

MEMORANDUM

April 22, 1998

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AD FINANCIAL ANALYSIS (VANDIVER) *aw*

RE: DOCKET NO. 971220-WS -- CYPRESS LAKES ASSOCIATES, LTD.
CORRECTION TO TRANSFER AUDIT REPORT FORWARDED BY MY
APRIL 15, 1998 TRANSMITTAL

Please delete page 1 of the audit report forwarded by my April 15, 1998 transmittal and replace it with the attached page 1. This corrects the April 6, 1997 date to April 6, 1998.

Please forward a copy to:

Cypress Lakes Associates, Ltd.
Fred Babb
10000 North U.S. Highway #98
Lakeland, FL 33809-8031

DNV/sp

Attachment

cc: Chairman Johnson
Commissioner Clark
Commissioner Deason
Commissioner Garcia
Commissioner Jacobs
Mary Andrews Bane, Deputy Executive Director/Technical
Legal
Division of Auditing and Financial Analysis
Devlin/Causseaux/File Folder
Division of Water and Wastewater (Johnson)
Orlando District Office (Forbes)

Research and Regulatory Review (Harvey)
Office of Public Counsel

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FPSC-RECORDS/REPORTING

**DIVISION OF AUDITING AND FINANCIAL ANALYSIS
AUDITOR'S REPORT**

APRIL 6, 1998

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to prepare a schedule of Rate Base as of December 31, 1997, for Cypress Lakes Associates, Ltd. These schedules were prepared by audit staff as part of the company's application for Certificate of Transfer in Docket No. 971220-WS. There is no confidential information associated with this audit.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

In our opinion, the auditor-prepared schedules referred to above present fairly, in all material respects, the company's books and records, which were not maintained in conformity with the accounting practices prescribed by the Florida Public Service Commission. The attached findings discuss all differences and other matters which were noted during our examination.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

April 23, 1998

Mr. Fred Babb, General Manager
Cypress Lakes Associates, Ltd.
1000 North U. S. Highway #98
Lakeland, Florida 33809-8031

Re: Docket No. 971220 - WS - Cypress Lakes Associates, Ltd.
Audit Report - Transfer
Audit Control # 97-311-3-1

Dear Mr. Babb:

Please delete page 1 of the audit report forwarded by my April 15, 1998 transmittal and replace it with the attached page 1. This corrects the April 6, 1997 date to April 6, 1998.

Thank you for your cooperation.

Sincerely,


Blanca S. Bayó

BSB/cls
Enclosure
cc: Public Counsel
Division of Audit and Financial Analysis
Ben Girtman, Esquire