac  | 10719               | <5822697> | 0 <5822697>                |
| These accounts were set up for escrow amounts collected for future water + sewer hookups. The amounts never went into book income and were not picked up on the returns filed. In '94 the income is being recognized for tax purposes our position is the income should have been included on the returns the year the cash was collected and therefore is not taxable this year. |                     |           |                            |
| Reserve for Utility Hookups   | 21743               | <800000>  | 800000                     |
| Reserve provided to pay for hookups of water + sewer on the west ME & NY lot holders show up in Florida. This will reverse as lots are hooked up. SSU will be providing the hookups and therefore has an equal receivable on its book and should have an offsetting M-1   |                     |           |                            |
| Copied from LAC provision   |                     |           |                            |
| <p><u>Notes</u> SSU balances are offsetting, no hit to book income<br/>                 See SSU balances on up B-29<br/>                 Also see description at F's-18. No Sch M<br/>                 Note: LAC does have a Sch M.</p>   |                     |           |                            |
| <input type="checkbox"/> Estimated 12/31/94 balance<br>for SSU provision file   |                     |           |                            |

B-21/6 B-25

CONFIDENTIAL

# SSU INTERCOMPANY ELIMINATIONS DECEMBER 31, 1994

08/19/95  
KCF-2-95

|                     | Traced to<br>Books of: | dr          |              | cr |
|---------------------|------------------------|-------------|--------------|----|
| Common Stock        | SSU                    | 107,500     |              |    |
| Paid-in Capital     | SSU                    | 112,724,905 |              |    |
| Retained Earnings   | SSU                    | 5344,894    |              |    |
| Investment in SSU   | Topoka                 |             | ① 78,177,299 |    |
| plug (if necessary) |                        |             |              |    |

Per GLN: Invest in SSU - 1231-0501 73,963,863  
 1231-0502 16,213,436  
 1231-0503 <12,000,000>  
 90,177,299  
 78,177,299 ①

|   |            |            |              |            |
|---|------------|------------|--------------|------------|
| Due from Lehig                                | CR 4 of 18 | SSU *      | -0-          | -0-        |
| Due to Topoka                                 | CR 8 of 18 | SSU        | 24,196,250 ② | B/S 2      |
| Due from SSU                                  |            | Topoka I-1 |              | 24,196,250 |
| Due to SSU                                    |            | Topoka I-1 | 8047,434     |            |
| Temporary Cash Inv. (Corp Tax A/c # 18000 10) | CR 2 of 18 | SSU        |              | 8000,000   |
| Interest Receivable (Corp Tax A/c # 18000 15) | ↓          | SSU        |              | 47,437     |
| Due to Topoka Due plug <5299,942 / 1294,730>  | I-1        | SSU        | 3996,212 ②   |            |
| Due from SSU                                  | I-1        | Topoka     |              | 3996,212   |

Total SSU Elimination S/B:  
 1800010 <8000,000>  
 1800015 <47,437>  
 3300090 28,192,462

Amounts tie to balance sheet:

|                         |       |            |  |
|-------------------------|-------|------------|--|
| Loans to stockholders   |       | -0-        |  |
| Loans from stockholders | Σ ② = | 28,192,462 |  |

⊕ Per exam of LAC B/S, no interco loans - will reclass at SSU level.

Reclass needed to tie out Interco.

Eliminations are prepared at the sub level and traced to the parent.

Additional eliminations may be required for intercompany gains.

Attach a list of all a/c's that equal balances for Due to and Due from Stockholders for tracing from other companies

Balance per CR 8 of 18 25,930,656  
 Add Refundable Adv CR 10 of 18 2956,502  
 Remove LAC + Header 8 of 18 800034  
 Plug needed at Topoka I-1 <1474,730>

**I**

|  |              |  |                       |
|--|--------------|--|-----------------------|
|  | Corp Tax A/c |  | Adjusted balance      |
|  | 1800090      |  | Amount                |
|  | 1200095      |  | ⊕ Σ <1030 / 1030>     |
|  | 3700090      |  | <2956,502> Refundable |
|  | 3300090      |  | 2(4) = 2261,806 Loans |
|  | 3700090      |  | 694,696 Misc Liab     |
|  |              |  | 0                     |

Exhibit 82(a) 2 of 3

INTERCOMPANY PAYABLES/RECEIVABLES

CONFIDENTIAL

Topeka  
SSU - 1994 Returns

ELIMINATION ENTRY

| BOOKS OF  | DESCRIPTION                                    | A/C BALANCE   | DR         | CR           |
|-----------|--|---------------|------------|--------------|
| topeka    | refundable advances/SSU                        | 2,791,929     |            | (2,791,929)  |
| topeka    | a/r - ssu                                      | 251,556       |            | (251,556)    |
| topeka    | i/r - ssu                                      | 952,727       |            | (952,727)    |
| ssu       | n/p - topeka                                   | (2,534,440)   | 2,956,502  |              |
|           | PLUG   |               | 1,030,710  |              |
|           |  |               |            |              |
| topeka    | n/r - ssu                                      | 24,196,250 I  |            | (24,196,250) |
| ssu       | n/p - topeka                                   | (24,196,250)  | 24,196,250 |              |
|           |  |               |            |              |
| topeka    | a/p - ssu                                      | (8,047,434) I | 8,047,434  |              |
| ssu       | temp. cash investments                         | 8,000,000     |            | (8,000,000)  |
| ssu       | interest receivable                            | 47,434        |            | (47,434)     |
|           |  |               |            |              |
| topeka    | a/r - fibercore                                | 210,267       |            | (210,267)    |
| fibercore | a/p - topeka                                   | (210,267)     | 210,267    |              |
|           |  |               |            |              |
| topeka    | a/r - lehigh                                   | 63,434        |            | (63,434)     |
| lehigh    | a/p - topeka                                   | ??            |            |              |
|           | unknown at 8/9 as have not received lac return |               |            |              |
|           |  |               |            |              |
| topeka    | a/r - east la                                  | 5,965         |            | (5,965)      |
| east la   | a/p - topeka                                   | (3,840)       | 3,840      |              |
|           | PLUG   |               | 2,125      |              |
| topeka    | a/p - east la                                  | (307,161)     | 307,161    |              |
| east la   | a/r - topeka                                   | 307,161       |            | (307,161)    |
|           |  |               |            |              |
| topeka    | n/r - heater                                   | 2,700,000     |            | (2,700,000)  |
| topeka    | n/r - heater                                   | 3,000,000     |            | (3,000,000)  |
| heater    | n/p - mp                                       | (5,700,000)   | 5,700,000  |              |
| topeka    | i/r - heater                                   | 106,313       |            | (106,313)    |
| topeka    | i/r - heater                                   | 118,125       |            | (118,125)    |
| topeka    | a/p - heater                                   | (536,278)     | 536,278    |              |
| topeka    | a/r - heater                                   | 18,160        |            | (18,160)     |
| heater    | a/r - topeka                                   | 45,656        |            | (45,656)     |
| heater    | a/p - mpl                                      | (226,006)     | 226,006    |              |
| heater    | income tax payable - mp                        | (161,700)     | 161,700    |              |
|           | PLUG   |               |            | (635,730)    |
|           |  |               |            |              |
| topeka    | a/r - mp                                       | 247,105       |            | (247,105)    |
| mp        | a/p - topeka                                   | (247,105)     | 247,105    |              |
| topeka    | a/r - mp                                       | 44,482,180    |            | (44,482,180) |
| mp        | a/p - topeka                                   | (35,591,308)  | 35,591,308 |              |
| mp        | a/p - topeka                                   | (8,047,434)   | 8,047,434  |              |
| mp        | a/p - topeka                                   | (536,278)     | 536,278    |              |
| mp        | a/p - topeka                                   | (307,161)     | 307,161    |              |
| topeka    | a/p - mp                                       | (1,252,732)   | 1,252,732  |              |
| mp        | a/p - topeka                                   | 1,286,960     |            | (1,286,960)  |
|           | PLUG   |               | 34,227     |              |

Exhibit 82 (a) 3 of 3

Date: 08/19/95

Adjustment/Comment Report

CONFIDENTIAL

Year :1994

120SSU

Southern States Utilities, Inc.

59-0948672

|         |                               | Location | Date     | Debit     | Credit    | Init |
|---------|-------------------------------|----------|----------|-----------|-----------|------|
| 01 BR   | R00101 Reclass of A/R and A/P |          |          |           |           |      |
| 1200095 | ACCOUNTS RECEIVABLE           |          | 08/19/95 | 1,030     |           | MAS  |
| 1850090 | LOANS TO STOCKHOLDERS         |          | 08/19/95 |           | 1,030     | MAS  |
| 3300090 | LOANS FROM STOCKHOLDERS       |          | 08/19/95 |           | 2,261,806 | MAS  |
| 3700090 | MISCELLANEOUS                 |          | 08/19/95 | 2,261,806 |           | MAS  |

I-1  
J

I-2

Exhibit 82(0)

4140 summary

CONFIDENTIAL

Southern States Utilities, Inc.  
Gain on Disposal of Assets  
For the Period Ending 12/31/94

San Lando sale to De Jesus: (Costs booked 1993)

|                     |                 |
|---------------------|-----------------|
| Proceeds from sale  | (976.48)        |
| Less: Basis of Land | 256.21          |
| Net Gain            | <u>(720.27)</u> |

*P-1 my first asset*  
*Revenue tax > book sch. M of 720 in 1993.*

Deltona Lakes Gas System (sold 1991)

|                    |                 |
|--------------------|-----------------|
| Accum Depreciation | <u>6,926.74</u> |
|--------------------|-----------------|

*Tax depr s/b correct book amount only + P-3*

Sale of Doyle Road Property: (Sold 1993)

|                                 |                   |
|---------------------------------|-------------------|
| Retund - Gray, Harns & Robinson | <u>(1,414.21)</u> |
|---------------------------------|-------------------|

*Refund did not go through salvage.*

Sale to Hernando County: (Settlement Date: 7/1/94)

|                     |                    |
|---------------------|--------------------|
| Proceeds            | (25,465.18)        |
| Less: Basis of Land | 5,735.60           |
| Net Gain            | <u>(19,729.58)</u> |

Sale of VGU:

|                       |                        |
|-----------------------|------------------------|
| Proceeds              | (37,361,122.50)        |
| Less: Basis of Assets | 18,202,711.45          |
| Net Gain              | <u>(19,158,411.05)</u> |

|            |                        |
|------------|------------------------|
| Total Gain | <u>(19,173,348.37)</u> |
|------------|------------------------|

|  |                |              |                |
|--|----------------|--------------|----------------|
| Post-It™ brand fax transmittal memo 7671 |                | # of pages ▶ | 6              |
| To                                       | Jamie Jago     | From         | Joe Geiger     |
| Co.                                      | MP             | Co.          | SSU            |
| Dept.                                    | TAX            | Phone #      | X 273          |
| Fax #                                    | (214) 720-2515 | Fax #        | (407) 880-1395 |

SOUTHERN STATES UTILITIES, INC.  
RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS  
DOCKET NO.: 950495-WS

REQUESTED BY: FPSC  
SET NO: 12  
DOCUMENT REQUEST NO: 83  
ISSUE DATE: 04/10/96  
WITNESS: Bruce E. Gangnon  
RESPONDENT: Bruce E. Gangnon

DOCUMENT REQUEST: 83

Please provide the following documentation related to 1994 MP&L & Subsidiaries Corporate Federal Income Tax Return (1120)

- a) Form 8594, Schedule 16, Page 1 of 7
- b) Detail of Form 3800, Schedule 20
- c) Detail of Balance Sheet, Schedule 32, page 7 or 8
- d) Statement No. 38, page 5 of 9
- e) Schedule 40, page 4 of 4

RESPONSE: 83

See attached Appendix DR83-A.

