

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

05368 MAY 10 88

FPSC-RECORDS/REPORTING

Exhibit 81(a)

SSU  
 Computation of Entry Needed to Adjust Stake NOL:  $\uparrow$  35%

Gross-Up  
 5

Summary of NOL Components:

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	< 290020 >
Lough - 1991	CD-12	< 8652 >
1992		< 650347 >

Subtotal < 12839118 >

Adjustment needed for SSU CAC AD-13 601774

12-31-92 SSU e/f < 12237344 >

x 5.5%

673054 x 1.628002 1095733

x 35%

< 235569 > x 1.628002 < 383507 >

Fed effect

Entry Needed:

1901.7100	} new accounts		383507
1902.7100			1095733
1901.1000		CD-9	378938
1902.105			1114522
2540-1000			23358

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

CD T

SOUTHERN STATES UTILITIES, INC.  
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a) Computation of Entry needed to adjust State Nols to 35%

RESPONSE: 81

See attached Appendix DR81-A.

**DECLASSIFIED**

DOCUMENT NUMBER-DATE

05368 MAY 10 88

FPSC-RECORDS/REPORTING

**CONFIDENTIAL**

**FPSC DOCUMENT REQUEST**

**APPENDIX DR81-A**

Exhibit 8(a)

SSU  
 Computation of Entry Needed to Adjust Stake NOL: to 35%

Summary of NOL Components:				Gross-Up
				5
SSU	1989	CD-1	-7-	
	1990	CD-2	< 1547056 >	
	1991	CD-3	< 2852302 >	
	1992	CD-4	< 7151040 >	
VGU	1990	CD-5	-9-	
	1991	CD-6	< 14962 >	
Seaboard	1989	CD-7	< 41024 >	
	1990	CD-8	< 134196 >	
	1991	CD-9	< 1495197 >	
DWT	1990	CD-10	-0-	
	1991	CD-11	< 290020 >	
Lehigh	1991	CD-12	< 8652 >	
	1992	↓	< 650347 >	
Subtotal			< 12839113 >	
Adjustment needed for SSU CIRC			CD-13	601974
12-31-92 SSU c/f				< 12237344 >
				x 55%
				673054
				x 1.628002
				1095733
Fed effect				< 235569 >
				x 1.628002
				< 383507 >
Entry Needed:				
	1901.7100	2 new accounts		383507
	1902.7100			1095733
	1901.1000	CD-9	378933	
	1902.1057	↓		1114527
	2540.1057		89358	
To set up separate accts for stake NOL and adjust to actual 92 results and 35%.				
Assuming NOL c/f will be used in future. How is c/f per CD-16.				
CD ↑				

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.

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FPSC DOCUMENT REQUEST NO. 82

APPENDIX DR82-A

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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	(2,962,133)

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



Southern States Utilities, Inc.

59-0948672

Year: 1994

CONFIDENTIAL

OTHER:

Addtl pension contribution ded  
 Amort of computer software  
 Cost to retire  
 Miscellaneous  
 Rate case expenses

379,220  
 487,872  
 26,365  
 682,171  
 (381,149)

TOTAL

1,194,479

TOTAL LINE 8. . . . .

7,874,442

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 Debtors. 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 - Salvage 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 2500.1000
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 Returns

6. B-24/1 - 1994 Booking of Rate Case Adjustment hit A/K. Per Morris may reverse in 95 through income. If so, would be on Sch M in 95.
7. U.S. Correct 89 tax depr sch for note on w-4.
8. Make Sure someone look 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 CEAC</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 Agg Adj. analysis  
for offset to CIAC.

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

B-20 4 Make sure 1993 Preliminary Survey Sch M of 1185085  
is part of Def Debit sch m since balance transferred.  
Don't leave as a Prelim Survey Sch M.

u-1 5 Build Lehigh 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-14/2 2. Get supporting documentation for the 400,000 JPEB VEBA pymt. Done

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

B-4/5 4. Balance in ac 2361.3000 s/b adjusted at correction?

B-9/2 5. Analyze ac 2531.0000 other deferred credits for return. < 57372.69 > Done B

P-1 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 8. Get entry supporting Quail ledge land entry to Acq Adj. OK w/ 2 w/

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

B-4 10. Get detail of lobbying expenses for the return. Done

11. Per 330-ix staff meeting 1/4 of land sales in operating - first she takes the 1/2. Get detail for return.

Per discussion w/ Fredrickson, com find any land s.

Ita. to D. for Return

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

Received, 2/89

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 Rev, 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 sold

K 2/2 + K.2 make adjust to 92 + 93 VGU additions but still longer. It be bad years estimate of not sold 3

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

Same for return

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

Proven increase in CIAC rate booked on 2/96

Notes For Return

1A  
 Additions See attached - Per WLP E-7, there were only  
 231,301 of Plant additions for P&E transferred from  
 Future use to Plant in service. Per attached is  
 2583,181

→ Able to prove on  
~~by 200,000~~  
 Larger amount  
 incorrect.

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

Noted &  
 changed.

U-11  
 'U1 section - Use new computer, run 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  
 project)

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  
 Jim

Done  
 3-27

Review comments also from Brian Holt at PW on Thurs. March 23<sup>rd</sup>.

His fax # 407-236-5149.



NOTES FOR 94

1. New tax-exempt financing in 94, see attached. E-6
  2. The escrow interest Sch M: from prior years will be reversing, see E-2. Not true - wrong
  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 cap B-21. Included on B-8
  5. When Normandy Blvd Easement reverses out of cash suspense account in 94, reverse if necessary. See up P-8. Included in P section
  6. Watch for Income to be recognized on the books for Lehigh Gas Assets, now included in a/c 1270. See up B-24. None - B-11
  7. Per up 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 2 separate ac
  8. Get a reversing Sch. for investment portfolio income picked up from Tpeka/MP. Should also have a reversing Sch M for '93 sch M up I-2. Done - B-13
  9. B-13 Pick up sch M for 141500 if acct 12250. Done B-13
  10. U-17 Cover 5 yr D/B Prop to S/L OK at U-10
  11. U-14 Pick up PGT adjustment to 0253 in 93 programs, also U-15. Done
  12. U-10 Review 1263 Retir. Bill. up with acct 1202 = 1992. Accru. Degr. 15:00 prep.
- NOTES FOR 94
13. U-18 - Some of the back pay on the DUS, US 1 second in price. over
  14. U-18 - See if we have detail sub to figure out what? Took out in 94 Subward in book need to look for corp. tax



Exhibit 82(h)

SSU  
 1994 Sch M's - Deferred Debts

Oct 2-15-95

History of  
 Sch M

2	Def. Condemnation - VGU			
3	Project # 91ES029			
4	Balance	12-31-92	23890	< 23890 > 92 return up B-3/9
5	93 activity		276844	
6	Balance	B-8	300734	-0-
7	94 activity	I	315009	
9	Subtotal	B-8	615743	
11	transfer to ak	4140	615743	23890 Reverse in 94
12			(1)	(with offset expense
13	ending balance		-0-	in VGU & other
14				computation)
15				
16				
17				
18	Additional "OAP" costs:			
19	VGU costs	B-3/1 pg 2	244808	
20				
21	above	(1)	615743	
22				
23	Subtotal		860551	
24				
25	difference - pass		27691	probably add'l costs in 94
26				
27	Expenses included in VGU site:			
28	PS+I K-1	80,582.67		∴ pass at return also, JJ
29	OAP	807,659.47	888242	
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Exhibit 82 (i)

1 of 5

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

Kv 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 minimis 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

103 391 B

B-14

Exhibit 82, 2 of 5

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SSU  
1994 LOBBY.XLS

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

*Cont'd from B-14/2 - OK 8-17-95*

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
<u>102,541.36</u>
7
850.00
<u>103,391.36</u>

*Agree to B-14/3*

*Add lobbying released  
 from contributions  
 Total lobbying*

B-14/1

Exhibit 82 (i) 3 of 5

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SSU  
1994 LOBBY.XLS

8-19-95

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		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	4,051.04
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 > 29,000

Date	8/15/95	# of pages	10
From	Jic Geiger		
Co.	SSU		
Phone #	X-273		
Fax #	(407) 880-1395		
Post-it Fax Note	7671		
To	Jamie Jago		
Co/Dept	MP-TAX		
Phone #	X-3475		
Fax #	(218) 720-2515		

3-14/5



CONFIDENTIAL

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

DESCRIPTION	YTD ACTUAL	YTD PRIOR YEAR	9 VARIANCE	X VARIANCE
OTHER NON-OPERATING INC/EXP				
4150.1000 FIRE HYDRANT REVENUES (	3,455.00 ✓	1,776.87 (	1,678.13	94.44
4150.2000 MANAGEMENT FEES (	5,920.51 ✓	5,896.72 (	121.79	2.89
4160.0000 M & J COSTS	176.54 ✓	294.87 (	118.33 (	40.12)
4160.1000 FIRE HYDRANT COSTS	.00	211.89 (	211.89 (	189.88)
4210.0000 NON-UTILITY INCOME/RENTALS (	89,862.94 (	11,439.44 (	28,423.50	240.46
9.1000 INCOME FROM GAS OPS (	374,362.79 (	239,445.16 (	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	18,000.10 ✓	4,581.88	14,307.18	317.86
4260.3000 PENALTIES	155,646.77 (	57,885.47 (	211,532.24 (	365.43)
4260.4000 LOBBYING COSTS	182,541.36 B-14	63,428.37	39,112.99	61.66
4260.5000 POSSIBLE ACQUISITION/DISPOSITI	88,721.65	16,464.88	64,257.65	598.29
4260.9000 MISC NON-UTILITY EXPENSE	45,710.14	218,052.97 (	172,322.83 (	79.83)
LESS INCOME FROM GAS OPS				
4210.1000 INCOME FROM GAS OPS (	374,362.79 (	239,445.16 (	143,919.63	62.45
OTHER NON-OPERATING INC/EXP	548,915.72	355,639.22	193,276.50	54.34

Exhibit B2 (i) 4 of 5

✓ Agrees to detail at B-14.

