

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

SU595
BFF Corp.
P. O. Box 5220
Ocala, FL 34478-5220

42

318-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

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SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1997

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

FINANCIAL SECTION

REPORT OF

(EXACT NAME OF UTILITY)

Mailing Address

Street Address

County

Telephone Number

Date Utility First Organized

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

- Individual
 Sub Chapter S Corporation
 1120 Corporation
 Partnership

Name, Address and phone where records are located:

Name of subdivisions where services are provided:

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: _____	_____	_____	
Person who prepared this report: _____	_____	_____	
Officers and Managers: _____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
_____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____

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REPORT OF

BFF CORP., INC.
 P O BOX 5220
 Ocala, Florida 34478

1732 NE 25th Ave MARION COUNTY

Telephone Number 352-622-4949

Date Utility First Organized 9/83

Filed with the Internal Revenue Service as 1120 Corporation

Name, Address and phone where records are located 1732 NE 25th Ave, Ocala Florida (352) 622-4949 & Tradewinds Utilities, Inc.
 Subdivisions where service is provided: Sandlin Woods, Village of Ascot Heath, Forrest Villas I & II

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send Correspondence Charles deMenzes	Asst Secty	1732 N E 25th Ave Ocala, Fl 34470	-0-
Person who prepared this report Charles deMenzes	Asst Secty	1732 N E 25th Ave Ocala, Fl 34470	-0-
Officers and Managers Robert Biernbaum	President	8940 SW 67th Ave Miami Fl 33156	\$ -0-
Deena Biernbaum	Secretary	Same	\$ -0

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
Robert Biernbaum Trustee	100	8940 SW 67th Ave Miami, Fl 33156	

INCOME STATEMENT

Account Name	Ref. Page	Water N/A	Wastewater	Other	Total Company
Gross Revenue					
Residential			42,971		42,971
Commercial					
Other (Specify)			165		165
Turn on Charges					
Total Gross Revenue			<u>43,136</u>		<u>43,136</u>
Operation Expense (Must tie to Pages W-3 & S-3)	W-3 S-3		34,247		34,247
Depreciation Expense	F-5		9,116		9,116
Amortization Expense	F-8		(1,072)		(1,072)
Taxes Other Than Income	F-7		2,548		2,548
Income Taxes	F-7				
Total Operating Expense			<u>44,839</u>		<u>44,839</u>
Net Operating Income (Loss)			(1,703)		(1,703)
Other Income: Non Utility Income			-0-		-0-
Other Deductions: Interest Expense			4,790		4,790
DEP Consent Decree			2,500		2,500
Net Income (Loss)			<u>(8,993)</u>	<u>=====</u>	<u>(8,993)</u>

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105)	F-5,W-1,S-1	346,703	215,734
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-3	(80,332)	(71,216)
Net Utility Plant		<u>266,371</u>	<u>144,518</u>
Cash		1,302	3,979
Customer Accts Receivable (141)		109	32
Other Assets:			
Utility Deposit		380	380
Total Assets		<u>268,162</u> =====	<u>148,909</u> =====
Liabilities & Capital			
Common Stock Issued (201)	F-6	1,000	1,000
Preferred Stock Issued (204)	F-6		
Other Paid in Capital (211)		204,781	207,281
Retained Earnings (215)	F-6	(109,264)	(100,271)
Total Capital		96,517	108,010
Long Term Debt (224)	F-6		
Accounts Payable (231)		15,408	16,800
Notes Payable (232)		79,222	
Customer Deposits (235)		900	1,070
Accrued Taxes (236)			
Other Liabilities (Specify)			
Reg Comm Exp 97		1,941	1,792
Due MIRA		42,131	
Stockholder Loan		5,000	
Accrued Taxes		398	
Contributions in Aid of Construction - Net (271-272)	F-8	<u>26,645</u>	<u>21,237</u>
Total Liabilities & Capital		<u>268,162</u> =====	<u>148,909</u> =====

UTILITY NAME BFF CORP., INC.