**CONFIDENTIAL**

**FPSC DOCUMENT REQUEST NO. 83**

**APPENDIX DR83-A**

Exhibit 83(a)

**Asset Acquisition Statement**  
**Under Section 1060**

OMB No. 1545-1021  
 Expires 2-29-96

**CONFIDENTIAL**  
 Attachment  
 Sequence No. 61

▶ Attach to your Federal income tax return.

Name as shown on return *Minnesota Power & Light Company*  
 for: **SOUTHERN STATES UTILITIES, INC** Identification number as shown on return  
**59-0948672** *41-0418150*

Check the box that identifies you:  Buyer  Seller

**Part I** General Information—To be completed by all filers

|   |  |                                     |
|---|--|-------------------------------------|
| 1 Name of other party to the transaction<br><b>SARASOTA COUNTY, FL</b>                    |  | Other party's identification number |
| Address (number, street, and room or suite no.)<br><b>1549 RINGLING BLVD, THIRD FLOOR</b> |  |                                     |
| City, state, and ZIP code<br><b>SARASOTA, FL 34236</b>                                    |  |                                     |
| 2 Date of sale<br><b>DECEMBER 21, 1994</b>  | 3 Total sales price<br><b>37,550,000</b> |                                     |

**Part II** Assets Transferred—To be completed by all filers of an original statement

| 4 Assets  | Aggregate Fair Market Value (Actual Amount for Class I) | Allocation of Sales Price |
|-----------|---|---------------------------|
| Class I   | \$  | \$ ALLOCATION NOT DONE    |
| Class II  | \$  | \$ AT TIME OF SALE *      |
| Class III | \$  | \$ 37,550,000             |
| Class IV  |   | \$                        |
| Total     |   | \$ 37,550,000             |

5 Did the buyer and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties?  Yes  No  
 If "Yes," are the aggregate fair market values listed for each of asset Classes I, II, and III the amounts agreed upon in your sales contract or in a separate written document?  Yes  No

6 In connection with the purchase of the group of assets, did the buyer also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)?  Yes  No  
 If "Yes," specify (a) the type of agreement, and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See the instructions for line 6.

\* SALE WAS CONDEMNATION OF SEWER AND WATER ASSETS  
 LOCATED WITHIN SARASOTA COUNTY, FL.



09/01/95

**Minnesota Power & Light Company & Affiliated Companies  
Federal I.D. No. 41-0418150  
Year Ended December 31, 1994**

**Detail of Form 3800**

**Computation of Limitation on Investment Credit  
Carryovers From Separate Return Limitation Years**

**Southern States Utilities, Inc.**

|                                       |                |              |
|---------------------------------------|----------------|--------------|
| Federal taxable income                | (2,227,021)    |              |
| federal tax @ 35%                     | 0              |              |
| <b><u>SRLY - use greater of -</u></b> |                |              |
| ITC limitation @ 75%                  | 0              |              |
| AMT tax @ 25%                         | 162,792        |              |
| IRC section 382 limitation            | 2,511,306      |              |
| ITC carryover                         | 1,162,229      |              |
| ITC allowed in 1994                   | <u>162,792</u> | To Form 3800 |

**Detail ITC Carryover \***

| Year Investment<br>Originated | Year<br>Expiring | SSU              |
|-------------------------------|------------------|------------------|
| 1981                          | 1995             | 412,949          |
| 1982                          | 1996             | 299,463          |
| 1983                          | 1997             | 168,328          |
| 1984                          | 1998             | 62,325           |
| 1985                          | 1999             | 179,690          |
| 1986                          | 2000             | <u>39,474</u>    |
| Total ITC Available in 1993   |                  | <u>1,162,229</u> |

\* Amounts Are Listed at 65% of Original Investment Tax Credit

**MINNESOTA POWER & LIGHT COMPANY AND AFFILIATED COMPANIES**  
**FEDERAL I.D. #41-0418150**  
**DECEMBER 31, 1993**

**DETAIL OF BALANCE SHEET**

| <b>OTHER CURRENT LIABILITIES</b>       | <b>PAGE<br/>TOTAL</b> | <b>Pelican<br/>Utility<br/>Company</b> | <b>Rainy River<br/>Energy<br/>Corporation</b> | <b>RendField<br/>Land<br/>Company, Inc.</b> | <b>Seminole<br/>Utilities, Inc.</b> | <b>Southern<br/>States<br/>Utilities, Inc.</b> | <b>Superior<br/>Recycled<br/>Fiber Corp.</b> | <b>Superior<br/>Water, Light<br/>&amp; Power Co.</b> |
|--|-----------------------|--|---|---|-------------------------------------|--|--|--|
| Accrued income taxes                   | (438,514)             | 0                                      | (175,020)                                     | (26,278)                                    |                                     | (82,311)                                       | (609,230)                                    | 463,323  |
| Accrued interest                       | 1,857,784             | 0                                      | 0   | 0   |                                     | 1,483,080                                      | 18,863                                       | 355,841  |
| Accrued pension expense                | 0                     | 0                                      | 0   | 0   |                                     | 0  | 0  | 0  |
| Accrued salaries                       | 578,385               | 0                                      | 0   | 0   |                                     | 578,385  | 0  | 0  |
| CIAC tax impact escrow                 | 0                     | 0                                      | 0   | 0   |                                     | 0  | 0  | 0  |
| Interim rates                          | 0                     | 0                                      | 0   | 0   |                                     | 0  | 0  | 0  |
| Taxes other than income taxes          | 3,486,052             | 0                                      | 0   | 8,757                                       |                                     | 3,518,555                                      | (41,280)                                     | 0  |
| Miscellaneous                          | 7,481,300             | 0                                      | 0   | (151)                                       |                                     | 2,711,451                                      | 4,128,000                                    | 842,000  |
| <b>Total other current liabilities</b> | <b>12,982,007</b>     | <b>0</b>                               | <b>(175,020)</b>                              | <b>(17,670)</b>                             | <b>0</b>                            | <b>6,197,180</b>                               | <b>3,486,373</b>                             | <b>1,481,164</b>                                     |
| <b>OTHER LIABILITIES</b>               |                       |  |   |   |                                     |  |  |  |
| Accum. deferred income taxes           | 17,976,172            | 0                                      | 0   | 0   |                                     | 12,488,458                                     | 1,145,620                                    | 4,382,094  |
| Accum. deferred investment tax credits | 2,211,902             | 0                                      | 0   | 0   |                                     | 1,095,418                                      | 0  | 1,116,484  |
| Contribution in aid of construction    | 86,882,890            | 0                                      | 0   | 0   |                                     | 86,882,890                                     | 0  | 0  |
| Customer deposits and advances         | 4,532,636             | 0                                      | 0   | 0   |                                     | 2,884,332                                      | 0  | 1,548,304  |
| Miscellaneous                          | 2,095,592             | 0                                      | 0   | 39,867                                      |                                     | 0  | 0  | 2,055,925  |
| Other regulatory liabilities           | 2,007,828             | 0                                      | 0   | 0   |                                     | 2,007,828                                      | 0  | 0  |
| <b>Total other liabilities</b>         | <b>115,488,618</b>    | <b>0</b>                               | <b>0</b>                                      | <b>39,867</b>                               | <b>0</b>                            | <b>105,218,524</b>                             | <b>1,145,620</b>                             | <b>9,082,807</b>                                     |

Exhibit 83(c)

Schedule 32 7 of 8

CONFIDENTIAL

**LEHIGH ACQUISITION AND  
SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED:  
DECEMBER 31, 1994  
FEIN 59-3067699**

**ADJUSTMENTS TO NET INCOME (M-1 LINE 1)**

|  |           |           |
|--|-----------|-----------|
| PURCHASE ACCOUNTING ADJUSTMENTS (APB-16) |           |           |
| REVERSAL OF NET GAINS ON DISPOSALS       | 354,461   |           |
| REVERSAL OF DEPRECIATION ADJUSTMENT      | 141,707   |           |
| REVERSAL OF DISCT ON NOTE                | 3,809,662 |           |
| REVERSAL OF BARGAIN DISCOUNT             | 2,656,681 | 6,962,511 |

**TOTAL ADJUSTMENT TO INCOME LINE 1** 6,962,511

**EXCESS CAPITAL LOSSES  
(M-1, Line 3)**

|                         |          |   |
|-------------------------|----------|---|
| 02 - LEHIGH CORPORATION | <u>0</u> | 0 |
|-------------------------|----------|---|

**TAXABLE INCOME NOT RECORDED ON BOOKS (M-1 LINE 4)**

**02 - LEHIGH CORPORATION**

|   |         |         |
|---|---------|---------|
| DEFERRED GROSS PROFIT RECOGNIZED        | 425,508 |         |
| DEFERRED GROSS PROFIT BUILDER LOTS      | 67,909  |         |
| DEFERRED PROFIT JOEL BELL PROPERTY SALE | 200,712 |         |
| SUB TOTAL                               |         | 694,129 |

**05 - LEHIGH LAND & INVESTMENTS, INC.  
K-1 GREENBRIAR LAKES JOINT VENTURE**

|            |     |
|------------|-----|
| <u>890</u> | 890 |
|------------|-----|

**09 - INTERLACHEN LAKES ESTATES  
DEF PROFIT ON '84-'85 INSTALL**

|               |        |
|---------------|--------|
| <u>23,554</u> | 23,554 |
|---------------|--------|

**SUB TOTAL**

**10 - SUNDOWNER PROPERTIES, INC.  
DEF GROSS PROFIT ON '84-'85 INSTALL  
SUB TOTAL**

|          |   |
|----------|---|
| <u>3</u> | 3 |
|----------|---|

**11-ORANGE STATE PROPERTY SERVICES, INC.  
BASIS DIFF ON DISPOSED ASSETS**

|               |        |
|---------------|--------|
| <u>11,525</u> | 11,525 |
|---------------|--------|

**TOTAL TAXABLE INCOME NOT RECORDED ON BOOKS - LINE 4** 730,101

Exhibit 83 (e)

Minnesota Power & Light Company & Affiliated Companies  
Federal I. D. # 41-0418150  
For the year ended December 31, 1994

Election to Defer Gain on Involuntary Conversion Pursuant to Code Section 1033

Southern States Utilities, Inc. elects under Code Section 1033(a)(2) to not recognize the gain on involuntary conversion of the following property and expects to purchase replacement property within the replacement period.

Date and Description of Property -

On December 21, 1994 Sarasota County, Florida, condemned various sewer and water assets of Southern States Utilities, Inc.