B-14/3

Exhibit 82 (1) 5 of 6

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11-22-95

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	3/4 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	(60,382.00)	(308,898.00)	248,016.00
M & J			
- Revenue	4150.1000 3,455.00 ✓		
- Costs	4160.0000 (176.54) ✓		
- Net	3,278.46	0.00	3,278.46
Charitable Donations			
- Contributions	4260.2000 (17,954.53) ✓	18,208.10 ✓ (36,000.00)	18,045.47
- Labor (Payroll Deduction)	(853.57)	0.00	(853.57)
Fines & Penalties	A/c 4260.3000 (153,646.77) ✓	(150,000.00)	(3,646.77)
Lobbying	4260.4000 (92,202.38) ✓	(68,879.96)	(23,322.42)
Disallowed Rate Case Expense	4260.1000 (209,875.84) ✓	0.00	(209,875.84) → As shown 209,875
Possible Acquisitions	(66,231.98)	0.00	(66,231.98) per B-24 + a/c 176,557
True-Up Accrued Pension Expense	158,811.00 B-18/1	0.00	158,811.00 DFF 13313
Write Off Accounts	26,341.71	0.00	26,341.71 Pass diff as a/c reconciled r. 8-24.
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) ✓	0.00	(111,675.00)
Miscellaneous			
AFPI (1993) Refund - Marion Oaks	Taxed in 93 (16,318.89)	0.00	(16,318.89)
Admin Fee for Payroll Deductions	deductible in 94 648.02	0.00	648.02
Rental Income			
- Trailer (University 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)
	(548,915.72) ✓	(504,752.96)	(44,162.76)

✓ Agrees to the balance on B-14/3.  
Ⓢ Agrees to interest billed from MP per 75 correction report

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

B-14/4

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>

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

book expense  
book fees  
subtotal

①	172,910
②	(18,906)
	<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

Difference  
less deducted in prior years  
Net allowable deduction

③	563,217
	<u>409,213</u>
	(29,993)
	<u>379,220</u>

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	379,220
Additional deduction	<u>379,220</u>

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

5614879

built from  
1/1/95  
5614879

SOUTHERN STATES UTILITIES, INC.  
ACCRUED PENSION EXPENSE

PERIOD ENDING 12/31/94

DESCRIPTION	BEGINNING BALANCE				ENDING BALANCE
	01/01/94	12/31/93	EXCHG.	OTHER	
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>

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

ANALYSIS OF EXPENSE ACCOUNT

BALANCE #001.90001.600.99.6049.5000.106	331,720.80
ADMIN. PLAN FEE(UNION)	(56.00)
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)
JEM 11399; CORR Q/ACCR '93 NET PENS	158,811.00
SSU PENSION PLAN ASSET ALLOCATION FEE 2ND QTR	(912.50)
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
.....	(5912.50)
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)
TOTAL ACCRUALS FOR 1094	<u>312,815.14</u>

Summary:

Bag balance 12-31-93	A/c 2630.1000	< 29,992.80 >
Book expense a/c 6049.5000	(1) < 331,720.80 >	dr Exp cr Liab
Fees	E(2) = 18,905.66	dr Liab cr Cash
Cash Payments	563,216.93	dr Liab cr Cash
Non Utility Income B-14/14	158,811.00	dr Liab cr Income
Ending Balance 12-31-94	379,219.99	

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

Handwritten signature

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B-18/1

Agrees to B-7/1



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

SOUTHERN STATES UTILITIES, INC.  
ACCRUED PENSION EXPENSE

081.00091000.99.24.50.0000.000

DESCRIPTION	PERIOD	BEGINNING BALANCE	R32	EXPENSE	OTHER	ENDING BALANCE
ACCRUED UNION PENSION EXPENSE	1/94	(7,404.79)		(1,600.00)	0.00	(9,004.79)
	2/94	(9,004.79)		(1,600.00)	0.00	(10,604.79)
	3/94	(10,604.79)		(1,600.00)	0.00	(12,204.79)
	4/94	(12,204.79)		(1,600.00)	0.00	(13,804.79)
	5/94	(13,804.79)		(1,600.00)	0.00	(15,404.79)
	6/94	(15,404.79)		(1,600.00)	20,219.93	3,215.14
	7/94	3,215.14		(1,600.00)	0.00	1,615.14
	8/94	1,615.14		(1,600.00)	0.00	15.14
	9/94	15.14		(15.14)	0.00	(0.00)
	10/94	(0.00)		0.00	0.00	(0.00)
	11/94	(0.00)		0.00	0.00	(0.00)
	12/94	(0.00)		0.00	0.00	(0.00)
<b>TOTAL ACCRUED UNION PENSION EXPENSE</b>				<b>(12,812.14)</b>	<b>20,219.93</b>	<b>0.00</b>

SSU

EN. 61 82 (1) 3 of 4

B-18/2

CONFIDENTIAL

PAACCOUNT2630000.WQ1  
Prepared By: A. Johnson  
12-Jan-95

SOUTHERN STATES UTILITIES, INC.

ACCRUED PENSION EXPENSE

001.00007.000.99.2630.0000.000

DESCRIPTION	PERIOD	BEGINNING BALANCE	REF	AMT	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
TOTAL ACCR'D PENSION EXPENSE			(300,000.00)	542,997.00	158,811.00	379,219.99

*from previous month ending balance*

*B-18/3*

SSU

08/22/95 TUE 11:08 FAX 880 1385

*Exhibit 82(i) 4 of 4*

CONFIDENTIAL

ATTACHED BY  
Topoka Group, INC  
Paul McHalt

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

CONFIDENTIAL

27-Jan-95  
Prepared by: Robb Ross  
KC 8-28-95

PER TGI	COMMENTS	PER SSU	COMMENTS
AP TO SSU (12/1/94)		8,900,000.00	
Investment Portfolio		47,433.60	
		<b>8,947,433.60</b>	
A/R FROM SSU			
December Credit Support Fee	3,795.51		
December Credit Receivable Fee	3,705.14		
December Credit Receivable Fee Volatile	4,568.73		
November Expenses Billing	181,405.83		
December Expenses Billing	41,894.65		
November Credit Support Fee	3,992.47		
November Credit Receivable Fee	3,585.62		
November Credit Receivable Fee Volatile	4,238.77		
	<b>50,477.78</b>		

SOUTHERN STATES UTILITIES, INC.  
AP - TGI  
12/1/94

TOPEKA RECONCILIATION  
@ DECEMBER 31, 1994

PER TGI	COMMENTS	PER SSU	COMMENTS
	Investment Portfolio Per G/L	8,900,000.00	
	Monthly G/L (Loss)	47,433.60	
	<b>TOTAL MP INVESTMENT PORTFOLIO</b>	<b>8,947,433.60</b>	
	A/R From TGI		
	Refundable Advances-December Billing	164,572.21	
	Expenses for MAWC Billed to TGI	2,286.72	
		<b>166,858.93</b>	
	<b>TOTAL A/R From TGI</b>		
	A/R TO TGI		
	08/94 Accrued Interest (15 days)	(181,858.09)	
	09/94 Accrued Interest	(211,717.19)	
	10/94 Accrued Interest	(211,717.19)	
	11/94 Accrued Interest	(211,717.19)	
	12/94 Accrued Interest	(211,717.19)	
	SSU Overpaid Interest	0.01	
	12/94 Credit Support Fee	(3,195.55)	
	12/94 Credit Receivable Fee	(3,795.14)	
	12/94 Credit Receivable Fee-Volatile Bond	(4,568.73)	
	December Expenses Accrued	(29,185.71)	
	Heater Charges to Wrong Acct	354.87	
	November Expenses	(181,405.83)	Waiting for report for billing
	88-90 IRS Audit	(111,675.09)	
	AMT Cash	(1,468,795.09)	
	<b>TOTAL A/R TO TGI</b>	<b>(2,411,545.11)</b>	
	<b>A/R &amp; A/R</b>	<b>(2,244,686.20)</b>	

RECONCILING ITEMS:

Accrued Interest-Notes Payable	852,727.24	Not included in TGI Reconciliation
November Expenses Accrued	39,195.31	
Refundable Advances	(164,572.21)	Not included in this section of TGI Reconciliation
SSU Overpaid Interest	(0.01)	
November Expenses Billing	(81,894.45)	Billed in January, 1995
11/94 Credit Support Fee	(3,992.47)	Paid in December, 1994
11/94 Credit Receivable Fee	(3,585.62)	Paid in December, 1994
11/94 Credit Receivable Fee-Volatile Bond	(4,238.77)	Paid in December, 1994
Expenses for MAWC Billed to TGI	(2,286.72)	Not included in TGI Reconciliation
88-90 IRS Audit	111,675.09	Not included in TGI Reconciliation
AMT Cash	1,468,795.09	Not included in TGI Reconciliation
Heater Charges to Wrong Acct	(354.87)	Not completed in January, 1995

Process of work papers:  
This is a copy of the intercompany account + account records between Topoka & SSU showing the portfolio balances to determine SSU's to determine below.

