

CLASS "B"

WATER and/or SEWER UTILITIES

(Gross Revenue of \$150,000 or More but Less Than \$750,000 Each)

AS AMENDED

ANNUAL REPORT

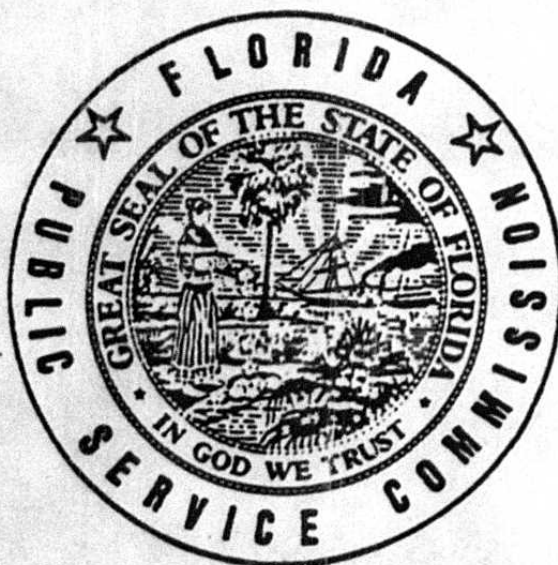
OF

Haven

LAKE WALES UTILITY ASSOCIATES
DBA/LAKE WALES UTILITY COMPANY, LTD.

Exact Legal Name of Respondent

Certificate Number(s)



OFFICIAL COPY
DIVISION OF
WATER AND SEWER
Do Not Remove from this Office

FOR THE
YEAR ENDED DECEMBER 31, 19 96

**EXECUTIVE
SUMMARY**

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities.
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedule requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by typewriter or computer.
8. If there is not enough room on any schedule, an additional page or pages may be added; provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Water and Wastewater
101 East Gaines Street
Tallahassee, Florida 32399-0873**

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	and Affiliates	E-7
General Information	E-2	Affiliation of Officers & Directors	E-8
Directory of Personnel Who Contact the R-PSC	E-3	Businesses which are a Byproduct, Coproduct or Joint Product Result of Providing Service	E-9
Company Profile	E-4	Business Transactions with Related Parties Part I and II	E-10
Parent/Affiliate Organization Chart	E-5	Composite of Statistics	E-11
Compensation of Officers & Directors	E-6		
Business Contracts with Officers, Directors			
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Accounts Payable to Associated Companies	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Capital Stock	F-14
Comparative Operating Statement	F-3	Long Term Debt	F-14
Schedule of Year End Rate Base	F-4	Statement of Retained Earnings	F-15
Utility Plant	F-5	Bonds	F-16
Utility Plant Acquisition Adjustments	F-5	Advances from Associated Companies	F-16
Accumulated Depreciation	F-6	Accrued Taxes	F-17
Accumulated Amortization	F-6	Accrued Interest	F-18
Nonutility Property	F-7	Regulatory Commission Expense - Amortization of Rate Case Expense	F-18
Special Deposits	F-7	Misc. Current & Accrued Liabilities	F-19
Investments and Special Funds	F-8	Advances for Construction	F-19
Accounts and Notes Receivable - Net	F-9	Contributions In Aid of Construction	F-20
Accounts Receivable from Associated Companies	F-10	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	F-21
Notes Receivable from Associated Companies	F-10	Accumulated Amortization of CIAC	F-21
Prepayments	F-11	Additions to CIAC Received from all Developers or Contractors Agreements	F-22
Miscellaneous Deferred Debits	F-11	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	F-23
Unamortized Debt Discount and Expense and Premium on Debt	F-12	AFUDC Calculation	F-24
Extraordinary Property Losses	F-12	AFUDC Capital Structure Adjustments	F-25
Notes Payable	F-13		
WATER OPERATION SECTION			
Water Utility Plant Accounts	W-1	Water Treatment Plant, Mains, Services and Meters	W-7
Water Utility Expense Accounts	W-2	Wells and Well Pumps, Reservoirs, and High Service Pumping	W-8
Water Operating Revenue	W-3	Other Water System Information	W-9
Basis for Water Depreciation Charges	W-4	Calculation of ERC's	W-10
Analysis of Entries in Water Depreciation Reserve	W-5		
Pumping and Purchased Water Statistics	W-6		
WASTEWATER OPERATION SECTION			
Wastewater Utility Plant Accounts	S-1	Pumping Equipment and Service Connection	S-6
Wastewater Utility Expense Accounts	S-2	Collecting and Force Mains	S-7
Wastewater Operating Revenue	S-3	Other Wastewater System Information	S-8
Basis for Wastewater Depreciation Charges	S-4	Calculation of ERC's	S-9
Analysis of Entries in Sewer Depreciation Reserve	S-5		