YEAR OF REPORT DECEMBER 31, 1997

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share	1.00	
Shares authorized	1,000	
Shares issued and outstanding	1,000	
Total par value of stock issued	1,000	
Dividends declared per share for year	-0-	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year		(100,271)
Changes during the year (specify)		(8,993)
Less Current year operating profit		
Accounting transfer to Capital Acct		
Balance end of year		(109,264) =====

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Interest		Principal per Balance Sheet Date
	Rate	Pymts	
Bank of Newberry	8.75	746	79,222

TAXES ACCRUED (236)

	Water (b) N/A	Wastewater (c)	Other (d)	Total (e)
Balance first of Year		1,792		1,792
Add Accruals Charged				
State ad valorem tax		398		398
Local Property Tax				
Federal Income Tax				
Regulatory assessment fee		1,941		1,941
Total Taxes Accrued		<u>4,131</u>		<u>4,131</u>
Deduct Taxes Paid:				
State ad valorem tax				
Local Property Tax				
Federal Income Tax				
Regulatory Assessment Fee		1,792		1,792
Total Taxes Paid		<u>1,792</u>		<u>1,792</u>
Balance end of year (1+2-3=4)		<u>2,339</u> =====		<u>2,339</u> =====

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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

Name of Recipient	Water Amount N/A	Wastewater Amount	Description of Service
MIRA International		13,440	Management & Maint
Enviro Masters		3,150	Plant Operation
Aqua Pure		850	Plant Operation
Collier & Sologuren		890	Accounting Fees
Fred Landt P.A.		6,466	Attorney Fees

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b N/A)	Wastewater (c)	Total (d)
1) Balance first of year		\$ 29,392	\$ 29,392
2) Add Credits during year		6,480	6,480
3) Total		\$ 35,872	\$ 35,872
4) Deduct charges during year		35,872	35,872
5) Balance end of year		9,227	9,227
6) Less Accumulated Amortization			
7) Net CIAC	=====	\$ 26,645 =====	\$ 26,645 =====

ACCUMULATED AMORTIZATION OF CIAC

	Water N/A	Wastewater	Total
Balance First of Year	\$ <u>N/A</u>	\$ <u>8,155</u>	\$ <u>8,155</u>
Add Credits During Year		<u>1,072</u>	<u>1,072</u>
Deduct Debits During Year	_____		
Balance End of Year (Must Agree with line # 6 Above)	_____	<u>9,227</u>	<u>9,227</u>

WATER OPERATING SECTION

Note: This utility is a wastewater only service; therefore, Pages W-1 through W-6 have been omitted from this report.

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: BFF CORP 65-0108491

YEAR OF REPORT 12/31/97

SEWER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT DESCRIPTION (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	DELETIONS (e)	CURRENT YEAR (f)
181	UNAMORTIZED DEBT DISCOUNT	0	7,175	38	7,137
351	ORGANIZATION	4,628	0	0	4,628
352	FRANCHISES	2,400	0	0	2,400
353	LAND & LAND RIGHTS	34,800	0	0	34,800
354	STRUCTURES & IMPROVEMENTS	29,568	4,343	0	33,911
360	FORCE MAIN COLLECTION LINES	8,974	0	0	8,974
361	GRAVITY FEED COLLECTION LINES	68,227	0	0	68,227
362	SPECIAL COLLECTION STRUCTURES	34,800	6,730	0	41,530
370	RECEIVING WELLS (MANHOLES-LIFT STATIO	15,587	0	0	15,587
380	TREATMENT AND DISPOSAL EQUIPMENT	16,750	7,320	0	24,070
382	OUTFALL SEWER LINES (SPRAY FIELD)	0	105,439	0	105,439
389	OTHER PLANT & MISC EQUIPMENT	0	0	0	0
398	PSC AUDIT AJUSTMENT	0	0	0	0
	TOTALS	\$ 215,734	131,007	38	346,703

YEAR OF REPORT
12/31/97

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - SEWER

ACCT. NO.	ACCOUNT DESCRIPTION (b)	AVERAGE SERVICE LIFE (c)	DEPR RATE APPLIED (e)	ACCUM DEPR BALANCE PREV YEAR (f)	DEBITS (g)	CREDITS (h)	ACCUM DEPR BALANCE (i)
181	UNAMORTIZED DEBT DISCOUNT	20	5.0000	0	0	244	244
351	ORGANIZATION	25	4.0000	555	0	185	740
352	FRANCHISES	3	33.3333	2,000	0	400	2,400
354	STRUCTURES & IMPROVEMENTS	27	3.7037	11,094	0	1,214	12,308
360	FORCE MAIN COLLECTION LINES	27	3.7037	6,975	0	332	7,307
361	GRAVITY FEED COLLECTION LINES	40	2.5000	15,920	0	1,705	17,625
362	SPECIAL COLLECTION STRUCTURES	35	2.8571	9,327	0	1,110	10,437
370	RECEIVING WELLS (MANHOLES-LIFT STATIONS)	18	5.5556	7,498	0	866	8,364
380	TREATMENT AND DISPOSAL EQUIPMENT	15	6.6667	10,130	0	1,254	11,384
382	OUTFALL SEWER LINES (SPRAY FIELD)	30	3.3333	0	0	1,806	1,806
398	PSC AUDIT AJUSTMENT	0	0.0000	7,717	0	0	7,717
	TOTALS			\$ 71,216	0	9,116	80,332