Sch M for Investment Portfolios:

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's 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 Paul Helt Co. MP 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 SSU in 94, 94 SSU < 106,255.78 B-19

Note  
Per Ginger, the 4,433.60 recorded in interest receivable.

Note: when do MP "H" section  
Confirm total portfolio income  
picked up verify at return time.  
Noted on Notes for 94 return.  
See total income for 94 at R-26 - 2 of pages > 2

Post-it brand fax transmittal memo 7871 # of pages > 2

Paul Helt  
Co. MP  
Dorcas Corp. Asstg.  
Fax # 218-723-3911

Robbie Small  
Co. SSU  
Phone # 407-880-0058 x 272  
Fax # 407-880-1395

TO

2/15/1995  
15:39:28  
DLR/PDR

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

QLBSLEADJC  
PAGE 23

DESCRIPTION	YTD ACTUAL	YTD PRIOR YEAR-END	\$ VARIANCE	% VARIANCE
TEMPORARY CASH INVESTMENTS 1551.0000	8,000,000.00	9,182,259.15	( 1,182,259.15)	( 12.87)
TOTAL TEMPORARY CASH INVEST.	8,000,000.00	9,182,259.15	( 1,182,259.15)	( 12.87)

*8-19*

*Exhibit 82 (K) 2 of 4*

*B-19/1*

CONFIDENTIAL

Exhibit 82 K  
 3 of SSU  
 1993 Intro A/c's

Post-it brand fax transmittal memo 7671 # of pages = 2

FROM  
 Paul Holt  
 Co. SSU  
 Dept. M.P.  
 Ext. 273  
 Fax (218) 723-3911  
 (407) 880-1395

8-6-94

TOPEKA RECONCILIATION  
 @ 12/31/93

J. Geiger  
 01/20/94

PER TOI	COMMENTS	PER SSU	COMMENTS
A/R TO SSU (12/31/93)		Investment Portfolio	-B/S 20' 9,182,259.15
Investment Portfolio	9,228,514.27	December Cash	106,255.12 - Recorded in January 1994
		TOTAL INVESTMENT PORTFOLIO	9,228,514.27
A/R FROM SSU		A/R from TOI	I-1 - Agree w/ Topoka balance
December Credit Support Fee	3,345.41		
December Credit Receivable Fee	3,959.93		
November Credit Support Fee	3,254.85		
November Credit Receivable Fee	3,832.19		
October Credit Receivable Fee	3,959.93		
November Expenses Billing	11,855.17		
December Expenses Billing	31,134.58		
TOTAL A/R EXP. BILLING FROM	61,364.04	TOTAL A/R from TOI	0.00
		A/P TO TOI	
		8/93 Accrued Interest-Notes Payable	(185,858.62)
		9/93 Accrued Interest-Notes Payable	(211,717.19)
		10/93 Accrued Interest-Notes Payable	(211,717.19)
		11/93 Accrued Interest-Notes Payable	(211,717.19)
		12/93 Accrued Interest-Notes Payable	(211,717.19)
		12/93 Credit Support Fee	(3,345.41)
		12/93 Credit Receivable Fee	(3,959.93)
		Accrued Excess Liability Int.	(98,000.00)
		Accrued 12/93 TOI Charges	(23,120.74)
		Refundable Advances - Dec Billing	121,400.73
		Accrued Federal Taxes	77,125.00
		TOTAL A/P to TOI	(842,617.75)
		A/P + A/R	(842,617.75)
		RECONCILING ITEMS:	
		Accrued Excess Liability Int.	98,000.00 - Not included in TOI Recon
		Accrued Interest Notes Payable	952,727.34 - Not included in TOI Recon
		Accrued Federal Taxes	(77,125.00) - Corrected in January 1994
		Refundable Advances	(121,400.73) - Not included in TOI Recon
		December Expenses Accrued	23,120.74 - Not included in TOI Recon
		December Expenses Billed	(31,134.58) - Billed in January 1994
		11/93 Credit Support Fee	(3,254.85) - 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
			821,253.69
		PER SSU TOTAL	(842,617.75)
		PER TOI	(61,364.04)

Paul M Holt  
 1/20/94

952,727.34 Agree to Topoka books  
 54,038.73 Add Topoka receivable from SSU (per Topoka books)  
 100,676.66 SSU Payable  
 882,617.75 Difference to TOI books  
 124,148  
 I-1

CONFIDENTIAL

She 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 AF  
 B-19/2



CONFIDENTIAL

Minnesota Power  
Analysis of Subsidiary Allocations  
1994

summary of allocations per attached spreadsheets:

	Energy	Topeka	SSU	UI/Equip	Irving Upper Mn Prop	Heater	East LA	Total
jan - aug	(20,103.57)	(331,287.78)	(841,966.36)	(37,651.18)	979.91	17,698.90		(1,212,330.06)
sept	22,850.62	352,742.36	4,086.80	71.95	1,480.53	5,327.39		386,539.45
oct	18,771.56	288,167.18	9,466.73	0.00	1,186.71	4,363.79	2,499.40	324,455.37
nov	15,893.77	246,564.57	7,749.28	0.00	1,004.82	3,694.74	2,116.18	277,023.36
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	154,938.10
allocate granite loss to Topeka		(880,364.93)	880,364.93					0.00
net balance per books allocations	56,526.42	(19,772.91)	107,134.78	(37,579.23)	5,840.28	35,528.11	7,160.65	154,938.10
balance per MP's books								#-2 154,851.05 12.95 Diff

Income recorded on sub's books:

amount recorded (inc) exp	(56,526.42)	19,772.91	(185,666.25)	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 part folio reconcile 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 costly 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

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 \$1135,055. However this balance has been transferred to a/c 1862 and should now be part of 1862 total cumulative Sch M's. B-a/c  
Make sure timing diff transferred at correction in PTF. Notes