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

CERTIFICATION OF ANNUAL REPORT

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

YES

NO

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES

NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES

NO

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES

NO

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

Items Certified

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

David K. Pearce

(Signature of Chief Executive Officer of the utility)

1	2	3	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

David K. Pearce

(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.

ANNUAL REPORT OF

YEAR OF REPORT December 31, 1996
--

Lake Wales Utility Company, Ltd. County: Polk
(Exact Name of Utility)

List below the exact mailing address of the utility for which normal correspondence should be sent:

P. O. Box 9076
Fedhaven, FL 32854

Telephone: 941 696-1128

Name and address of person to whom correspondence concerning this report should be addressed:

David K. Pearce
P. O. Box 9076
Fedhaven, FL 33854

Telephone: 941 696-1128

List below the address of where the utility's books and records are located:

W. Leisure Lane
Nalcrest, FL 33856

Telephone: 941 696-1128

List below any groups auditing or reviewing the records and operations:

None

Date of original organization of the utility: 01-Oct-74

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

- Individual Partnership
 Sub S Corporation 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	<u>Name</u>	<u>Percent Ownership</u>
1.	Mark Rubin, Trustee	29.570%
2.	Bradley W. Schwartz	15.437%
3.	Rotchford & Julie Barker	5.142%
4.	Richard Dooley	9.285%
5.	Charles DiGiovanna	10.285%
6.	Robert Andrews	9.285%
7.	Marilynn Frank	5.142%
8.	Roger & Sherryl Griffin	5.142%
9.	William & Rosemary Griffin	5.142%
10.		

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY REPRESENTATIVE	TITLE OR POSITION (1) & (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
David K. Pearce	General Manager	N/A	How to" Questions
Mark Rubin	Trustee	Mark Rubin, Esquire 305-538-4314	Technical Questions
Dwight L. Reeves, CPA	CPA	Reeves & Company 941-676-0566	Technical Questions