Computation of Gain -

|                     |                   |
|---------------------|-------------------|
| Sales proceeds      | \$37,550,000      |
| Tax basis of assets | <u>21,049,048</u> |
| Gain to be deferred | <u>16,500,952</u> |

Expiration of Replacement Period - December 31, 1996

SOUTHERN STATES UTILITIES, INC.  
RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS  
DOCKET NO.: 950495-WS

REQUESTED BY: FPSC  
SET NO: 12  
DOCUMENT REQUEST NO: 84  
ISSUE DATE: 04/10/96  
WITNESS: Bruce E. Gangnon  
RESPONDENT: Bruce E. Gangnon

DOCUMENT REQUEST: 84

Please provide the following documentation related to Lehigh Acquisition Corp. & Subsidiaries

- a) Temporary and permanent differences
- b) Balance Sheet
- c) Book-Tax P&L Reconciliation
- d) M-1 Adjustments
- e) Balance sheet with reclassification entries

RESPONSE: 84

See attached Appendix DR84-A.

**CONFIDENTIAL**

**FPSC DOCUMENT REQUEST**

**APPENDIX DR84-A**

---

LEHIGH ACQUISITION CORPORATION  
AND SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED:  
DECEMBER 31, 1994  
RECONCILIATION OF CONSOLIDATED  
NET INCOME  
FEIN 59-3067699

Exhibits 84(a, c & d)

1 of 8

1  
LEHIGH  
ACQUISITION  
CORPORATION

59-3067699

|                               | CONSOLIDATED<br>TOTALS | ELIMINATIONS | ADJUSTMENTS      | COMBINED<br>TOTALS | 1<br>LEHIGH<br>ACQUISITION<br>CORPORATION |
|-------------------------------|------------------------|--------------|------------------|--------------------|---|
| <b>SCHEDULE M-1</b>           |                        |              |                  |                    |   |
| 1 NET INCOME PER BOOK         | 12,616,573             | 0            | 6,992,511        | 5,654,082          | (629,678)                                 |
| 2 FEDERAL INCOME TAX          | 307,621                |              |                  | 307,621            | 307,621                                   |
| 3 EXCESS CAP. LOSSES          | 0                      |              |                  | 0                  | 0   |
| 4 TAX INC. NOT RECORDED       | 730,101                |              |                  | 730,101            |   |
| 5 EXP. RECD. NOT DEDUCTED     | 4,441,421              |              |                  | 4,441,421          |   |
| DEPRECIATION                  | 75,441                 |              |                  | 75,441             |   |
| STATE INCOME TAXES            | 0                      |              |                  | 0                  |   |
| OTHER                         | 0                      |              |                  | 0                  |   |
| <b>6 TOTAL 1-5</b>            | <b>18,171,157</b>      | <b>0</b>     | <b>6,992,511</b> | <b>11,206,646</b>  | <b>(322,055)</b>                          |
| 7 EXEMPT INCOME               | 0                      |              |                  | 0                  |   |
| TAX-EXEMPT INT.               | 0                      |              |                  | 0                  |   |
| OTHER                         | 5,227,448              |              |                  | 5,227,448          |   |
| 8 DED. IN RET. NOT BOOK       | 14,390,804             |              | 6,820,804        | 7,570,000          |   |
| DEPRECIATION                  | 150,701                |              | 141,707          | 8,994              | 343                                       |
| CONT. CARRYOVERS              | 0                      |              |                  | 0                  |   |
| OTHER                         | 0                      |              |                  | 0                  |   |
| <b>9 TOTAL 7-8</b>            | <b>19,768,953</b>      | <b>0</b>     | <b>6,962,511</b> | <b>12,806,442</b>  | <b>343</b>                                |
| <b>10 INCOME (LINE 28 P1)</b> | <b>(1,597,796)</b>     | <b>0</b>     | <b>0</b>         | <b>(1,597,796)</b> | <b>(322,398)</b>                          |

|                       | CONSOLIDATED<br>TOTALS | ELIMINATIONS | ADJUSTMENTS | COMBINED<br>TOTALS | 1<br>LEHIGH<br>ACQUISITION<br>CORPORATION |
|-----------------------|------------------------|--------------|-------------|--------------------|---|
| <b>SCHEDULE M-2</b>   |                        |              |             |                    |   |
| 1 BAL. BEG. OF YEAR   | 15,223,043             | (7,023,929)  |             | 22,246,972         | 15,223,043                                |
| 2 NET INCOME PER BOOK | 12,616,573             |              | 6,992,511   | 5,654,082          | (629,678)                                 |
| 3 OTHER INCREASES     | 90,114                 | (20,547,972) | 90,114      | 20,547,972         | 13,335,296                                |
| 4 TOTAL 1-3           | 27,929,730             | (27,571,901) | 7,052,625   | 48,448,006         | 27,928,663                                |
| 5 DISTRIBUTIONS       | 0                      |              |             | 0                  |   |
| CASH                  | 7,750,000              | (7,673,400)  |             | 15,423,400         | 7,750,000                                 |
| STOCK                 | 0                      |              |             | 0                  |   |
| PROPERTY              | 0                      |              |             | 0                  |   |
| 6 OTHER DECREASES     | 1,067                  | (274,435)    |             | 275,502            |   |
| 7 TOTAL 5-6           | 7,751,067              | (7,947,835)  | 0           | 15,698,902         | 7,750,000                                 |
| 8 BAL. END OF YEAR    | 20,178,663             | (19,624,066) | 7,052,625   | 32,750,104         | 20,178,663                                |

LEHIGH ACQUISITION CORPORATION  
 AND SUBSIDIARIES  
 LEHIGH, FL  
 FOR TAX YEAR ENDED:  
 DECEMBER 31, 1984  
 RECONCILIATION OF CONSOLIDATED  
 NET INCOME  
 FEIN 59-3067699

2014-10-10 10:10:10

|                               | 2<br>LEHIGH<br>CORPORATION<br>59-1024709 | 3<br>HOME AT<br>LEHIGH,<br>INC.<br>68-327565 | 4<br>LEHIGH<br>BUILDING<br>SUPPLY CORP<br>59-1148977 | 5<br>LEHIGH LAND<br>& INVESTMENTS<br>INC.<br>59-1219483 | 6<br>CLIFFSIDE<br>PROPERTIES<br>INC.<br>23-1729159 |
|-------------------------------|--|--|--|---|--|
| <b>SCHEDULE M-1</b>           |  |  |  |   |  |
| 1 NET INCOME PER BOOK         | 5,285,776                                | 12,701                                       | 20,897   |   | 0  |
| 2 FEDERAL INCOME TAX          | 0  | 0  | 0  |   | 0  |
| 3 EXCESS CAP. LOSSES          | 0  | 0  |  |   |  |
| 4 TAX INC. NOT RECORDED       | 694,129                                  |  |  | 890   |  |
| 5 EXP. RECRD. NOT DEDUCTED    | 4,424,315                                |  | 297  |   |  |
| DEPRECIATION                  | 62,061                                   | 6,456  | 0  |   | 1,470  |
| STATE INCOME TAXES            | 0  | 0  |  |   | 0  |
| OTHER                         | 0  |  |  |   | 0  |
| <b>6 TOTAL 1-5</b>            | <b>10,406,281</b>                        | <b>19,160</b>                                | <b>21,194</b>  | <b>890</b>  | <b>1,470</b>                                       |
| <b>7 EXEMPT INCOME</b>        |  |  |  |   |  |
| TAX-EXEMPT INT.               |  |  |  |   |  |
| OTHER                         | 5,227,448                                |  |  |   |  |
| 8 DED. IN RET. NOT BOOK       | 6,475,723                                | 63,902                                       | 84,372   |   | 615,590  |
| DEPRECIATION                  |  |  | 124  |   |  |
| CONT. CARRYOVERS              |  |  |  |   |  |
| OTHER                         |  |  |  |   |  |
| <b>9 TOTAL 7-8</b>            | <b>11,703,171</b>                        | <b>63,902</b>                                | <b>84,496</b>  | <b>0</b>  | <b>615,590</b>                                     |
| <b>10 INCOME (LINE 28 P1)</b> | <b>(1,236,890)</b>                       | <b>(64,742)</b>                              | <b>(63,302)</b>                                      | <b>890</b>  | <b>(614,120)</b>                                   |

| <b>SCHEDULE M-2</b>       |                   |                  |                  |                    |                 |
|---------------------------|-------------------|------------------|------------------|--------------------|-----------------|
| 1 BAL. BEG. OF YEAR       | 18,610,085        | (272,926)        | (400,180)        | (2,493,555)        | (70,319)        |
| 2 NET INCOME PER BOOK     | 5,285,776         | 12,701           | 20,897           | 0                  | 0               |
| 3 OTHER INCREASES         | 7,195,571         | 333              |                  |                    |                 |
| <b>4 TOTAL 1-3</b>        | <b>31,091,442</b> | <b>(259,892)</b> | <b>(379,283)</b> | <b>(2,493,555)</b> | <b>(70,319)</b> |
| <b>5 DISTRIBUTIONS</b>    |                   |                  |                  |                    |                 |
| CASH                      | 7,500,000         |                  |                  |                    |                 |
| STOCK                     |                   |                  |                  |                    |                 |
| PROPERTY                  |                   |                  |                  |                    |                 |
| 6 OTHER DECREASES         |                   |                  | 1                |                    |                 |
| <b>7 TOTAL 5-6</b>        | <b>7,500,000</b>  | <b>0</b>         | <b>1</b>         | <b>0</b>           | <b>0</b>        |
| <b>8 BAL. END OF YEAR</b> | <b>23,591,442</b> | <b>(259,892)</b> | <b>(379,284)</b> | <b>(2,493,555)</b> | <b>(70,319)</b> |



LEHIGH ACQUISITION CORPORATION  
AND SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED:  
DECEMBER 31, 1994  
RECONCILIATION OF CONSOLIDATED  
NET INCOME  
FEIN 59-3067699

ORIGINAL

|  | 7<br>LEHIGH<br>COUNTRY CLUB<br>INC.<br>59-1287927 | 8<br>ENTERPRISE<br>LEHIGH,<br>INC.<br>65-0469633 | 9<br>INTERLACHEN<br>LAKES<br>ESTATES<br>59-0970016 | 10<br>SUNOWNER<br>PROPERTIES<br>INC<br>59-1370463 | 11<br>ORANGE<br>STATE PROPERTY<br>SERVICES, INC.<br>59-2104132 |
|--|---|--|--|---|--|
|--|---|--|--|---|--|

SCHEDULE M-1

|                            |   |       |         |         |         |
|----------------------------|---|-------|---------|---------|---------|
| 1 NET INCOME PER BOOK      | 0 | (356) | 360,542 | 280,230 | 89,711  |
| 2 FEDERAL INCOME TAX       |   |       |         |         |         |
| 3 EXCESS CAP. LOSSES       |   |       |         |         |         |
| 4 TAX INC. NOT RECORDED    |   |       | 23,554  | 3       | 11,525  |
| 5 EXP. RECRD. NOT DEDUCTED |   |       | 2,237   | 4,325   |         |
| DEPRECIATION               |   |       |         |         | 5,451   |
| STATE INCOME TAXES         |   |       |         |         |         |
| OTHER                      |   |       |         |         |         |
| 6 TOTAL 1-5                | 0 | (356) | 386,333 | 284,558 | 106,687 |
| 7 EXEMPT INCOME            |   |       |         |         |         |
| TAX-EXEMPT INT.            |   |       |         |         |         |
| OTHER                      |   |       |         |         |         |
| 8 DED. IN RET. NOT BOOK    |   |       | 180,363 | 62,223  |         |
| DEPRECIATION               |   |       |         |         |         |
| CONT. CARRYOVERS           |   |       |         |         |         |
| OTHER                      |   |       |         |         |         |
| 9 TOTAL 7-8                | 0 | 0     | 180,363 | 62,223  | 0       |
| 10 INCOME (LINE 28 P1)     | 0 | (356) | 205,970 | 202,335 | 106,687 |