2-10-98

PRELIMINARY SURVEY & INVESTMENT														
001.00001...99.1830.0000 ***														
DESCRIPTION	PROJECT #	RSP #	BALANCE 12/31/82	ADDITIONS	RECLASS	OTHER	AMORT 1/84-12/84	BALANCE 6/30/84	BALANCE 6/30/84	ADDITIONS	RECLASS	OTHER	AMORT 1/84-12/84	BALANCE 12/31/84
WWTP EXPANSION	87EW003	999	\$55,361.24		(\$55,361.24)	B-8		\$0.00	0.00					0.00
IMG STOR TANK & BLDG FWELL 10	88PN008	899	\$36,758.00		(\$36,758.00)	B-8		\$0.00	0.00					0.00
PS NEW CIS SOFTWARE	90EA013	635	\$35,247.34					\$35,247.34	0.00					0.00
PS-CONCEPTUAL PERMIT APPL	90EW012	570	\$26,122.36		(\$26,122.36)	B-8		\$0.00	85,247.34					35,247.34
PS KRA GOALS	92EA066	650	\$15,325.00					\$15,325.00	16,325.00					6,325.00
PS-IS STRATEGIC PLANNING	92EA067	540	\$47,273.28		(\$47,273.28)			\$0.00	0.00					0.00
PS-LEHIGH WW MASTER PLAN	92ES065	570	\$40,000.00					\$40,000.00	40,000.00					40,000.00
PS 10YR WATER MASTER PLAN	92EW047	570	\$63,257.17					\$63,257.17	63,257.17					63,257.17
PS CENTRAL ANALYTICAL LAB	93PA048	500	\$9,502.42					\$9,502.42	9,502.42					9,502.42
PS STATE WIDE RESIDUALS MASTER PLAN	93PA064	685	\$18,886.40	\$16,825.01				\$34,511.41	24,811.41	1,060.82				25,872.23
PS WTR/WWT MASTER PLAN	93PC007	870	\$4,629.63					\$4,629.63	4,629.63					4,629.63
PS WTR/WWT MASTER PLAN	93PC008	...	\$12,974.39					\$12,974.39	12,974.39					12,974.39
PS ELK HARRIS WATER SYS EVAL	93PC009	570	\$12,714.98	\$343.95				\$13,058.93	13,058.93		(13,058.93)			0.00
PS WTR/WWT MASTER PLAN	93PC010	...	\$4,629.63					\$4,629.63	4,629.63					4,629.63
PS WTR/WWT MASTER PLAN	93PC011	...	\$4,629.63					\$4,629.63	4,629.63					4,629.63
PS WTR/WWT MASTER PLAN	93PC012	...	\$4,629.63					\$4,629.63	4,629.63					4,629.63
PS WTR/WWT MASTER PLAN	93PC013	...	\$4,629.63					\$4,629.63	4,629.63					4,629.63
PS WTR/WWT MASTER PLAN	93PC014	...	\$4,629.63					\$4,629.63	4,629.63					4,629.63
PS WET WEATHER STORAGE/016P	93PN005	570	\$48,000.85	\$10,278.82				\$58,279.67	58,279.67	4,060.82				62,340.49
PS B. HILLS REUSE FEASIBLTY STUDY	93PN049	...	\$9,280.00					\$9,280.00	9,280.00			\$12.11		9,292.11
PS DUDE PROVS. FIELD FARMS	93PS015	570	\$1,013,298.80	\$35,365.92	\$108,865.61	(\$1,000,000.00)		\$158,530.31	168,530.30		(1,158,530.33)	1,000,000.00		10.00
PS MIRO WTP IMPROV STUDY	93PS044	570	\$32,871.50					\$32,871.50	32,871.50					32,871.50
PS MI REUSE FEASIBTY STUDY	93PS050	870	17,891.24		(\$17,891.24)			\$0.00	0.00					0.00
PS MI PERMIT FEE						12,491.82		\$0.00	0.00					0.00
PS-VGU INJECTION WELL SYSTEM	93P6055	685	\$11,615.00	\$56,705.60				\$68,320.60	68,221.80	12,281.07				80,502.87
PS-RAW WTR. LINE F/CITY OF NAPLES	93PS058	570	\$169,786.06	\$4,969.35				\$174,755.41	174,755.41		(173,755.64)			1,000.00
PS-P. RIDGE HYDRAU ANAL/DIGITIZ M	93PW056	...	\$12,800.22			\$1,989.57		\$14,849.79	14,849.79					14,849.79
PS-C. SPRINGS HYDRA ANAL/DIGITIZ M	93PW057	...	\$13,449.79			(\$1,989.57)		\$11,460.21	11,460.21					11,460.21
PS-MI JURSDICT. WETLAND PERMIT	94PS064			\$3,800.00				\$3,800.00	3,800.00	1,067.30		400.00		5,267.30
PS-WET WEATHER SYSTEM IMP.	94CN046			\$1,633.49				\$0.00	0.00					0.00
PS-COLLIER PROPERTY CONDEMNATION	94CS056			\$17,174.11				\$17,174.11	17,174.11	14,903.91		(32,078.02)		0.00
PS-STATE WIDE RESIDUALS MASTER PL	94PA054			\$2,842.80				\$2,842.80	2,842.80			3,281.90		6,124.70
PS-NEW CUSTOMER INFORMATION	94PA335			\$2,886.00				\$2,886.00	2,886.00			1,684.15		4,570.15
PS-WELL #2 REHABILITATION	94PC005			\$1,171.15				\$1,171.15	1,171.15					1,171.15
PS-WASTEWATER EXPANSION ANALYSIS	94PC016			\$1,500.00				\$1,500.00	1,500.00					1,500.00
PS-ALTERN. WATER SOURCE EVAL.	94PC338			\$227.21	\$41,265.88			\$41,493.09	41,493.09	5800				47,293.09
PS WELL #36	94PN009			\$10,800.00				\$10,800.00	10,800.00					10,800.00
PS REUSE FEASIBILITY STUDY	94PN012			\$25,049.60				\$25,049.60	25,049.60					25,049.60
PS SLUDGE STABILIZATION FACILITY	94PN336			\$1,277.42				\$1,277.42	1,277.42	25,430.18		1,022.00		28,734.60
PS WTP EXPANSION	94PS014			\$64,492.47				\$64,492.47	64,492.47	20,022.45		119,017.91		203,532.84
PS PERMIT 180 ACRE SITE	94PS015			\$18,531.78				\$18,531.78	18,531.78	14,104.72		29,100.00		61,736.50
PS COLLIER BLVD RECLAIMED WATER	94PS338			\$0.00				\$0.00	0.00					0.00
TOTALS			\$1,729,974.17	\$274,241.69	(\$32,782.63)	(\$1,001,933.48)	\$0.00	\$879,919.73	978,899.73	97,738.14	(1,221,897.85)	918,417.30	0.00	774,157.38

Exhibit 82(L) 2 of 2

Amount referenced to 3-5 are transferred to alc 1982.

B20/1

Aggregates reviewed 3-2-84

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

11/11/84



SSU  
 1994 Return

LAC

1994 PROVISION  
 (Net Act YTD + Est. Estimate)

Balance

11/12/94  
 11/20/94  
 M-1

12-31-93 11-30-94

Handover Hall Reserve

Reversal of previous years M-1  
 for reserve

Timeshare Reserve Balance

POPW Reserve

25004

<102168>

<98703>

<34857>

"Paid up property warranty" Sale contract has a provision where qualifying lots are deeded to heirs. In the event the purchaser dies, the reserve etc. provides for it.

NY Escrow A/c

10740, 10741, 10742

<4645179>

0

<4645179>

Much Escrow A/c

10719

<5822697>

0

<5822697>

These accounts were set up for escrow amount collected for future water + sewer hookups. The amounts never went into bank income and were not picked up on the returns filed. In '94 the reserve 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

<300000>

300000

Recently provided to pay for hookups of water + sewer in 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

Note: SSU balances are

offsetting, do not hit bank income

See SSU balances

on up B-25

Also see description

at F's - 13

to Sch M

Note: LAC does have a Sch M

Estimated 12/31/94 balance

for SSU profits or file

B-1

B-25

SSU  
**INTERCOMPANY ELIMINATIONS**  
**DECEMBER 31, 1994**

OK 8/19/95  
 KC F-28 95

	Traced to Books of:	dr	cr
Common Stock	SSU	107,500	
Paid-in Capital	SSU	72,724,905	
Retained Earnings	SSU	5344,894	
Investment in SSU	Topex		78,177,299
plug (if necessary)			

Per GLN: Invest in SSU - 1231-0501 173,463,863  
 1231-0502 16,213,436  
 1231-0503 78,177,299  
 < 12,000,000 >  
 78,177,299

Due from Lehigh	CR 4/218	SSU (*)	-0-	-0-
Due to Topex	CR 8/18	SSU	24,196,250	
Due from SSU		Topex I-1		24,196,250
Due to SSU		Topex I-1	8047,434	
Temporary Cash Inv. (Corp Tax A/c # 18000 10)	CR 3/13	SSU		8000,000
Interest Receivable (Corp Tax A/c # 18000 15)	J	SSU		47,437
Due to Topex	Due plug 5290942 < 12977307 >	I-1	3996,212	
Due from SSU	I-1	Topex		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	€ (2) =	28,192,462

(f) Per exam of LAR B/S, no interco loans - will reclass at SSU level.

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

Reclass needed to tie out Inter.

Balance per CR 8/18 25,930.6  
 Add Refundable Div CR 10/18 2956.5  
 Remove LAC & Hester 3/18 7000  
 Plug needed w/ Topex I-1 < 1476.7 >  
 Adjusted balance 28,192.4

I

Reclass 101  
 Common A/c  
 1800090  
 1200095  
 3700090  
 3300090  
 3700090

Amount  
 (2) € < 10700 >  
 < 2956.502 > Refundable  
 2261.806 Loans  
 694.696 Misc Lia

Exhibit 82(2) 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		(24,196,250)
ssu	n/p - topeka	(24,196,250)	24,196,250	
topeka	a/p - ssu	(8,047,434)	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 Page : 1

Year :1994

120SSU

Southern States Utilities, Inc.