UTILITY NAME: BFF CORP 65-0108491

YEAR OF REPORT 12/31/97

SEWER OPERATION AND MAINTENANCE EXPENSE

ACCT. NO.	ACCOUNT NAME	AMOUNT
711	SLUDGE REMOVAL EXPENSE	2,217
715	PURCHASED POWER	2,730
718	CHEMICALS	546
720	MATERIALS & SUPPLIES	533
730	CONTRACTURAL SERVICES	5,365
730	MANAGEMENT FEE	12,000
775	MISCELLANEOUS EXPENSE	9,967
775	ACCOUNTING & ENGINEERING FEES	890
TOTALS OPERATION AND MAINTENANCE EXPENSE.....		34,247

SEWER CUSTOMERS

DESCRIPTION (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF ACTIVE CUSTOMERS		TOT NUMBER OF EQUIV (c x e)
			START OF YEAR (d)	END OF YEAR (e)	
5/8"	D	1.0	92	94	94
3/4"	D	1.5			
1"	D	2.5			
2"	D	8.0			
OTHER					
TOTAL			92	94	94

PUMPING EQUIPMENT

	1	2	3
Lift Station Number			
Name or Type and Nameplate data of pump	Peabody Barnes	Peabody Barnes	Peabody Barnes
Year Installed			
Rated Capacity			
Size			
Power	Electric	Electric	Electric
Nameplate Data of Motor			

SERVICE CONNECTIONS

Size (inches)
Type
Average Length
Number of Active Service Connections
Beginning of year
Added during year
Retired during year
End of Year

COLLECTING AND FORCE MAINS

	Collecting Mains	Force Mains
Size (inches)	8"	4"
Type of Main	PVC	PVC
Length of Main (nearest foot)		
Beginning of year	8,189	2,063
Added during year	0	0
Retired during year	0	0
End of Year	8,189	2,063

MANHOLES

Size (inches)	48"
Number of Manholes	Concrete
Beginning of year	32
Added during year	0
Retired during year	0
End of Year	32

UTILITY NAME BFF CORP., INC.

YEAR OF REPORT
DECEMBER 31, 1997

TREATMENT PLANT

Manufacturer	Marlof
Type	Concrete
Total Capacity	20,000
Average daily flow	12,000
Total gallons of Sewage Treated	12,000

MASTER LIFT STATION PUMPS

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

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Waste Water	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January	220,000	0	220,000
February	340,000	0	340,000
March	320,000	0	320,000
April	340,000	0	340,000
May	270,000	0	270,000
June	250,000	0	250,000
July	270,000	0	270,000
August	330,000	0	330,000
September	280,000	0	280,000
October	300,000	0	300,000
November	310,000	0	310,000
December	390,000	0	390,000
Total for Year	3,620,000	0	3,620,000

OTHER WASTEWATER SYSTEM INFORMATION

1. Present ERC's * being served 39
2. Maximum ERC's ** that system can efficiently serve 57
3. Present system connection capacity (in ERC'S) using existing lines. _45
4. Future connection capacity (in ERC'S) upon service area buildout. _57
5. Estimates annual increase in ERC'S * 1
6. State any plans and estimated completion date for any enlargements of this system.
Installation of surge tank, Upgrade Spray field
7. In what percent of your certificated area have service connections been installed? 68%
8. If present systems do not meet the requirements of DEP rule 62-4, Florida Administrative Code, submit the following
 - a. Evaluation of the present plant or plants in regard to meeting the DEP'S rules.
 - b. Plans for funding and construction of the required upgrading.
1st Mortgage loan from Bank of Newberry
 - c. Have these plans been coordinated with the DEP? Yes
 - d. Do they concur? Yes
 - e. When will construction begin? April 1997
9. Do you discharge effluent to surface waters? No
10. Department of Environmental Protection I.D. # FLA 012678
and Water Management District I.D. # Not Applicable

* ERC = (Total Gallons Treated / 365 days / 280 Gallons per Day

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

** Total plant capacity/280 gallons
S-6

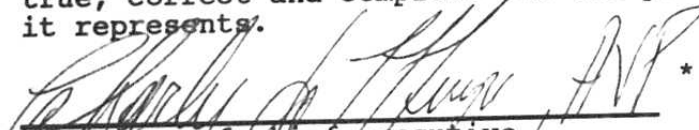
CERTIFICATION OF ANNUAL REPORT

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

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

Items Certified

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


 (signature of chief executive officer of the utility) *

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

 (signature of chief financial officer of the utility)

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature

NOTICE: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.