SCHEDULE M-2

|                       |        |       |             |             |         |
|-----------------------|--------|-------|-------------|-------------|---------|
| 1 BAL. BEG. OF YEAR   | 28,047 | 0     | (1,543,407) | (6,723,112) | 331,142 |
| 2 NET INCOME PER BOOK | 0      | (356) | 360,542     | 280,230     | 89,711  |
| 3 OTHER INCREASES     |        |       |             |             |         |
| 4 TOTAL 1-3           | 28,047 | (356) | (1,182,865) | (6,442,882) | 420,853 |
| 5 DISTRIBUTIONS       |        |       |             |             |         |
| CASH                  |        |       |             |             | 173,400 |
| STOCK                 |        |       |             |             |         |
| PROPERTY              |        |       |             |             |         |
| 6 OTHER DECREASES     | 28,047 |       | 1           |             | 247,453 |
| 7 TOTAL 5-6           | 28,047 | 0     | 1           | 0           | 420,853 |
| 8 BAL. END OF YEAR    | 0      | (356) | (1,182,866) | (6,442,882) | 0       |

LEHIGH ACQUISITION CORPORATION  
 AND SUBSIDIARIES  
 LEHIGH, FL  
 FOR TAX YEAR ENDED:  
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 RECONCILIATION OF CONSOLIDATED  
 NET INCOME  
 FEIN 59-3067699

*Continued*

12  
 ATLAS  
 CONSTRUCTION  
 SERVICES CORP

13  
 LRC OF  
 GEORGIA  
 INC.

14  
 SRC OF  
 FLORIDA  
 INC

15  
 ABLE LAND  
 SERVICES,  
 INC

16  
 J. W.  
 FORD,  
 INC.

SCHEDULE M-1

23-1675523

13-2724661

23-1707448

65-0415796

65-0466933

|                            |   |   |         |         |   |
|----------------------------|---|---|---------|---------|---|
| 1 NET INCOME PER BOOK      |   | 0 | 123,466 | 110,771 | 0 |
| 2 FEDERAL INCOME TAX       |   |   |         |         |   |
| 3 EXCESS CAP. LOSSES       |   |   | 0       |         |   |
| 4 TAX INC. NOT RECORDED    |   |   |         |         |   |
| 5 EXP. RECRD. NOT DEDUCTED |   |   | 9,720   | 527     |   |
| DEPRECIATION               |   |   |         |         |   |
| STATE INCOME TAXES         |   |   |         |         |   |
| OTHER                      |   |   |         |         |   |
| 6 TOTAL 1-5                | 0 | 0 | 133,186 | 111,298 | 0 |
| 7 EXEMPT INCOME            |   |   |         |         |   |
| TAX-EXEMPT INT.            |   |   |         |         |   |
| OTHER                      |   |   |         |         |   |
| 8 DED. IN RET. NOT BOOK    |   |   | 5,365   | 42,442  |   |
| DEPRECIATION               |   |   |         | 8,527   |   |
| CONT. CARRYOVERS           |   |   |         |         |   |
| OTHER                      |   |   |         |         |   |
| 9 TOTAL 7-8                | 0 | 0 | 5,365   | 50,969  | 0 |
| 10 INCOME (LINE 26 P1)     | 0 | 0 | 127,801 | 60,329  | 0 |

SCHEDULE M-2

|                       |          |           |         |          |   |
|-----------------------|----------|-----------|---------|----------|---|
| 1 BAL. BEG. OF YEAR   | (16,772) | (450,040) | 89,209  | (64,253) |   |
| 2 NET INCOME PER BOOK | 0        | 0         | 123,466 | 110,771  | 0 |
| 3 OTHER INCREASES     | 16,772   |           |         |          |   |
| 4 TOTAL 1-3           | 0        | (450,040) | 212,675 | 46,518   | 0 |
| 5 DISTRIBUTIONS       |          |           |         |          |   |
| CASH                  |          |           |         |          |   |
| STOCK                 |          |           |         |          |   |
| PROPERTY              |          |           |         |          |   |
| 6 OTHER DECREASES     |          |           |         |          |   |
| 7 TOTAL 5-6           | 0        | 0         | 0       | 0        | 0 |
| 8 BAL. END OF YEAR    | 0        | (450,040) | 212,675 | 46,518   | 0 |

LEHIGH ACQUISITION AND  
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**ADJUSTMENTS TO NET INCOME (M-1 LINE 1)**

|  |                  |                  |
|--|------------------|------------------|
| PURCHASE ACCOUNTING ADJUSTMENTS (APB-16) |                  |                  |
| REVERSAL OF NET GAINS ON DISPOSALS       | 354,461          |                  |
| REVERSAL OF DEPRECIATION ADJUSTMENT      | 141,707          |                  |
| REVERSAL OF DISCT ON NOTE                | 3,809,662        |                  |
| REVERSAL OF BARGAIN DISCOUNT             | <u>2,656,681</u> | <u>6,962,511</u> |

**TOTAL ADJUSTMENT TO INCOME LINE 1** 6,962,511

**EXCESS CAPITAL LOSSES  
 (M-1, Line 3)**

|                         |          |   |
|-------------------------|----------|---|
| 02 - LEHIGH CORPORATION | <u>0</u> |   |
|                         |          | 0 |

**TAXABLE INCOME NOT RECORDED ON BOOKS (M-1 LINE 4)**

**02 - LEHIGH CORPORATION**

|   |                |         |
|---|----------------|---------|
| DEFERRED GROSS PROFIT RECOGNIZED        | 425,508        |         |
| DEFERRED GROSS PROFIT BUILDER LOTS      | 67,909         |         |
| DEFERRED PROFIT JOEL BELL PROPERTY SALE | <u>200,712</u> |         |
| SUB TOTAL                               |                | 694,129 |

**05 - LEHIGH LAND & INVESTMENTS, INC.  
 K-1 GREENBRIAR LAKES JOINT VENTURE**

|            |     |
|------------|-----|
| <u>890</u> | 890 |
|------------|-----|

**09 - INTERLACHEN LAKES ESTATES**

|                               |               |        |
|-------------------------------|---------------|--------|
| DEF PROFIT ON '84-'85 INSTALL | <u>23,554</u> |        |
| SUB TOTAL                     |               | 23,554 |

**10 - SUNDOWNER PROPERTIES, INC.  
 DEF GROSS PROFIT ON '84-'85 INSTALL  
 SUB TOTAL**

|          |   |
|----------|---|
| <u>3</u> | 3 |
|----------|---|

**11-ORANGE STATE PROPERTY SERVICES, INC.  
 BASIS DIFF ON DISPOSED ASSETS**

|               |        |
|---------------|--------|
| <u>11,525</u> | 11,525 |
|---------------|--------|

**TOTAL TAXABLE INCOME NOT RECORDED ON BOOKS - LINE 4** 730,101

LEHIGH ACQUISITION AND  
 SUBSIDIARIES  
 LEHIGH, FL  
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**EXPENSES RECORDED ON BOOKS AND NOT DEDUCTED (M-1 LINE 5)**

**2 - LEHIGH CORPORATION**

|  |           |           |
|--|-----------|-----------|
| WRITE-OFF OF AMERENET STOCK                  | 15,000    |           |
| LOTS PROVISION                               | 284,191   |           |
| CONTRIBUTIONS Political                      | 350       |           |
| CAPITALIZED R/E TAXES POST 87                | 1,290,376 |           |
| CAPITALIZED R/E ENTERPRISE LEHIGH            | 243,552   |           |
| CAPPED INTEREST AND R/E DEDUCTION            | 883,437   |           |
| AMORTIZATION OF DEFERRED GAIN ON DEBT RESTMT | 475,922   |           |
| 50% OF ENTERTAINMENT EXPENSES                | 5,831     |           |
| MISCELLANEOUS RESERVES                       | 972,000   |           |
| RESERVE FOR FUTURE IMPROVEMENTS              | 110,927   |           |
| BUILT IN LOSS DISALLOWANCE                   | 142,729   |           |
| SUB-TOTAL                                    |           | 4,424,315 |

**4 - LEHIGH BUILDING SUPPLY CORP**

|               |     |     |
|---------------|-----|-----|
| ENTERTAINMENT | 297 |     |
| SUB-TOTAL     |     | 297 |

**09 - INTERLACHEN LAKES ESTATES**

|                             |       |       |
|-----------------------------|-------|-------|
| PROVISION FOR CANCELLATIONS | 2,237 | 2,237 |
|-----------------------------|-------|-------|

**10 - SUNDOWNER PROPERTIES, INC.**

|                                       |       |       |
|---------------------------------------|-------|-------|
| PROVISION FOR CANCELS ON WM CONTRACTS | 4,325 | 4,325 |
|---------------------------------------|-------|-------|

**14 - SRC OF FLORIDA, INC.**

|                               |       |       |
|-------------------------------|-------|-------|
| REAL ESTATE TAXES CAPITALIZED | 9,720 | 9,720 |
|-------------------------------|-------|-------|

**15- ABLE LAND SERVICES, INC.**

|               |     |     |
|---------------|-----|-----|
| ENTERTAINMENT | 527 | 527 |
| SUB-TOTAL     |     | 527 |

**TOTAL LINE 5 EXPENSES RECORDED ON BOOKS AND NOT DEDUCTED**

4,441,421

**INCOME RECORDED ON BOOKS NOT INCLUDED ON RETURN (M-1 LINE 7)**

**2 - LEHIGH CORPORATION**

|                     |           |                  |
|---------------------|-----------|------------------|
| NEW YORK ESCROW     | 4,645,179 |                  |
| MICHIGAN ESCROW     | 582,269   |                  |
| <b>TOTAL LINE 7</b> |           | <u>5,227,448</u> |