59-0948672

			<u>Location</u>	<u>Date</u>	<u>Debit</u>	<u>Credit</u>	<u>Init</u>
01 BR	R00101 Reclass of A/R and A/P						
1200095	ACCOUNTS RECEIVABLE	I-1		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	J		08/19/95	2,261,806		MAS

I-2

Exhibit 82(a)

4140 summary

CONFIDENTIAL

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

San Lando sale to DeJesus: (Costs booked 1993)

Proceeds from sale	(976.48)	
Less: Basis of Land	256.21	} Reverses tax > book sch M of 720 in 1995.
Net Gain	<u>(720.27)</u>	

*P-1 un-  
rest asset*

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)

Hend - Gray, Hams & 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 Tago	From Joe Geiger	
Co. MP	Co. SSU	
Dept. TAX	Phone # X 273	
Fax # (218) 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**

CMB 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* *41-0412150*

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  
*SARASOTA COUNTY, FL* Other party's identification number

Address (number, street, and room or suite no.)  
*1549 RINGLING BLVD, THIRD FLOOR*

City, state, and ZIP code  
*SARASOTA, FL 34236*

2 Date of sale  
*DECEMBER 21, 1994* 3 Total sales price  
*37,550,000*

**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	\$	\$ <i>ALLOCATION NOT DONE</i>
Class II	\$	\$ <i>AT TIME OF SALE *</i>
Class III	\$	\$ <i>37,550,000</i>
Class IV		\$
Total		\$ <i>37,550,000</i>

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	
<u>SRLY - use greater of -</u>		
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 Originated	Year 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

OTHER CURRENT LIABILITIES	PAGE TOTAL	Pelican Utility Company	Rainy River Energy Corporation	RendField Land Company, Inc.	Seminole Utilities, Inc.	Southern States Utilities, Inc.	Superior Recycled Fiber Corp.	Superior Water, Light & Power Co.
Accrued income taxes	(439,514)	0	(175,020)	(26,276)	0	(92,311)	(609,230)	463,323
Accrued interest	1,857,784	0	0	0	0	1,483,080	18,863	355,841
Accrued pension expense	0	0	0	0	0	0	0	0
Accrued salaries	576,385	0	0	0	0	576,385	0	0
CIAC tax impact escrow	0	0	0	0	0	0	0	0
Interim rates	0	0	0	0	0	0	0	0
Taxes other than income taxes	3,488,052	0	0	8,757	0	3,518,555	(41,260)	0
Miscellaneous	7,481,300	0	0	(151)	0	2,711,451	4,128,000	642,000
<b>Total other current liabilities</b>	<b>12,962,007</b>	<b>0</b>	<b>(175,020)</b>	<b>(17,670)</b>	<b>0</b>	<b>6,197,160</b>	<b>3,496,373</b>	<b>1,461,164</b>
<b>OTHER LIABILITIES</b>								
Accum. deferred income taxes	17,976,172	0	0	0	0	12,468,458	1,145,620	4,362,094
Accum. deferred investment tax credits	2,211,902	0	0	0	0	1,095,418	0	1,116,484
Contribution in aid of construction	86,662,690	0	0	0	0	86,662,690	0	0
Customer deposits and advances	4,532,636	0	0	0	0	2,984,332	0	1,548,304
Miscellaneous	2,095,592	0	0	39,667	0	0	0	2,055,925
Other regulatory liabilities	2,007,826	0	0	0	0	2,007,826	0	0
<b>Total other liabilities</b>	<b>115,486,618</b>	<b>0</b>	<b>0</b>	<b>39,667</b>	<b>0</b>	<b>105,218,524</b>	<b>1,145,620</b>	<b>9,082,807</b>

Schedule 32 7 of 8

Exhibit 83(e)

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  
REVERSAL OF DEPRECIATION ADJUSTMENT  
REVERSAL OF DISCT ON NOTE  
REVERSAL OF BARGAIN DISCOUNT

354,461  
141,707  
3,809,662  
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

0

0

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

02 - LEHIGH CORPORATION

DEFERRED GROSS PROFIT RECOGNIZED  
DEFERRED GROSS PROFIT BUILDER LOTS  
DEFERRED PROFIT JOEL BELL PROPERTY SALE  
SUB TOTAL

425,508  
67,909  
200,712

694,129

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

890

890

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

23,554

23,554

SUB TOTAL

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

3

3

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

11,525

11,525

TOTAL TAXABLE INCOME NOT RECORDED ON BOOKS - LINE 4

730,101

Exhibit 83 (2)

CONFIDENTIAL

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

21,049,048

Gain to be deferred

16,500,952

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 59-3087899

CONFIDENTIAL

	2	3	4	5	6
	LEHIGH CORPORATION	HOME AT LEHIGH, INC.	LEHIGH BUILDING SUPPLY CORP	LEHIGH LAND & INVESTMENTS INC.	CLIFFSIDE PROPERTIES INC.
SCHEDULE M-1	59-1024709	65-327565	59-1148977	59-1219483	23-1729159
1 NET INCOME PER BOOK	5,285,778	12,701	20,897		0
2 FEDERAL INCOME TAX	0	0	0		0
3 EXCESS CAP. LOSSES	0	0			
4 TAX INC. NOT RECORDED	894,129			890	
5 EXP. RECRD. NOT DEDUCTED	4,424,315		297		
DEPRECIATION	82,061	6,459	0		1,470
STATE INCOME TAXES	0	0			0
OTHER	0				0
8 TOTAL 1-5	10,486,281	19,160	21,194	890	1,470
7 EXEMPT INCOME					
TAX-EXEMPT INT.					
OTHER	5,227,448				
8 DED. IN RET. NOT BOOK	8,475,723	83,902	84,372		816,590
DEPRECIATION			124		
CONT. CARRYOVERS					
OTHER					
9 TOTAL 7-8	11,703,171	83,902	84,496	0	816,590
10 INCOME (LINE 28 P1)	(1,236,890)	(64,742)	(63,302)	890	(814,120)
SCHEDULE M-2					
1 BAL. BEG. OF YEAR	18,810,095	(272,928)	(400,180)	(2,493,555)	(70,319)
2 NET INCOME PER BOOK	5,285,778	12,701	20,897	0	0
3 OTHER INCREASES	7,195,571	333			
4 TOTAL 1-3	31,091,442	(259,892)	(379,283)	(2,493,555)	(70,319)
5 DISTRIBUTIONS					
CASH	7,500,000				
STOCK					
PROPERTY					
6 OTHER DECREASES			1		
7 TOTAL 5-6	7,500,000	0	1	0	0
8 BAL. END OF YEAR	23,591,442	(259,892)	(379,284)	(2,493,555)	(70,319)



Exhibits 84 (a, c & d)

1 of 8

LEHIGH ACQUISITION CORPORATION  
AND SUBSIDIARIES  
LEHIGH, FL  
FOR TAX YEAR ENDED:  
DECEMBER 31, 1994  
RECONCILIATION OF CONSOLIDATED  
NET INCOME  
FEIN 59-3067899

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	CONSOLIDATED TOTALS	ELIMINATIONS	ADJUSTMENTS	COMBINED TOTALS	1 LEHIGH ACQUISITION CORPORATION 59-3067899
<b>SCHEDULE M-1</b>					
1 NET INCOME PER BOOK	12,818,573	0	8,982,511	5,854,062	(829,878)
2 FEDERAL INCOME TAX	307,821			307,821	307,821
3 EXCESS CAP. LOSSES	0			0	
4 TAX INC. NOT RECORDED	730,101			730,101	
5 EXP. RECRD. 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>8,982,511</b>	<b>11,208,648</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		8,820,804	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>19,788,953</b>	<b>0</b>	<b>8,982,511</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 TOTALS	ELIMINATIONS	ADJUSTMENTS	COMBINED TOTALS	1 LEHIGH ACQUISITION CORPORATION 59-3067899
<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	12,818,573		8,982,511	5,854,062	(829,878)
3 OTHER INCREASES	90,114	(20,547,972)	90,114	20,547,972	13,335,296
<b>4 TOTAL 1-3</b>	<b>27,929,730</b>	<b>(27,571,901)</b>	<b>7,052,625</b>	<b>48,449,006</b>	<b>27,928,663</b>
5 DISTRIBUTIONS	0			0	
CASH	7,750,000	(7,873,400)		15,423,400	7,750,000
STOCK	0			0	
PROPERTY	0			0	
8 OTHER DECREASES	1,067	(274,435)		275,502	
<b>7 TOTAL 5-8</b>	<b>7,751,067</b>	<b>(7,947,835)</b>	<b>0</b>	<b>15,898,902</b>	<b>7,750,000</b>
<b>8 BAL. END OF YEAR</b>	<b>20,178,663</b>	<b>(19,824,066)</b>	<b>7,052,625</b>	<b>32,750,104</b>	<b>20,178,663</b>



LEHIGH ACQUISITION CORPORATION  
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 RECONCILIATION OF CONSOLIDATED  
 NET INCOME  
 FEIN 59-3067899

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	7 LEHIGH COUNTRY CLUB INC. 59-1287927	8 ENTERPRISE LEHIGH, INC. 85-0459633	9 INTERLACHEN LAKES ESTATES 59-0970018	10 SUNDOWNER PROPERTIES INC 59-1370483	11 ORANGE STATE PROPERTY SERVICES, INC. 59-2104132
<b>SCHEDULE M-1</b>					
1 NET INCOME PER BOOK	0	(358)	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 DEPRECIATION			2,237	4,325	5,451
STATE INCOME TAXES					
OTHER					
<b>8 TOTAL 1-5</b>	<b>0</b>	<b>(358)</b>	<b>386,333</b>	<b>284,558</b>	<b>106,687</b>
7 EXEMPT INCOME TAX-EXEMPT INT. OTHER					
8 DED. IN RET. NOT BOOK DEPRECIATION CONT. CARRYOVERS OTHER			180,383	82,223	
<b>9 TOTAL 7-8</b>	<b>0</b>	<b>0</b>	<b>180,383</b>	<b>82,223</b>	<b>0</b>
<b>10 INCOME (LINE 28 P1)</b>	<b>0</b>	<b>(358)</b>	<b>205,970</b>	<b>202,335</b>	<b>106,687</b>