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

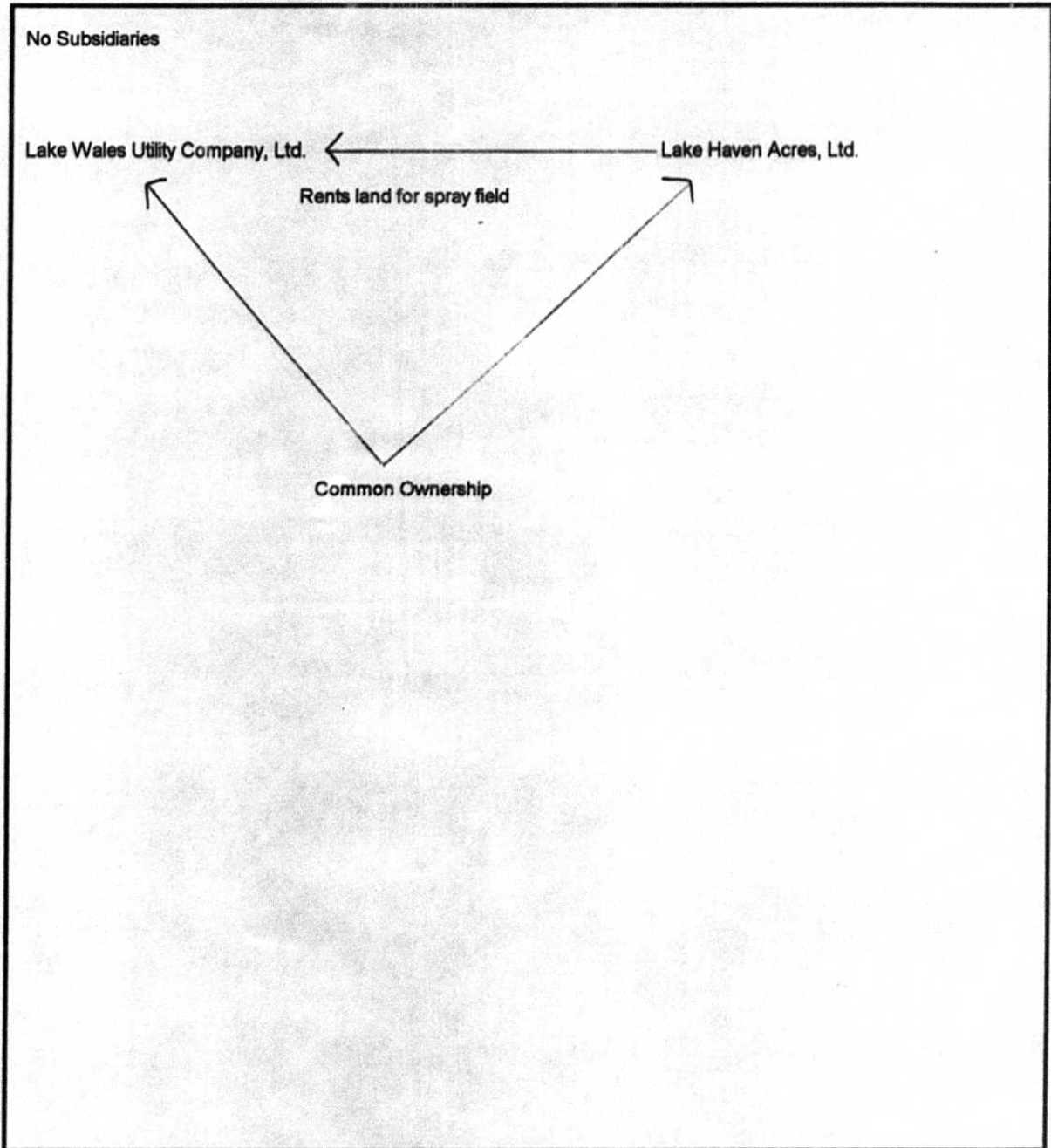
- A. The Utility was established in 1962 to provide water and wastewater service to the Nalcrest and Fedhaven retirement communities. Since then the complexes of Village Green Apartments (1976), Granada Condos (1985) Walden Shores (1991) mobile home park were added to the system.
- B. Water and wastewater service.
- C.
 - 1. Goals - To systematically upgrade systems in order to more efficiently and effectively operate company.
 - 2. Objective - To provide continuous, uninterrupted service to customers.
- D. None
- E. Projected growth is minimal.
- F.
 - 1. Complete renovation of elevated water tank.
 - 2. Cleaning of wastewater collection system, plus repair as necessary.
 - 3. Upgrade wastewater plant chlorination system.
 - 4. Overhaul lift station and high service pumps.

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

PARENT/AFFILIATE ORGANIZATION CHART
Current as of 2/27/97

Complete below an organizational chart that show all parents and subsidiaries of of the utility
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).



UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS COMPENSATION (d)
Mark Rubin	Trustee/General Partner	25.00%	\$ 1,250

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF MEETINGS ATTENDED (c)	NUMBER OF DIRECTORS COMPENSATION (d)
None			\$

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

OFFICER DIRECTOR OR AFFILIATE (a)	NAME OF IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
Lake Haven Acres, Ltd.	Rents land to Utility for use as spray field. 35 acres rented.	\$ 1,500 per month	777 Arthur Godfrey Rd 4th Floor Miami Beach, FL 33140

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-8, list the principle occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Mark Rubin	Lawyer	Partial owner and managing director	777 Arthur Godfrey Rd 4th Floor Miami Beach, FL 33140

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

**BUSINESSES WHICH ARE A BY PRODUCT, COPRODUCT OR JOINT PRODUCT RESULT
OF PROVIDING WATER OR WASTEWATER SERVICE**

Complete the following for any business which is conducted as a byproduct, coproduct, or joint product as a result of providing water and/or wastewater service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenue and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None			\$		\$	

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any on year entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6, identifying the parties, amounts, dates and product, and asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

- Enter in this part all transactions involving services and products received or provided.
- Below are some types of transactions to include:
 - management, legal and accounting services
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land, and equipment
 - rental transactions
 - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			CONTRACT OR (S)old (d)	
Lake Haven Acres, Ltd.	Land Rental of 35 acres	07/01/93	S	\$ 18,000