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LEHIGH ACQUISITION AND  
SUBSIDIARIES  
LEHIGH, FL  
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**DEDUCTIONS NOT CHARGED AGAINST BOOK INCOME (M-1 LINE 8)**  
**2 - LEHIGH CORPORATION**

|   |           |                   |
|---|-----------|-------------------|
| FASB 66 ADJUSTMENT                      | 172,800   |                   |
| TAX CANCELS                             | 2,894,142 |                   |
| RESERVE FOR CLAUSE C & CHANG CLAIMS     | 887,817   |                   |
| CAPITALIZED R/E TAXES POST 87 LAND SOLD | 1,336,045 |                   |
| COST OF ALIEN LOT SALES                 | 9,016     |                   |
| CHANGE IN PUPW RESERVE                  | 17,918    |                   |
| ENVIRONMENTAL RESERVE                   | 117,960   |                   |
| CAPPED INTEREST AND R/E DEDUCTION 266   | 526,380   |                   |
| COS NRV ADJUSTMENT                      | 44,015    |                   |
| CERTIFICATE EXPENSE                     | 26,961    |                   |
| WARRANTY RESERVE                        | 15,884    |                   |
| CHANGE IN T/S RESERVE BALANCE           | 72,452    |                   |
| CHANGE IN HH T/S RES                    | 30,171    |                   |
| HEALTH INSURANCE CLAIMS EXP             | 204,913   |                   |
| MIRROW LAKES LIAB                       | 4,300     |                   |
| BASIS DIFF ON ASSETS SOLD               | 52,156    |                   |
| REVERSE RESERVE FOR MTL & GOLF SALE     | 5,193     |                   |
| CARLTON PARK RESERVE REV                | 57,600    |                   |
| SUB TOTAL                               |           | 6,475,723         |
|   |           |                   |
| <b>00 - PURCHASE ADJUSTMENTS</b>        |           |                   |
| REVERSAL OF NET GAINS ON ASSET SALES    | 354,461   |                   |
| REVERSAL OF DISCT ON A/R                | 3,809,662 |                   |
| REVERSAL OF BARGAIN DISCOUNT            | 2,656,681 |                   |
| SUB TOTAL                               |           | 6,820,804         |
|   |           |                   |
| <b>3 - HOME AT LEHIGH, INC.</b>         |           |                   |
| CAPITALIZED INDIRECT INVENTORY          | 81,316    |                   |
| BASIS DIFF IN DISPOSED ASSETS           | 2,586     |                   |
| SUB-TOTAL                               |           | 83,902            |
|   |           |                   |
| <b>4 - LEHIGH BUILDING SUPPLY CORP</b>  |           |                   |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS         | 84,372    |                   |
|   |           | 84,372            |
|   |           |                   |
| <b>15- ABLE LAND SERVICES, INC.</b>     |           |                   |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS         | 42,442    |                   |
|   |           | 42,442            |
|   |           |                   |
| <b>06 - CLIFFSIDE PROPERTIES, INC.</b>  |           |                   |
| K-1 LOSS FROM ADMIRAL GOLF & RESORT     | 615,590   |                   |
|   |           | 615,590           |
|   |           |                   |
| <b>09 - INTERLACHEN LAKES ESTATES</b>   |           |                   |
| DEFERRED PROFIT ON NQ SALES             | 26,958    |                   |
| DEFERRED GR PROFIT ON NEW QUALS         | 16,212    |                   |
| RESERVE FOR ACCESS CLAIMS               | 103,260   |                   |
| RESERVE FOR ROAD IMPROVEMENTS           | 33,933    |                   |
|   |           | 180,363           |
|   |           |                   |
| <b>10 - SUNDOWNER PROPERTIES, INC.</b>  |           |                   |
| DEFERRED PROFIT ON NQ SALES             | 2,187     |                   |
| DEFERRED GR PROFIT ON NEW QUALS         | 39,361    |                   |
| RESERVE FOR ROAD IMPROVEMENTS           | 40,675    |                   |
|   |           | 82,223            |
|   |           |                   |
| <b>14 - SRC OF FLORIDA, INC.</b>        |           |                   |
| K-1 FROM GUARDIAN TITLE OF LEHIGH       | (24,615)  |                   |
| LESS: ESTIMATE ON BOOKS                 | 30,000    |                   |
| SUB-TOTAL                               |           | 5,385             |
|   |           |                   |
| <b>TOTAL LINE 8</b>                     |           | <u>14,390,804</u> |

LEHIGH ACQUISITION AND  
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DEPRECIATION ( M-1 LINE 5)

|   |        |               |
|---|--------|---------------|
| 02 - LEHIGH CORPORATION                 | 62,061 |               |
| 03 - HOME AT LEHIGH, INC.               | 6,459  |               |
| 06 - CLIFFSIDE PROPERTIES, INC          | 1,470  |               |
| 11-ORANGE STATE PROPERTY SERVICES, INC. | 5,451  |               |
| <u>TOTAL LINE 5 DEPRECIATION ADJ</u>    |        | <u>75,441</u> |

DEPRECIATION ( M-1 LINE 8)

|                                      |         |                |
|--------------------------------------|---------|----------------|
| 00- REVERSE DEPN ADJMT               | 141,707 |                |
| 01-LEHIGH ACQUISITION CORPORATION    | 343     |                |
| 04 - LEHIGH BUILDING SUPPLY, INC.    | 124     |                |
| 15 - ABLE LAND SERVICES, INC.        | 8,527   |                |
| <u>TOTAL LINE 8 DEPRECIATION ADJ</u> |         | <u>150,701</u> |

LEHIGH ACQUISITION AND  
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 LEHIGH, FL  
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**M-2 ADJUSTMENTS**

**LINE 2 - NET INCOME**

00 - PURCHASE ACCOUNTING INCOME  
 APB 16 ADJUSTMENTS 6,962,511

**LINE 3 - OTHER INCREASES**

00 - EQUITY IN NON CONSOLIDATED SUBSIDIARIES:  
 NEWS-STAR EQUITY 88,279  
 ELIMINATION OF NEWS-STAR DEPN ON STEPPED UP BASIS 1,835 90,114

**M-2 ELIMINATIONS**

**LINE 1 - BEGINNING BALANCE**

00-ELININATIONS  
 SUBSIDIARIES BEGINNING RETAINED EARNINGS 7,023,929

**LINE 3 - OTHER INCREASES:**

1 - LEHIGH ACQUISITION CORPORATION  
 EQUITY IN EARNINGS OF SUBSIDIARIES 13,335,296 13,335,296

2 - LEHIGH CORPORATION  
 EQUITY IN EARNINGS OF SUBSIDIARIES 233,060  
 PURCHASE ACCOUNTING ADJUSTMENTS (APB-16) 6,962,511 7,195,571

03 - HOME AT LEHIGH, INC.  
 PRIOR YEAR MINORITY INTEREST 333 333

12 - ATLAS CONSTRUCTION SERVICES CORPORATION  
 RECORD DISSOLUTION OF CORPORATION 16,772 16,772

**TOTAL LINE 3 - OTHER INCREASES** 20,547,972

**LINE 6 - OTHER DECREASES:**

04 - LEHIGH BUILDING SUPPLY CORP 1  
 09 - INTERLACHEN LAKES ESTATES 1 2

07 - LEHIGH COUNTRY CLUB, INC.  
 RECORD DISSOLUTION OF CORPORATION 28,047 28,047

11 - ORANGE STATE PROPERTIES, INC.  
 RECORD SALE OF CORPORATION 247,453 247,453

00 - EQUITY IN PARTIALLY OWNED CONSOLIDATED SUBSIDIARIES:  
 HOME AT LEHIGH, INC. (254)  
 ABLE LAND SERVICES, INC. (884)  
 ENTERPRISE LEHIGH, INC. 71 (1,067)

**TOTAL LINE 6 - OTHER DECREASES** 274,435

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
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BALANCE SHEET

Exhibit 84 (b2e)

1 of 16

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1  
LEHIGH  
ACQUISITION  
CORPORATION  
59-3067699

|  | CONSOLIDATED<br>TOTALS    | INTERCOMPANY<br>ELIMINATIONS | PURCHASE<br>ADJUSTMENTS  | COMBINED<br>TOTALS        |                   |
|--|---------------------------|------------------------------|--------------------------|---------------------------|-------------------|
| <b>ASSETS:</b>   |                           |                              |                          |                           |                   |
| CASH   | 9,374,314                 |                              |                          | 9,374,314                 | 101,813           |
| TRADE NOTES AND A/R<br>LESS ALLOWANCE  | 20,406,920<br>(8,596,080) | (61,450)                     | (5,525,952)              | 25,994,322<br>(8,596,080) |                   |
| INVENTORIES  | 223,514                   |                              |                          | 223,514                   |                   |
| FED/STATE GOVT. OBLIG  |                           |                              |                          |                           |                   |
| OTHER CURRENT ASSETS<br>DETAIL   | 2,188,979                 | (21,547,868)                 |                          | 23,738,647                | 2,211,499         |
| "  |                           |                              |                          |                           |                   |
| "  |                           |                              |                          |                           |                   |
| LOANS TO STK HOLDERS<br>MORTG & R/E LOANS<br>INVESTMENTS- REAL LIFE<br>OTHER INVESTMENTS<br>DETAIL | 94,423                    | (68,852,801)                 |                          | 68,947,224                | 40,771,929        |
| "  |                           |                              |                          |                           |                   |
| DEPRECIABLE ASSETS<br>LESS ACCUM DEPR  | 7,725,916<br>(8,228,741)  |                              | 1,119,732<br>(1,775,503) | 6,606,184<br>(4,453,238)  | 5,287<br>(449)    |
| DEPLETABLE ASSETS<br>LESS ACCUM DEPL   |                           |                              |                          |                           |                   |
| LAND   | 355,133                   |                              |                          | 355,133                   |                   |
| INTANGIBLE ASSETS<br>LESS ACCUM AMORT  |                           |                              |                          |                           |                   |
| OTHER ASSETS<br>DETAIL   | 11,267,411                |                              | (22,802,679)             | 33,870,090                |                   |
| "  |                           |                              |                          |                           |                   |
| "  |                           |                              |                          |                           |                   |
| "  |                           |                              |                          |                           |                   |
| <b>TOTAL ASSETS:</b>   | <u>36,811,809</u>         | <u>(90,461,919)</u>          | <u>(28,784,402)</u>      | <u>156,058,130</u>        | <u>43,090,079</u> |
| <b>LIABILITIES:</b>  |                           |                              |                          |                           |                   |
| ACCOUNTS PAYABLE   | 390,178                   |                              |                          | 380,178                   | 7,322             |
| MTGS, NOTES DUE < 1 YR   |                           |                              |                          |                           |                   |
| OTHER CURRENT LIAB<br>DETAIL   | 6,844,187                 | (4,761,230)                  | 425,661                  | 11,179,756                |                   |
| "  |                           |                              |                          |                           |                   |
| "  |                           |                              |                          |                           |                   |
| LOANS FROM STK HOLDERS<br>MTGS, NOTES DUE > 1 YR   | 618,884                   |                              |                          | 618,884                   |                   |
| OTHER LIABILITIES<br>DETAIL  | 2,837,487                 | (16,956,831)                 | 254,396                  | 19,539,922                | 16,951,684        |
| "  |                           |                              |                          |                           |                   |
| "  |                           |                              |                          |                           |                   |
| "  |                           |                              |                          |                           |                   |
| PREFERRED STOCK  |                           |                              |                          |                           |                   |
| COMMON STOCK   | 117                       | (24,750)                     |                          | 24,867                    | 117               |
| PAID IN CAPITAL  | 5,952,293                 | (29,392,299)                 | (56,219,827)             | 91,564,419                | 5,952,293         |
| RET. EARNINGS - APPRO  |                           |                              |                          |                           |                   |
| RET. EARNINGS - UNAPP  | 20,178,663                | (39,326,809)                 | 26,755,368               | 32,750,104                | 20,178,663        |
| LESS TREASURY STOCK  |                           |                              |                          |                           |                   |
| <b>TOTAL LIAB &amp; EQUITY</b>   | <u>36,811,809</u>         | <u>(90,461,919)</u>          | <u>(28,784,402)</u>      | <u>156,058,130</u>        | <u>43,090,079</u> |