<b>SCHEDULE M-2</b>					
1 BAL. BEG. OF YEAR	28,047	0	(1,543,407)	(8,723,112)	331,142
2 NET INCOME PER BOOK	0	(358)	360,542	280,230	89,711
3 OTHER INCREASES					
<b>4 TOTAL 1-3</b>	<b>28,047</b>	<b>(358)</b>	<b>(1,182,865)</b>	<b>(8,442,882)</b>	<b>420,853</b>
5 DISTRIBUTIONS CASH STOCK PROPERTY					173,400
6 OTHER DECREASES	28,047		1		247,453
<b>7 TOTAL 5-6</b>	<b>28,047</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>420,853</b>
<b>8 BAL. END OF YEAR</b>	<b>0</b>	<b>(358)</b>	<b>(1,182,866)</b>	<b>(8,442,882)</b>	<b>0</b>

LEHIGH ACQUISITION CORPORATION  
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	12 ATLAS CONSTRUCTION SERVICES CORP 23-1675523	13 LRC OF GEORGIA INC. 13-2724661	14 SRC OF FLORIDA INC 23-1707445	15 ABLE LAND SERVICES, INC 65-0415796	16 J. W. FORD, INC. 65-0488933
<b>SCHEDULE M-1</b>					
1 NET INCOME PER BOOK		0	123,468	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					
8 TOTAL 1-5	0	0	133,188	111,298	0
7 EXEMPT INCOME					
TAX-EXEMPT INT.					
OTHER					
8 DED. IN RET. NOT BOOK			5,385	42,442	
DEPRECIATION				8,527	
CONT. CARRYOVERS					
OTHER					
9 TOTAL 7-8	0	0	5,385	50,969	3
10 INCOME (LINE 28 P1)	0	0	127,801	60,329	0

	12 ATLAS CONSTRUCTION SERVICES CORP 23-1675523	13 LRC OF GEORGIA INC. 13-2724661	14 SRC OF FLORIDA INC 23-1707445	15 ABLE LAND SERVICES, INC 65-0415796	16 J. W. FORD, INC. 65-0488933
<b>SCHEDULE M-2</b>					
1 BAL. BEG. OF YEAR	(16,772)	(450,040)	89,209	(84,253)	
2 NET INCOME PER BOOK	0	0	123,468	110,771	0
3 OTHER INCREASES	16,772				
4 TOTAL 1-3	0	(450,040)	212,675	48,518	0
5 DISTRIBUTIONS					
CASH					
STOCK					
PROPERTY					
8 OTHER DECREASES					
7 TOTAL 5-8	0	0	0	0	0
8 BAL. END OF YEAR	0	(450,040)	212,675	48,518	0

LEHIGH ACQUISITION AND  
 SUBSIDIARIES  
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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	2,656,681	6,962,511
<b>TOTAL ADJUSTMENT TO INCOME LINE 1</b>		<b>6,962,511</b>

EXCESS CAPITAL LOSSES  
(M-1, Line 3)

02 - LEHIGH CORPORATION	0	0
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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	890	890
09 - INTERLACHEN LAKES ESTATES		
DEF PROFIT ON '84-'85 INSTALL	23,554	23,554
SUB TOTAL		
10 - SUNDOWNER PROPERTIES, INC.		
DEF GROSS PROFIT ON '84-'85 INSTALL	3	3
SUB TOTAL		
11-ORANGE STATE PROPERTY SERVICES, INC.		
BASIS DIFF ON DISPOSED ASSETS	11,525	11,525
<b>TOTAL TAXABLE INCOME NOT RECORDED ON BOOKS - LINE 4</b>		<b>730,101</b>

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

<b>2 - LEHIGH CORPORATION</b>		
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

<b>4 - LEHIGH BUILDING SUPPLY CORP</b>		
ENTERTAINMENT	297	
SUB-TOTAL		297

<b>09 - INTERLACHEN LAKES ESTATES</b>		
PROVISION FOR CANCELLATIONS	2,237	
		2,237

<b>10 - SUNDOWNER PROPERTIES, INC.</b>		
PROVISION FOR CANCELS ON WM CONTRACTS	4,325	
		4,325

<b>14 - SRC OF FLORIDA, INC.</b>		
REAL ESTATE TAXES CAPITALIZED	9,720	
		9,720

<b>15- ABLE LAND SERVICES, INC.</b>		
ENTERTAINMENT	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)

<b>2 - LEHIGH CORPORATION</b>		
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  
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DEDUCTIONS NOT CHARGED AGAINST BOOK INCOME (M-1 LINE 8)  
2 - LEHIGH CORPORATION

FASB 68 ADJUSTMENT	172,800	
TAX CANCELS	2,894,142	
RESERVE FOR CLAUSE C & CHANG CLAIMS	897,817	
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 268	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
00 - PURCHASE ADJUSTMENTS		
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
3 - HOME AT LEHIGH, INC.		
CAPITALIZED INDIRECT INVENTORY	81,316	
BASIS DIFF IN DISPOSED ASSETS	2,586	
SUB-TOTAL		83,902
4 - LEHIGH BUILDING SUPPLY CORP		
ALLOWANCE FOR DOUBTFUL ACCOUNTS	84,372	
		84,372
15- ABLE LAND SERVICES, INC.		
ALLOWANCE FOR DOUBTFUL ACCOUNTS	42,442	
		42,442
06 - CLIFFSIDE PROPERTIES, INC.		
K-1 LOSS FROM ADMIRAL GOLF & RESORT	615,590	
		615,590
09 - INTERLACHEN LAKES ESTATES		
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
10 - SUNDOWNER PROPERTIES, INC.		
DEFERRED PROFIT ON NQ SALES	2,187	
DEFERRED GR PROFIT ON NEW QUALS	39,361	
RESERVE FOR ROAD IMPROVEMENTS	40,675	
		82,223
14 - SRC OF FLORIDA, INC.		
K-1 FROM GUARDIAN TITLE OF LEHIGH	(24,615)	
LESS: ESTIMATE ON BOOKS	30,000	
SUB-TOTAL		5,385
<u>TOTAL LINE 8</u>		<u>14,390,804</u>



LEHIGH ACQUISITION AND  
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DEPRECIATION ( M-1 LINE 5)

02 - LEHIGH CORPORATION  
03 - HOME AT LEHIGH, INC.  
06 - CLIFFSIDE PROPERTIES, INC  
11-ORANGE STATE PROPERTY SERVICES, INC.

62,061

6,459

1,470

5,451

TOTAL LINE 5 DEPRECIATION ADJ

75,441

DEPRECIATION ( M-1 LINE 8)

00- REVERSE DEPN ADJMT  
01-LEHIGH ACQUISITION CORPORATION  
04 - LEHIGH BUILDING SUPPLY, INC.  
15 - ABLE LAND SERVICES, INC.

141,707

343

124

8,527

TOTAL LINE 8 DEPRECIATION ADJ

150,701

LEHIGH ACQUISITION AND  
 SUBSIDIARIES  
 LEHIGH, FL  
 FOR TAX YEAR ENDED:  
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M-2 ADJUSTMENTS

LINE 2 - NET INCOME

00 - PURCHASE ACCOUNTING INCOME  
 APB 18 ADJUSTMENTS

6,962,511

LINE 3 - OTHER INCREASES

00 - EQUITY IN NON CONSOLIDATED SUBSIDIARIES:  
 NEWS-STAR EQUITY  
 ELIMINATION OF NEWS-STAR DEPN ON STEPPED UP BASIS

88,279

1,835

90,114

M-2 ELIMINATIONS

LINE 1 - BEGINNING BALANCE

00-ELIMINATIONS  
 SUBSIDIARIES BEGINNING RETAINED EARNINGS

7,023,929

LINE 3 - OTHER INCREASES:

1 - LEHIGH ACQUISITION CORPORATION  
 EQUITY IN EARNINGS OF SUBSIDIARIES

13,335,298

13,335,298

2 - LEHIGH CORPORATION  
 EQUITY IN EARNINGS OF SUBSIDIARIES  
 PURCHASE ACCOUNTING ADJUSTMENTS (APB-18)

233,060

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  
 09 - INTERLACHEN LAKES ESTATES

1

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.  
 ABLE LAND SERVICES, INC.  
 ENTERPRISE LEHIGH, INC.