LEHIGH ACQUISITION  
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|  | 2                                   | 3  | 4   | 5  | 6   |
|--|-------------------------------------|--|---|--|---|
|  | LEHIGH<br>CORPORATION<br>59-1024709 | HOME AT<br>LEHIGH,<br>INC.<br>65-0327565 | LEHIGH<br>BUILDING<br>SUPPLY CORP<br>59-1148977 | LEHIGH LAND<br>& INVESTMENTS<br>INC.<br>59-1219483 | CLIFFSIDE<br>PROPERTIES<br>INC.<br>23-1729159 |
| <b>ASSETS:</b>   |                                     |  |   |  |   |
| CASH   | 8,833,561                           | 259,018                                  | 27,395  |  |   |
| TRADE NOTES AND A/R<br>LESS ALLOWANCE  | 21,109,638<br>(3,420,043)           | 40,880                                   | 39,662<br>(12,187)                              |  |   |
| INVENTORIES  |                                     |  | 223,514   |  |   |
| FED/STATE GOVT. OBLIG<br>OTHER CURRENT ASSETS<br>DETAIL  | 17,832,550                          | 716,810                                  | 43,300  |  | 863,905                                       |
| .  |                                     |  |   |  |   |
| .  |                                     |  |   |  |   |
| LOANS TO STK HOLDERS<br>MORTG & R/E LOANS<br>INVESTMENTS- REAL LIFE<br>OTHER INVESTMENTS<br>DETAIL | 28,155,034                          | 100                                      |   |  |   |
| .  |                                     |  |   |  |   |
| DEPRECIABLE ASSETS<br>LESS ACCUM DEPR  | 3,956,814<br>(2,848,350)            | 564,427<br>(82,027)                      | 953,194<br>(530,150)                            |  |   |
| DEPLETABLE ASSETS<br>LESS ACCUM DEPL   |                                     |  |   |  |   |
| LAND   | 250,141                             |  | 26,517  |  |   |
| INTANGIBLE ASSETS<br>LESS ACCUM AMORT  |                                     |  |   |  |   |
| OTHER ASSETS<br>DETAIL   | 32,457,409                          | 38,849                                   |   |  |   |
| .  |                                     |  |   |  |   |
| .  |                                     |  |   |  |   |
| .  |                                     |  |   |  |   |
| <b>TOTAL ASSETS:</b>   | <u>106,326,754</u>                  | <u>1,537,857</u>                         | <u>771,245</u>                                  |  | <u>863,905</u>                                |
| <b>LIABILITIES:</b>  |                                     |  |   |  |   |
| ACCOUNTS PAYABLE   | 110,800                             | 191,974                                  | 47,376  |  |   |
| MTGS. NOTES DUE < 1 YR<br>OTHER CURRENT LIAB<br>DETAIL   | 8,888,761                           | 666,803                                  | 1,015,193                                       |  |   |
| .  |                                     |  |   |  |   |
| .  |                                     |  |   |  |   |
| LOANS FROM STK HOLDERS<br>MTGS. NOTES DUE > 1 YR<br>OTHER LIABILITIES<br>DETAIL                    | 9,885<br>2,434,832                  | 559,466<br>129,506                       | 49,533  |  | 23,800  |
| .  |                                     |  |   |  |   |
| .  |                                     |  |   |  |   |
| .  |                                     |  |   |  |   |
| PREFERRED STOCK  |                                     |  |   |  |   |
| COMMON STOCK   | 500                                 | 500                                      | 500   | 500  | 1,000   |
| PAID IN CAPITAL  | 71,290,534                          | 249,500                                  | 37,927  | 2,483,055  | 909,424                                       |
| RET. EARNINGS - APPRO  |                                     |  |   |  |   |
| RET. EARNINGS - UNAPP  | 23,581,442                          | (258,892)                                | (379,284)                                       | (2,493,555)  | (70,319)                                      |
| LESS TREASURY STOCK  |                                     |  |   |  |   |
| <b>TOTAL LIAB &amp; EQUITY</b>   | <u>106,326,754</u>                  | <u>1,537,857</u>                         | <u>771,245</u>                                  |  | <u>863,905</u>                                |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED:  
DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET

CONFIDENTIAL

|                                       | 7<br>LEHIGH<br>COUNTRY CLUB<br>INC.<br>59-1287927 | 8<br>ENTERPRISE<br>LEHIGH,<br>INC.<br>65-0459633 | 9<br>INTERLACHEN<br>LAKES<br>ESTATES<br>59-0970016 | 10<br>SUNDOWNER<br>PROPERTIES<br>INC<br>59-1370463 | 11<br>ORANGE<br>STATE PROPERTY<br>SERVICES, INC.<br>59-2104132 |
|---------------------------------------|---|--|--|--|--|
| <b>ASSETS:</b>                        |   |  |  |  |  |
| CASH                                  |   | 1,788  | 32,805   | 18,615   |  |
| TRADE NOTES AND A/R<br>LESS ALLOWANCE |   |  | 2,584,710<br>(2,849,846)                           | 2,084,936<br>(2,296,604)                           |  |
| INVENTORIES                           |   |  |  |  |  |
| FED/STATE GOVT. OBLIG                 |   |  |  |  |  |
| OTHER CURRENT ASSETS<br>DETAIL        |   | 100  | 931,511  | 807,798  |  |
| .                                     |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| LOANS TO STKHOLDERS                   |   |  |  |  |  |
| MORTG & R/E LOANS                     |   |  |  |  |  |
| INVESTMENTS- REAL LIFE                |   |  |  |  |  |
| OTHER INVESTMENTS<br>DETAIL           |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| DEPRECIABLE ASSETS                    |   |  |  |  |  |
| LESS ACCUM DEPR                       |   |  |  |  |  |
| DEPLETABLE ASSETS                     |   |  |  |  |  |
| LESS ACCUM DEPL                       |   |  |  |  |  |
| LAND                                  |   |  |  |  |  |
| INTANGIBLE ASSETS                     |   |  |  |  |  |
| LESS ACCUM AMORT                      |   |  |  |  |  |
| OTHER ASSETS<br>DETAIL                |   | 631,449  | 385,659  | 325,324  |  |
| .                                     |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| <b>TOTAL ASSETS:</b>                  |   | <u>633,335</u>                                   | <u>1,094,839</u>                                   | <u>940,069</u>                                     |  |
| <b>LIABILITIES:</b>                   |   |  |  |  |  |
| ACCOUNTS PAYABLE                      |   | 2,259  |  |  |  |
| MTGS, NOTES DUE < 1 YR                |   |  |  |  |  |
| OTHER CURRENT LIAB<br>DETAIL          |   | 10   | 168,028  | 132,964  |  |
| .                                     |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| LOANS FROM STKHOLDERS                 |   |  |  |  |  |
| MTGS, NOTES DUE > 1 YR                |   |  |  |  |  |
| OTHER LIABILITIES<br>DETAIL           |   | 100  |  |  |  |
| .                                     |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| .                                     |   |  |  |  |  |
| PREFERRED STOCK                       |   |  |  |  |  |
| COMMON STOCK                          |   | 50   | 20,000   | 500  |  |
| PAID IN CAPITAL                       |   | 631,272  | 2,089,677  | 7,249,487  |  |
| RET. EARNINGS - APPRO                 |   |  |  |  |  |
| RET. EARNINGS - UNAPP                 |   | (356)  | (1,182,866)  | (6,442,882)  |  |
| LESS TREASURY STOCK                   |   |  |  |  |  |
| <b>TOTAL LIAB &amp; EQUITY</b>        |   | <u>633,335</u>                                   | <u>1,094,839</u>                                   | <u>940,069</u>                                     |  |

CONFIDENTIAL

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED:  
DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET

|                                       | 12<br>ATLAS<br>CONSTRUCTION<br>SERVICES CORP<br>23-1675523 | 13<br>LRC OF<br>GEORGIA<br>INC.<br>13-2724681 | 14<br>SRC OF<br>FLORIDA<br>INC.<br>23-1707445 | 15<br>ABLE<br>LAND SERVICES<br>INC.<br>65-0415796 | 16<br>J. W.<br>FORD,<br>INC.<br>65-0466933 |
|---------------------------------------|--|---|---|---|--|
| <b>ASSETS:</b>                        |  |   |   |   |  |
| CASH                                  |  |   |   | 99,321  |  |
| TRADE NOTES AND A/R<br>LESS ALLOWANCE |  |   |   | 124,896<br>(17,380)                               |  |
| INVENTORIES                           |  |   |   |   |  |
| FED/STATE GOVT. OBLIG                 |  |   |   |   |  |
| OTHER CURRENT ASSETS<br>DETAIL        |  |   | 313,574                                       | 15,600  |  |
| .                                     |  |   |   |   |  |
| .                                     |  |   |   |   |  |
| LOANS TO STKHOLDERS                   |  |   |   |   |  |
| MORTG & R/E LOANS                     |  |   |   |   |  |
| INVESTMENTS- REAL LIFE                |  |   |   |   |  |
| OTHER INVESTMENTS<br>DETAIL           |  |   | 16,752  |   | 3,409                                      |
| .                                     |  |   |   |   |  |
| DEPRECIABLE ASSETS                    |  |   |   | 1,126,462   |  |
| LESS ACCUM DEPR                       |  |   |   | (992,262)   |  |
| DEPLETABLE ASSETS                     |  |   |   |   |  |
| LESS ACCUM DEPL                       |  |   |   |   |  |
| LAND                                  |  |   |   | 78,475  |  |
| INTANGIBLE ASSETS                     |  |   |   |   |  |
| LESS ACCUM AMORT                      |  |   |   |   |  |
| OTHER ASSETS<br>DETAIL                |  |   | 31,400  |   |  |
| .                                     |  |   |   |   |  |
| .                                     |  |   |   |   |  |
| .                                     |  |   |   |   |  |
| <b>TOTAL ASSETS:</b>                  |  |   | <u>381,726</u>                                | <u>434,912</u>                                    | <u>3,409</u>                               |
| <b>LIABILITIES:</b>                   |  |   |   |   |  |
| ACCOUNTS PAYABLE                      |  |   |   | 20,447  |  |
| MTGS, NOTES DUE < 1 YR                |  |   |   |   |  |
| OTHER CURRENT LIAB<br>DETAIL          |  | 50  | 40,500  | 267,447   |  |
| .                                     |  |   |   |   |  |
| .                                     |  |   |   |   |  |
| LOANS FROM STKHOLDERS                 |  |   |   |   |  |
| MTGS, NOTES DUE > 1 YR                |  |   |   |   |  |
| OTHER LIABILITIES<br>DETAIL           |  |   |   |   |  |
| .                                     |  |   |   |   |  |
| .                                     |  |   |   |   |  |
| .                                     |  |   |   |   |  |
| PREFERRED STOCK                       |  |   |   |   |  |
| COMMON STOCK                          |  | 500   | 100   | 500   | 100  |
| PAID IN CAPITAL                       |  | 449,490                                       | 108,451                                       | 100,000   | 3,309                                      |
| RET. EARNINGS - APPRO                 |  |   |   |   |  |
| RET. EARNINGS - UNAPP                 |  | (450,040)                                     | 212,675                                       | 46,518  |  |
| LESS TREASURY STOCK                   |  |   |   |   |  |
| <b>TOTAL LIAB &amp; EQUITY</b>        |  |   | <u>381,726</u>                                | <u>434,912</u>                                    | <u>3,409</u>                               |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER CURRENT  
ASSETS

ORIGINAL

| <u>DESCRIPTION</u>               | <u>CONSOLIDATED<br/>TOTALS</u> | <u>ELIMINATIONS</u>        | <u>ADJUSTMENTS</u> | <u>COMBINED<br/>TOTALS</u> | <u>1<br/>LEHIGH<br/>ACQUISITION<br/>CORPORATION<br/>59-3067699</u> |
|----------------------------------|--------------------------------|----------------------------|--------------------|----------------------------|--|
| TAX SHARING                      | 0                              | (1,140,600)                |                    | 1,140,600                  | 1,046,900  |
| PREPAID PERMITS                  | 6,075                          |                            |                    | 6,075                      |  |
| WORK IN PROGRESS                 | 649,388                        |                            |                    | 649,388                    |  |
| INTER/COMPANY RECEIVABLE/PAYABLE | 37,200                         | (20,407,068)               |                    | 20,444,288                 | 147  |
| NON ELIM I/C RED                 | 3,893                          |                            |                    | 3,893                      | (147)  |
| FINISHED LOT COST                | 45,350                         |                            |                    | 45,350                     |  |
| NOTE RECEIVABLE LAND             | 27,843                         |                            |                    | 27,843                     |  |
| PREPAID INSURANCE                | 106,369                        |                            |                    | 106,369                    |  |
| OTHER PREPAID ASSETS             | 3,000                          |                            |                    | 3,000                      |  |
| TAX DEPOSITS                     | 1,164,599                      |                            |                    | 1,164,599                  | 1,164,599  |
| OTHER SUPPLIES INVENTORY         | 12,163                         |                            |                    | 12,163                     |  |
| REFUNDABLE DEPOSITS              | 21,350                         |                            |                    | 21,350                     |  |
| MISC OTHER ASSETS                | 19,200                         |                            |                    | 19,200                     |  |
| R/E TAX RECEIVABLE               | 69,451                         |                            |                    | 69,451                     |  |
| DEFERRED TAXES                   | 23,500                         |                            |                    | 23,500                     |  |
| <b>TOTAL OTHER CURR ASSETS</b>   | <b><u>2,188,979</u></b>        | <b><u>(21,547,068)</u></b> | <b><u>0</u></b>    | <b><u>23,736,647</u></b>   | <b><u>2,211,499</u></b>  |

**LEHIGH ACQUISITION  
 CORPORATION & SUBSIDIARIES**  
**LEHIGH, FL**  
**FOR TAX YEAR ENDED: DECEMBER 31, 1994**  
**ENDING CONSOLIDATED  
 BALANCE SHEET**  
**SCHEDULE - OTHER CURRENT  
 ASSETS**

| DESCRIPTION                      | 2<br>LEHIGH<br>CORPORATION<br>89-1024709 | 3<br>HOME AT<br>LEHIGH<br>INC.<br>89-0327888 | 4<br>LEHIGH<br>BUILDING<br>SUPPLY CORP<br>89-1148977 | 6<br>CLIFFSIDE<br>PROPERTIES<br>INC.<br>23-1729189 | 8<br>ENTERPRISE<br>LEHIGH,<br>INC.<br>85-0459833 |
|----------------------------------|--|--|--|--|--|
| TAX SHARING                      |  | 15,400                                       | 13,200   | 65,000   | 100  |
| PREPAID PERMITS                  |  | 6,075  |  |  |  |
| WORK IN PROGRESS                 |  | 649,388                                      |  |  |  |
| INTER/COMPANY RECEIVABLE/PAYABLE | 17,689,427                               |  |  | 798,905  |  |
| NON ELIM I/C RED                 | 3,840                                    |  |  |  |  |
| FINISHED LOT COST                |  | 45,350                                       |  |  |  |
| NOTE RECEIVABLE LAND             |  |  |  |  |  |
| PREPAID INSURANCE                | 105,770                                  | 599  |  |  |  |
| OTHER PREPAID ASSETS             |  |  | 3,000  |  |  |
| TAX DEPOSITS                     |  |  |  |  |  |
| OTHER SUPPLIES INVENTORY         | 12,163                                   |  |  |  |  |
| REFUNDABLE DEPOSITS              | 21,350                                   |  |  |  |  |
| MISC OTHER ASSETS                |  |  | 19,200   |  |  |
| R/E TAX RECEIVABLE               |  |  |  |  |  |
| DEFERRED TAXES                   |  |  | 7,900  |  |  |
| <b>TOTAL OTHER CURR ASSETS</b>   | <u>17,832,550</u>                        | <u>716,810</u>                               | <u>43,300</u>  | <u>863,905</u>                                     | <u>100</u>                                       |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER CURRENT  
ASSETS

| DESCRIPTION                      | 9<br>INTERLACHEN<br>LAKES<br>ESTATES<br>59-0970016 | 10<br>SUNDOWNER<br>PROPERTIES<br>INC<br>59-1370463 | 14<br>SRC OF<br>FLORIDA<br>INC<br>23-1707445 | 15<br>ABLE LAND<br>SERVICES,<br>INC.<br>65-0415796 |
|----------------------------------|--|--|--|--|
| TAX SHARING                      |  |  |  |  |
| PREPAID PERMITS                  |  |  |  |  |
| WORK IN PROGRESS                 |  |  |  |  |
| INTER/COMPANY RECEIVABLE/PAYABLE | 867,672  | 774,543  | 313,574                                      |  |
| NON ELIM I/C RED                 |  |  |  |  |
| FINISHED LOT COST                |  |  |  |  |
| NOTE RECEIVABLE LAND             | 27,643   |  |  |  |
| PREPAID INSURANCE                |  |  |  |  |
| OTHER PREPAID ASSETS             |  |  |  |  |
| TAX DEPOSITS                     |  |  |  |  |
| OTHER SUPPLIES INVENTORY         |  |  |  |  |
| REFUNDABLE DEPOSITS              |  |  |  |  |
| MISC OTHER ASSETS                |  |  |  |  |
| R/E TAX RECEIVABLE               | 36,196   | 33,255   |  |  |
| DEFERRED TAXES                   |  |  |  | 15,600   |
| TOTAL OTHER CURR ASSETS          | <u>931,511</u>                                     | <u>807,798</u>                                     | <u>313,574</u>                               | <u>15,600</u>                                      |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER INVESTMENTS

CONF

1  
LEHIGH  
ACQUISITION  
CORPORATION  
89-3087699

| <u>DESCRIPTION</u>                    | <u>CONSOLIDATED<br/>TOTALS</u> | <u>ELIMINATIONS</u> | <u>ADJUSTMENTS</u> | <u>COMBINED<br/>TOTALS</u> |                   |
|---------------------------------------|--------------------------------|---------------------|--------------------|----------------------------|-------------------|
| INVESTMENT IN NEWS-STAR               | 144,812                        |                     |                    | 144,812                    |                   |
| INVESTMENT IN NS ELIMINATIONS         | (52,919)                       |                     |                    | (52,919)                   |                   |
| MINORITY INTEREST - HALI              | 686                            |                     |                    | 686                        |                   |
| MINORITY INTEREST - ABLE              | (8,488)                        |                     |                    | (8,488)                    |                   |
| MINORITY INTEREST - ENTERPRISE LEHIGH | (9,929)                        |                     |                    | (9,929)                    |                   |
| INVESTMENT IN CONSOLIDATED AFFILIATES | 0                              | (68,852,801)        |                    | 68,852,801                 | 40,771,929        |
| INVESTMENT IN GUARDIAN TITLE          | 16,752                         |                     |                    | 16,752                     |                   |
| INVESTMENT IN ARH                     | 100                            |                     |                    | 100                        |                   |
| INVESTMENT IN JOEL BELL PROPERTY      | 3,409                          |                     |                    | 3,409                      |                   |
| <b>TOTAL OTHER INVESTMENTS</b>        | <b>84,423</b>                  | <b>(68,852,801)</b> | <b>0</b>           | <b>68,947,224</b>          | <b>40,771,929</b> |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER INVESTMENTS

|                                       | 2  | 3  | 14   | 16   |
|---------------------------------------|--|--|--|--|
| <u>DESCRIPTION</u>                    | LEHIGH<br>CORPORATION<br><u>89-1024709</u> | HOME AT<br>LEHIGH<br>INC.<br><u>88-0327888</u> | SRC OF<br>FLORIDA<br>INC.<br><u>23-1707448</u> | J.W.<br>FORD,<br>INC.<br><u>88-0488933</u> |
| INVESTMENT IN NEWS-STAR               | 144,812                                    |  |  |  |
| INVESTMENT IN NS ELIMINATIONS         | (52,919)                                   |  |  |  |
| MINORITY INTEREST - HALI              | 688  |  |  |  |
| MINORITY INTEREST - ABLE              | (8,488)                                    |  |  |  |
| MINORITY INTEREST - ENTERPRISE LEHIGH | (9,929)                                    |  |  |  |
| INVESTMENT IN CONSOLIDATED AFFILIATES | 28,080,872                                 |  |  |  |
| INVESTMENT IN GUARDIAN TITLE          |  |  | 16,752   |  |
| INVESTMENT IN ARH                     |  | 100  |  |  |
| INVESTMENT IN JOEL BELL PROPERTY      |  |  |  | 3,409                                      |
| <b>TOTAL OTHER INVESTMENTS</b>        | <u><u>28,155,034</u></u>                   | <u><u>100</u></u>                              | <u><u>16,752</u></u>                           | <u><u>3,409</u></u>                        |



LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER ASSETS

1994  
CONSOLIDATED

| DESCRIPTION                       | CONSOLIDATED<br>TOTALS | ELIMINATIONS | ADJUSTMENTS         | COMBINED<br>TOTALS | LEHIGH<br>CORPORATION<br>59-1024709 |
|-----------------------------------|------------------------|--------------|---------------------|--------------------|-------------------------------------|
| CONSTRUCTION IN PROGRESS          | 92,025                 |              |                     | 92,025             | 92,025                              |
| FRANCHISE COSTS                   | 30,000                 |              |                     | 30,000             |                                     |
| SUPPLIES                          | 7,354                  |              |                     | 7,354              |                                     |
| LAND INVENTORY                    | 9,539,276              |              | (22,802,679)        | 32,141,955         | 31,386,423                          |
| DEFERRED COMPUTER CONVERSION COST | 130,361                |              |                     | 130,361            | 130,361                             |
| PARADE OF HOMES ENTRY FEE         | 1,495                  |              |                     | 1,495              |                                     |
| DEFERRED INCOME TAXES             | <u>1,466,900</u>       |              |                     | <u>1,466,900</u>   | <u>848,600</u>                      |
| TOTAL OTHER ASSETS                | <u>11,267,411</u>      |              | <u>(22,802,679)</u> | <u>33,870,090</u>  | <u>32,457,409</u>                   |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1984  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER ASSETS

| DESCRIPTION                       | 3<br>HOME AT<br>LEHIGH<br>INC.<br><u>88-0327668</u> | 8<br>ENTERPRISE<br>LEHIGH,<br>INC.<br><u>88-0489633</u> | 9<br>INTERLACHEN<br>LAKES<br>ESTATES<br><u>89-0970018</u> | 10<br>SUNDOWNER<br>PROPERTIES<br>INC<br><u>89-1370463</u> | 14<br>SRC OF<br>FLORIDA<br>INC<br><u>23-1707445</u> |
|-----------------------------------|---|---|---|---|---|
| CONSTRUCTION IN PROGRESS          |   |   |   |   |   |
| FRANCHISE COSTS                   | 30,000  |   |   |   |   |
| SUPPLIES                          | 7,354   |   |   |   |   |
| LAND INVENTORY                    |   | 631,449   | 60,850  | 63,424  |   |
| DEFERRED COMPUTER CONVERSION COST |   |   |   |   |   |
| PARADE OF HOMES ENTRY FEE         | 1,495   |   |   |   |   |
| DEFERRED INCOME TAXES             |   |   | 325,000   | 281,800   | 31,400  |
| TOTAL OTHER ASSETS                | <u>38,849</u>                                       | <u>631,449</u>  | <u>385,850</u>  | <u>325,324</u>  | <u>31,400</u>                                       |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER CURRENT  
LIABILITIES