(254)

(884)

71

(1,067)

274,435

TOTAL LINE 6 - OTHER DECREASES

LEHIGH ACQUISITION CORPORATION & SUBSIDIARIES  
 LEHIGH, FL  
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 DECEMBER 31, 1994  
 ENDING CONSOLIDATED  
 BALANCE SHEET

Exhibit 84 (b)(e)

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	CONSOLIDATED TOTALS	INTERCOMPANY ELIMINATIONS	PURCHASE ADJUSTMENTS	COMBINED TOTALS	1 LEHIGH ACQUISITION CORPORATION 59-3067699
<b>ASSETS:</b>					
CASH	9,374,314			9,374,314	101,813
TRADE NOTES AND A/R LESS ALLOWANCE	20,406,920 (8,596,060)	(61,450)	(5,525,952)	25,994,322 (8,596,060)	
INVENTORIES	223,514			223,514	
FED/STATE GOVT. OBLIG OTHER CURRENT ASSETS DETAIL	2,188,979	(21,547,668)		23,736,647	2,211,499
·					
·					
LOANS TO STKHOLDERS MORTG & R/E LOANS INVESTMENTS- REAL LIFE OTHER INVESTMENTS DETAIL	94,423	(68,852,801)		68,947,224	40,771,929
·					
·					
DEPRECIABLE ASSETS LESS ACCUM DEPR	7,725,916 (6,228,741)		1,119,732 (1,775,503)	6,606,184 (4,453,238)	5,287 (449)
DEPLETABLE ASSETS LESS ACCUM DEPL LAND	355,133			355,133	
INTANGIBLE ASSETS LESS ACCUM AMORT					
OTHER ASSETS DETAIL	11,267,411		(22,602,679)	33,870,090	
·					
·					
<b>TOTAL ASSETS:</b>	<b>36,811,809</b>	<b>(90,461,919)</b>	<b>(28,784,402)</b>	<b>156,058,130</b>	<b>43,090,079</b>
<b>LIABILITIES:</b>					
ACCOUNTS PAYABLE MTGS, NOTES DUE < 1 YR OTHER CURRENT LIAB DETAIL	380,178 6,844,187	(4,761,230)	425,661	380,178 11,179,756	7,322
·					
·					
LOANS FROM STKHOLDERS MTGS, NOTES DUE > 1 YR OTHER LIABILITIES DETAIL	618,884 2,837,487	(16,956,831)	254,396	618,884 19,539,922	16,951,584
·					
·					
·					
PREFERRED STOCK					
COMMON STOCK PAID IN CAPITAL	117 5,352,293	(24,750) (29,392,299)		24,867 91,564,419	117 5,952,293
RET. EARNINGS - APPRO			(56,219,827)		
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>	<b>36,811,809</b>	<b>(90,461,919)</b>	<b>(28,784,402)</b>	<b>156,058,130</b>	<b>43,090,079</b>

LEHIGH ACQUISITION  
CORPORATION & SUBSIDIARIES  
LEHIGH, FL  
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	2 LEHIGH CORPORATION 59-1024799	3 HOME AT LEHIGH, INC. 65-9327565	4 LEHIGH BUILDING SUPPLY CORP 59-1148977	5 LEHIGH LAND & INVESTMENTS INC. 59-1219483	6 CLIFFSIDE PROPERTIES INC. 23-1729159
<b>ASSETS:</b>					
CASH	8,833,561	259,018	27,395		
TRADE NOTES AND A/R LESS ALLOWANCE	21,109,838 (3,420,043)	40,680	39,662 (12,187)		
INVENTORIES			223,514		
FED/STATE GOVT. OBLIG					
OTHER CURRENT ASSETS DETAIL	17,832,550	716,810	43,300		863,905
·					
·					
LOANS TO STK HOLDERS					
MORTG & R/E LOANS					
INVESTMENTS- REAL LIFE					
OTHER INVESTMENTS DETAIL	28,155,034	100			
·					
·					
DEPRECIABLE ASSETS					
LESS ACCUM DEPR	3,956,814 (2,848,350)	564,427 (82,027)	953,194 (530,150)		
DEPLETABLE ASSETS					
LESS ACCUM DEPL					
LAND	250,141		26,517		
INTANGIBLE ASSETS					
LESS ACCUM AMORT					
OTHER ASSETS DETAIL	32,457,409	38,849			
·					
·					
·					
<b>TOTAL ASSETS:</b>	<b>106,326,754</b>	<b>1,537,857</b>	<b>771,245</b>		<b>863,905</b>
<b>LIABILITIES:</b>					
ACCOUNTS PAYABLE	110,800	191,974	47,376		
MTGS. NOTES DUE < 1 YR					
OTHER CURRENT LIAB DETAIL	8,888,761	666,803	1,015,193		
·					
·					
·					
LOANS FROM STK HOLDERS					
MTGS. NOTES DUE > 1 YR	9,885	559,466	49,533		
OTHER LIABILITIES DETAIL	2,434,832	129,506			23,800
·					
·					
·					
PREFERRED STOCK					
COMMON STOCK	500	500	500	500	1,000
PAID IN CAPITAL	71,290,534	249,500	37,927	2,493,055	909,424
RET. EARNINGS - APPRO					
RET. EARNINGS - UNAPP	23,591,442	(259,892)	(379,284)	(2,493,555)	(70,319)
LESS TREASURY STOCK					
<b>TOTAL LIAB &amp; EQUITY</b>	<b>106,326,754</b>	<b>1,537,857</b>	<b>771,245</b>		<b>863,905</b>

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

CONFIDENTIAL

	7 LEHIGH COUNTRY CLUB INC. 59-1287927	8 ENTERPRISE LEHIGH, INC. 85-0459633	9 INTERLACHEN LAKES ESTATES 59-0970018	10 SUNDOWNER PROPERTIES INC 59-1370463	11 ORANGE STATE PROPERTY SERVICES, INC. 59-2104132
<b>ASSETS:</b>					
CASH		1,786	32,805	18,615	
TRADE NOTES AND A/R LESS ALLOWANCE			2,594,710 (2,849,846)	2,084,936 (2,296,804)	
INVENTORIES					
FED/STATE GOVT. OBLIG					
OTHER CURRENT ASSETS		100	931,511	807,798	
DETAIL					
.					
.					
LOANS TO STK HOLDERS					
MORTG & R/E LOANS					
INVESTMENTS- REAL LIFE					
OTHER INVESTMENTS					
DETAIL					
.					
.					
DEPRECIABLE ASSETS					
LESS ACCUM DEPR					
DEPLETABLE ASSETS					
LESS ACCUM DEPL					
LAND					
INTANGIBLE ASSETS					
LESS ACCUM AMORT					
OTHER ASSETS		831,449	385,659	325,324	
DETAIL					
.					
.					
<b>TOTAL ASSETS:</b>		<b>833,335</b>	<b>1,094,839</b>	<b>940,669</b>	
<b>LIABILITIES:</b>					
ACCOUNTS PAYABLE		2,259			
MTGS, NOTES DUE < 1 YR		10	168,028	132,964	
OTHER CURRENT LIAB					
DETAIL					
.					
.					
LOANS FROM STK HOLDERS					
MTGS, NOTES DUE > 1 YR		100			
OTHER LIABILITIES					
DETAIL					
.					
.					
PREFERRED STOCK		50	20,000	500	
COMMON STOCK		631,272	2,089,677	7,249,487	
PAID IN CAPITAL					
RET. EARNINGS - APPRO		(356)	(1,182,866)	(6,442,882)	
RET. EARNINGS - UNAPP					
LESS TREASURY STOCK					
<b>TOTAL LIAB &amp; EQUITY</b>		<b>833,335</b>	<b>1,094,839</b>	<b>940,669</b>	



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

	12 ATLAS CONSTRUCTION SERVICES CORP 23-1675523	13 LRC OF GEORGIA INC. 13-2724661	14 SRC OF FLORIDA INC. 23-1707445	15 ABLE LAND SERVICES INC. 85-0415798	16 J. W. FORD, INC. 65-0466933
<b>ASSETS:</b>					
CASH				99,321	
TRADE NOTES AND A/R LESS ALLOWANCE				124,696 (17,380)	
INVENTORIES					
FED/STATE GOVT. OBLIG					
OTHER CURRENT ASSETS DETAIL			313,574	15,600	
.					
LOANS TO STK HOLDERS					
MORTG & R/E LOANS					
INVESTMENTS- REAL LIFE					
OTHER INVESTMENTS DETAIL			16,752		3,409
.					
DEPRECIABLE ASSETS					
LESS ACCUM DEPR				1,125,462 (992,262)	
DEPLETABLE ASSETS					
LESS ACCUM DEPL					
LAND				78,475	
INTANGIBLE ASSETS					
LESS ACCUM AMORT					
OTHER ASSETS DETAIL			31,400		
.					
.					
.					
<b>TOTAL ASSETS:</b>			<u>361,726</u>	<u>434,912</u>	<u>3,409</u>
<b>LIABILITIES:</b>					
ACCOUNTS PAYABLE				20,447	
MTGS, NOTES DUE < 1 YR					
OTHER CURRENT LIAB DETAIL		50	40,500	267,447	
.					
.					
LOANS FROM STK HOLDERS					
MTGS, NOTES DUE > 1 YR					
OTHER LIABILITIES DETAIL					
.					
.					
.					
PREFERRED STOCK		500	100	500	100
COMMON STOCK		449,490	108,451	100,000	3,309
PAID IN CAPITAL					
RET. EARNINGS - APPRO					
RET. EARNINGS - UNAPP		(450,040)	212,675	46,518	
LESS TREASURY STOCK					
<b>TOTAL LIAB &amp; EQUITY</b>			<u>361,726</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