2

| DESCRIPTION                  | CONSOLIDATED<br>TOTALS | ELIMINATIONS       | ADJUSTMENTS    | COMBINED<br>TOTALS | LEHIGH<br>CORPORATION<br>89-1024709 |
|------------------------------|------------------------|--------------------|----------------|--------------------|-------------------------------------|
| INTERCOMPANY PAYABLES        | 0                      |                    |                | 0                  | 0                                   |
| HEALTH INSURANCE LIABILITY   | 100,175                | (3,620,630)        |                | 3,620,630          | 2,431,320                           |
| ACCRUED PAYABLES             | 75,330                 |                    |                | 100,175            | 55,823                              |
| RES CLAUSE C REFUND          | 3,049,091              |                    | 425,661        | 75,330             | 0                                   |
| ACCRD ENVIRONMENTAL COSTS    | 375,300                |                    |                | 2,623,430          | 2,623,430                           |
| ACCRUED COMMISSIONS          | 74,683                 |                    |                | 375,300            | 375,300                             |
| ACCRUED REAL ESTATE TAXES    | 481,363                |                    |                | 74,683             | 73,145                              |
| ACCRUED MISC TAXES           | 17,359                 |                    |                | 481,363            | 375,266                             |
| ACCRUED MISC EXPENSE         | 36,908                 |                    |                | 17,359             | 825                                 |
| ACCRUED AUDIT EXPENSE        | 121,250                |                    |                | 36,908             | 36,908                              |
| ACCRUED PAYROLL              | 97,228                 |                    |                | 121,250            | 121,250                             |
| REPURCHASE IND STK           | 18,087                 |                    |                | 97,228             | 65,192                              |
| ACCRD BONUSES                | 3,843                  |                    |                | 18,087             | 18,087                              |
| ADVANCE RENTS                | 306                    |                    |                | 3,843              | 0                                   |
| RESERVE FOR ADDIL COSTS      | 150,700                |                    |                | 306                | 0                                   |
| ACCRUED LITIGATION FEES      | 4,976                  |                    |                | 150,700            | 150,700                             |
| LIABILITY SERIES A STOCK     | 0                      |                    |                | 4,976              | 4,976                               |
| CUSTOMER DEPOSITS            | 627,832                |                    |                | 0                  | 0                                   |
| TAX SHARING                  | 0                      | (1,140,600)        |                | 627,832            | 47,811                              |
| ACCRUED INCOME TAX PAYABLE   | 1,575,000              | 0                  |                | 1,140,600          | 914,500                             |
| ACCRUED INSURANCE            | 19,208                 |                    |                | 1,575,000          | 1,575,000                           |
| ACCRUED WARRANTY COSTS       | 12,661                 |                    |                | 19,208             | 19,208                              |
| ACCRUED INTEREST             | 2,887                  |                    |                | 12,661             |                                     |
| TOTAL OTHER CURR LIABILITIES | <u>8,844,187</u>       | <u>(4,761,230)</u> | <u>425,661</u> | <u>11,179,756</u>  | <u>8,888,761</u>                    |

LEHIGH ACQUISITION CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED

BALANCE SHEET  
SCHEDULE - OTHER CURRENT LIABILITIES

| DESCRIPTION                  | 3<br>HOME AT<br>LEHIGH<br>INC.<br>88-0327888 | 4<br>LEHIGH<br>BUILDING<br>SUPPLY CORP<br>89-1148977 | 8<br>ENTERPRISE<br>LEHIGH,<br>INC.<br>85-0459633 | 9<br>INTERLACHEN<br>LAKES<br>ESTATES<br>89-0970018 | 10<br>SUNDOWNER<br>PROPERTIES<br>INC<br>89-1370483 |
|------------------------------|--|--|--|--|--|
| INTERCOMPANY PAYABLES        | 0  | 984,257  |  | 9,800  |  |
| HEALTH INSURANCE LIABILITY   |  | 21,184   |  |  |  |
| ACCRUED PAYABLES             | 75,330                                       | 0  |  |  |  |
| RES CLAUSE C REFUND          |  |  |  |  |  |
| ACCRD ENVIRONMENTAL COSTS    |  |  |  |  |  |
| ACCRUED COMMISSIONS          |  |  |  | 725  | 813  |
| ACCRUED REAL ESTATE TAXES    |  |  |  | 51,713   | 54,364   |
| ACCRUED MISC TAXES           | 472  | (787)  |  |  |  |
| ACCRUED MISC EXPENSE         |  |  |  |  |  |
| ACCRUED AUDIT EXPENSE        |  |  |  |  |  |
| ACCRUED PAYROLL              | 8,656  | 7,953  |  |  |  |
| REPURCHASE IND STK           |  |  |  |  |  |
| ACCRD BONUSES                | 3,843  |  |  |  |  |
| ADVANCE RENTS                |  | 308  |  |  |  |
| RESERVE FOR ADDIL COSTS      |  |  |  |  |  |
| ACCRUED LITIGATION FEES      |  |  |  |  |  |
| LIABILITY SERIES A STOCK     |  |  |  |  |  |
| CUSTOMER DEPOSITS            | 562,954                                      | 2,280  | 10   | 9,590  | 5,187  |
| TAX SHARING                  |  |  |  | 96,200   | 72,600   |
| ACCRUED INCOME TAX PAYABLE   |  |  |  |  |  |
| ACCRUED INSURANCE            |  |  |  |  |  |
| ACCRUED WARRANTY COSTS       | 12,861                                       |  |  |  |  |
| ACCRUED INTEREST             | 2,897  |  |  |  |  |
| TOTAL OTHER CURR LIABILITIES | <u>688,803</u>                               | <u>1,015,193</u>                                     | <u>10</u>  | <u>188,028</u>                                     | <u>132,964</u>                                     |

CONFIDENTIAL

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED

BALANCE SHEET  
SCHEDULE - OTHER CURRENT  
LIABILITIES

| <u>DESCRIPTION</u>           | <u>13</u><br><u>LRC OF</u><br><u>GEORGIA</u><br><u>INC.</u><br><u>13-2724881</u> | <u>14</u><br><u>SRC OF</u><br><u>FLORIDA</u><br><u>INC</u><br><u>23-1707448</u> | <u>15</u><br><u>ABLE LAND</u><br><u>SERVICES,</u><br><u>INC.</u><br><u>88-0415798</u> |
|------------------------------|--|---|---|
| INTERCOMPANY PAYABLES        | 50   |   | 195,203   |
| HEALTH INSURANCE LIABILITY   |  |   | 23,168  |
| ACCRUED PAYABLES             |  |   |   |
| RES CLAUSE C REFUND          |  |   |   |
| ACCRD ENVIRONMENTAL COSTS    |  |   |   |
| ACCRUED COMMISSIONS          |  |   |   |
| ACCRUED REAL ESTATE TAXES    |  |   |   |
| ACCRUED MISC TAXES           |  |   | 18,849  |
| ACCRUED MISC EXPENSE         |  |   |   |
| ACCRUED AUDIT EXPENSE        |  |   |   |
| ACCRUED PAYROLL              |  |   | 15,427  |
| REPURCHASE IND STK           |  |   |   |
| ACCRD BONUSES                |  |   |   |
| ADVANCE RENTS                |  |   |   |
| RESERVE FOR ADDIL COSTS      |  |   |   |
| ACCRUED LITIGATION FEES      |  |   |   |
| LIABILITY SERIES A STOCK     |  |   |   |
| CUSTOMER DEPOSITS            |  |   |   |
| TAX SHARING                  |  | 40,500  | 16,800  |
| ACCRUED INCOME TAX PAYABLE   |  |   |   |
| ACCRUED INSURANCE            |  |   |   |
| ACCRUED WARRANTY COSTS       |  |   |   |
| ACCRUED INTEREST             |  |   |   |
| TOTAL OTHER CURR LIABILITIES | <u>50</u>  | <u>40,500</u>   | <u>267,447</u>  |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER LIABILITIES

06/10/1994

| DESCRIPTION              | CONSOLIDATED<br>TOTALS | ELIMINATIONS        | ADJUSTMENTS    | COMBINED<br>TOTALS | 1<br>LEHIGH<br>ACQUISITION<br>CORPORATION<br>59-3067899 |
|--------------------------|------------------------|---------------------|----------------|--------------------|---|
| INTERCOMPANY PAYABLES    | 0                      | (16,956,831)        |                | 16,956,831         | 16,853,625  |
| NY-MI RESERVE            | 800,000                |                     |                | 800,000            |   |
| DEFERRED INCOME (LOSS)   | 209,232                |                     | 254,396        | (45,164)           |   |
| RESERVE FOR LAND IMPR    | 252,388                |                     |                | 252,388            |   |
| LRC STOCKHOLDER'S FUND   | 104,808                |                     |                | 104,808            |   |
| FUTURE IMPROVEMENTS      | 1,238,550              |                     |                | 1,238,550          |   |
| FUTR IMPRV WARRANTY DEED | 84,250                 |                     |                | 84,250             |   |
| DEFERRED INCOME TAXES    | 148,259                |                     |                | 148,259            | 98,059  |
| TOTAL OTHER LIABILITIES  | <u>2,837,487</u>       | <u>(16,956,831)</u> | <u>254,396</u> | <u>19,539,922</u>  | <u>16,951,684</u>                                       |

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED: DECEMBER 31, 1994  
ENDING CONSOLIDATED  
BALANCE SHEET  
SCHEDULE - OTHER LIABILITIES

|                          | 2  | 3   | 6   | 8   |
|--------------------------|--|---|---|---|
| <u>DESCRIPTION</u>       | <u>LEHIGH<br/>CORPORATION<br/>69-1024708</u> | <u>HOME AT<br/>LEHIGH<br/>INC.<br/>66-0327568</u> | <u>CLIFFSIDE<br/>PROPERTIES<br/>INC.<br/>23-1729159</u> | <u>ENTERPRISE<br/>LEHIGH,<br/>INC.<br/>88-0459833</u> |
| INTERCOMPANY PAYABLES    |  | 103,206   |   |   |
| NY-MI RESERVE            | 800,000                                      |   |   |   |
| DEFERRED INCOME (LOSS)   | (45,184)                                     |   |   |   |
| RESERVE FOR LAND IMPR    | 252,388                                      |   |   |   |
| LRC STOCKHOLDER'S FUND   | 104,808                                      |   |   |   |
| FUTURE IMPROVEMENTS      | 1,238,550                                    |   |   |   |
| FUTR IMPRV WARRANTY DEED | 84,250                                       |   |   |   |
| DEFERRED INCOME TAXES    |  | <u>26,300</u>                                     | <u>23,800</u>   | <u>100</u>  |
| TOTAL OTHER LIABILITIES  | <u>2,434,832</u>                             | <u>129,506</u>                                    | <u>23,800</u>   | <u>100</u>  |