CONFIDENTIAL

DESCRIPTION	CONSOLIDATED TOTALS	ELIMINATIONS	ADJUSTMENTS	COMBINED TOTALS	<sup>1</sup> LEHIGH ACQUISITION CORPORATION 59-3067699
TAX SHARING	0	(1,140,600)		1,140,600	1,046,900
PREPAID PERMITS	6,075			6,075	
WORK IN PROGRESS	849,388			849,388	
INTER/COMPANY RECEIVABLE/PAYABLE	37,200	(20,407,068)		20,444,268	147
NON ELIM VC RED	3,693			3,693	(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	
TOTAL OTHER CURR ASSETS	<u>2,188,979</u>	<u>(21,547,688)</u>	<u>0</u>	<u>23,738,847</u>	<u>2,211,499</u>

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

CONFIDENTIAL

	2	3	4	6	8
	LEHIGH CORPORATION 59-1024709	HOME AT LEHIGH INC. 65-0327565	LEHIGH BUILDING SUPPLY CORP 59-1148977	CLIFFSIDE PROPERTIES INC. 23-1729159	ENTERPRISE LEHIGH, INC. 65-0459633
DESCRIPTION					
TAX SHARING		15,400	13,200	65,000	100
PREPAID PERMITS		8,075			
WORK IN PROGRESS		649,388			
INTER/COMPANY RECEIVABLE/PAYABLE	17,889,427			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			7,900		
DEFERRED TAXES					
TOTAL OTHER CURR ASSETS	17,832,550	718,810	43,300	863,905	100

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

CONFIDENTIAL

DESCRIPTION	9 INTERLACHEN LAKES ESTATES 59-0970016	10 SUNDOWNER PROPERTIES INC 59-1370463	14 SRC OF FLORIDA INC 23-1707445	15 ABLE LAND SERVICES, INC. 65-0415796
TAX SHARING				
PREPAID PERMITS				
WORK IN PROGRESS				
INTER/COMPANY RECEIVABLE/PAYABLE	867,672	774,543	313,574	
NON ELIM VC 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

CONFIDENTIAL

DESCRIPTION	CONSOLIDATED TOTALS	ELIMINATIONS	ADJUSTMENTS	COMBINED TOTALS	1 LEHIGH ACQUISITION CORPORATION 89-3067599
INVESTMENT IN NEWS-STAR	144,812			144,812	
INVESTMENT IN NS ELIMINATIONS	(52,919)			(52,919)	
MINORITY INTEREST - HALI	688			688	
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>94,423</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

CONFIDENTIAL

DESCRIPTION	2 LEHIGH CORPORATION 69-1024709	3 HOME AT LEHIGH INC. 65-0327585	14 SRC OF FLORIDA INC. 23-1707445	18 J.W. FORD, INC. 65-0466933
INVESTMENT IN NEWS-STAR	144,812			
INVESTMENT IN NS ELIMINATIONS	(52,919)			
MINORITY INTEREST - HALI	686			
MINORITY INTEREST - ABLE	(8,488)			
MINORITY INTEREST - ENTERPRISE LEHIGH	(9,929)			
INVESTMENT IN CONSOLIDATED AFFILIATES	28,080,872			
INVESTMENT IN GUARDIAN TITLE		100	16,752	
INVESTMENT IN ARH				3,409
INVESTMENT IN JOEL BELL PROPERTY				
<b>TOTAL OTHER INVESTMENTS</b>	<b>28,155,034</b>	<b>100</b>	<b>16,752</b>	<b>3,409</b>

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

CONFIDENTIAL

2

DESCRIPTION	CONSOLIDATED TOTALS	ELIMINATIONS	ADJUSTMENTS	COMBINED TOTALS	LEHIGH CORPORATION 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		(22,602,679)	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	1,466,900			1,466,900	848,600
TOTAL OTHER ASSETS	<u>11,267,411</u>		<u>(22,602,679)</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 HOME AT LEHIGH INC. 66-0327585	8 ENTERPRISE LEHIGH, INC. 66-0459633	9 INTERLACHEN LAKES ESTATES 59-0970018	10 SUNDOWNER PROPERTIES INC 59-1370463	14 SRC OF FLORIDA INC 23-1707445
CONSTRUCTION IN PROGRESS					
FRANCHISE COSTS	30,000				
SUPPLIES	7,354				
LAND INVENTORY		631,449	60,859	63,424	
DEFERRED COMPUTER CONVERSION COST					
PARADE OF HOMES ENTRY FEE	1,495				
DEFERRED INCOME TAXES			325,000	281,900	31,400
TOTAL OTHER ASSETS	<u>38,849</u>	<u>631,449</u>	<u>385,859</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

CONFIDENTIAL

DESCRIPTION	CONSOLIDATED TOTALS	ELIMINATIONS	ADJUSTMENTS	COMBINED TOTALS	LEHIGH CORPORATION 59-1024709
	0			0	0
INTERCOMPANY PAYABLES	0	(3,820,630)		3,820,630	2,431,320
HEALTH INSURANCE LIABILITY	100,175			100,175	55,823
ACCRUED PAYABLES	75,330			75,330	0
RES CLAUSE C REFUND	3,049,091		425,661	2,623,430	2,623,430
ACCRD ENVIRONMENTAL COSTS	375,300			375,300	375,300
ACCRUED COMMISSIONS	74,883			74,883	73,145
ACCRUED REAL ESTATE TAXES	481,363			481,363	375,286
ACCRUED MISC TAXES	17,359			17,359	825
ACCRUED MISC EXPENSE	36,908			36,908	36,908
ACCRUED AUDIT EXPENSE	121,250			121,250	121,250
ACCRUED PAYROLL	97,228			97,228	65,192
REPURCHASE IND STK	18,087			18,087	18,087
ACCRD BONUSES	3,843			3,843	0
ADVANCE RENTS	306			306	0
RESERVE FOR ADDIL COSTS	150,700			150,700	150,700
ACCRUED LITIGATION FEES	4,976			4,976	4,976
LIABILITY SERIES A STOCK	0			0	0
CUSTOMER DEPOSITS	627,332			627,332	47,811
TAX SHARING	0	(1,140,600)		1,140,600	914,500
ACCRUED INCOME TAX PAYABLE	1,575,000	0		1,575,000	1,575,000
ACCRUED INSURANCE	19,208			19,208	19,208
ACCRUED WARRANTY COSTS	12,661			12,661	
ACCRUED INTEREST	2,887			2,887	
TOTAL OTHER CURR LIABILITIES	<u>6,844,187</u>	<u>(4,781,230)</u>	<u>425,661</u>	<u>11,179,756</u>	<u>8,888,751</u>

CONFIDENTIAL

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

DESCRIPTION	3 HOME AT LEHIGH INC. 65-0327566	4 LEHIGH BUILDING SUPPLY CORP 59-1148977	8 ENTERPRISE LEHIGH, INC. 65-0459633	9 INTERLACHEN LAKES ESTATES 59-0970016	10 SUNDOWNER PROPERTIES INC 59-1370463
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	8,858	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	582,954	2,280	10	9,590	5,187
TAX SHARING				96,200	72,600
ACCRUED INCOME TAX PAYABLE					
ACCRUED INSURANCE					
ACCRUED WARRANTY COSTS	12,881				
ACCRUED INTEREST	2,887				
TOTAL OTHER CURR LIABILITIES	668,803	1,015,193	10	188,028	132,964



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

DESCRIPTION	13 LRC OF GEORGIA INC. 13-2724881	14 SRC OF FLORIDA INC 23-1707445	15 ABLE LAND SERVICES, INC. 85-0415796
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			16,849
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

CONFIDENTIAL

DESCRIPTION	CONSOLIDATED TOTALS	ELIMINATIONS	ADJUSTMENTS	COMBINED TOTALS	1 LEHIGH ACQUISITION CORPORATION 59-3067699
INTERCOMPANY PAYABLES	0	(16,956,831)		16,956,831	16,853,625
NY-MI RESERVE	800,000			800,000	
DEFERRED INCOME (LOSS)	209,232		254,366	(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>2,937,487</u>	<u>(16,956,831)</u>	<u>254,366</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  
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 SCHEDULE - OTHER LIABILITIES

	2	3	6	8
DESCRIPTION	LEHIGH CORPORATION 59-1024709	HOME AT LEHIGH INC. 85-0327565	CLIFFSIDE PROPERTIES INC. 23-1729159	ENTERPRISE LEHIGH, INC. 65-0459633
INTERCOMPANY PAYABLES		103,208		
NY-MI RESERVE	800,000			
DEFERRED INCOME (LOSS)	(45,164)			
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		28,300	23,800	100
TOTAL OTHER LIABILITIES	<u>2,434,832</u>	<u>129,506</u>	<u>23,800</u>	<u>100</u>