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

- 1 Enter in this part all transactions relating to the purchase, sale, or transfer of assets.
- 2 Below are examples of some types of transactions to include:
- purchase, sale or transfer of equipment
 - purchase, sale or transfer of land and structures
 - purchase, sale or transfer of securities
 - noncash transfers of assets
 - noncash dividends other than stock dividends
 - writeoff of bad debts or loans
- 3 The columnar instructions follow:
- (a) Enter name of related party or company.
 - (b) Describe briefly the type of assets purchased, sold or transferred.
 - (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
 - (d) Enter the net book value for each item reported.
 - (e) Enter the net profit or loss for each item reported. (column (c) - column(d)).
 - (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

E-10(b)

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

COMPOSITE STATISTICS FOR ALL PRIVATELY OWNED WATER AND WASTEWATER UTILITIES UNDER AGENCY JURISDICTION

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)
PLANT (Intrastate Only) (000's Omitted):		
Plant in Service _____	\$ 444	\$ 688
Construction Work In Progress _____	218	157
Plant Acquisition Adjustment _____		
Plant Held For Future Use _____		
Materials and Supplies _____		
Less:		
Accumulated Depreciation and Accumulated Amortization _____	334	393
Contributions In Aid of Construction _____	149	133
Net Book Cost _____	\$ 179	\$ 319
REVENUES AND EXPENSES (Intrastate Only) (000's Omitted):		
Operating Revenues _____	\$ 136	\$ 199
Depreciation and Amortization Expense _____	\$ 16	\$ 13
Income Tax Expense _____		
Taxes Other Than Income _____	9	16
Other Operation Expenses _____	60	120
Total Operating Expenses _____	\$ 85	\$ 149
Net Operating Income _____	\$ 51	\$ 50
Other Income _____	\$	\$
Other Income Deductions (Interest Expense) _____	7	11
Net Income _____	\$ 44	\$ 39
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average _____	84	84
Commercial - Yearly Average _____	15	15
Industrial - Yearly Average _____		
Others - Yearly Average _____		
Total _____	99	99
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons _____	13	23
Average Annual Residential Cost Per 1,000 Gallons _____	\$ 2,000	\$ 2,042
Average Residential Monthly Bill _____	\$ 6.82	\$ 11.79
Gross Plant Investment Per Customer _____	\$ 9,768	\$ 10,478

**FINANCIAL
SECTION**

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	UTILITY PLANT			
101-105	Utility Plant _____	F-5	\$ 1,131,595	\$ 1,360,732
108-110	Less: Accumulated Depreciation and Amortization _____	F-6	726,472	1,090,250
	Net Plant _____		\$ 405,123	\$ 270,482
114-115	Utility Plant Acquisition Adjustments (Net) _____	F-5		
	Other Plant Adj. _____			
	Total Net Utility Plant _____		\$ 405,123	\$ 270,482
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property _____	F-7	\$ 0	\$ 0
122	Less: Accumulated Depreciation and Amortization _____			
	Net Nonutility Property _____		\$	\$
123	Investment in Associated Companies _____	F-8		
124	Utility Investments _____	F-8		
125	Other Investments _____	F-8		
127	Other Special Funds _____	F-8		
	Total Other Property & Investments _____		\$ 0	\$ 0
	CURRENT AND ACCRUED ASSETS			
131	Cash _____		\$ 11,416	\$ 2,077
132	Special Deposits _____	F-7		
134	Working Funds _____			
135	Temporary Cash Investments _____			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts _____	F-9	26,786	24,464
145	Accounts Receivable from Associated Companies _____	F-10		
146	Notes Receivable from Associated Companies _____	F-10		
151	Material and Supplies _____			
162	Prepayments _____	F-11		
171	Accrued Interest and Dividends Receivable _____			
174	Misc. Current and Accrued Assets _____			
	Total Current and Accrued Assets _____		\$ 38,196	\$ 26,541

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

	NO. (a)	ACCT. ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
		DEFERRED DEBITS			
	181	Unamortized Debt Discount & Expense -----	F-12	\$ 0	\$ 0
	182	Extraordinary Property Losses -----	F-12		
	186	Misc. Deferred Debits -----	F-11		
	190	Accumulated Deferred Income Taxes -----			
		Total Deferred Debits -----		\$ 0	\$
		TOTAL ASSETS AND OTHER DEBITS -----		\$ 443,319	\$ 297,023

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

Generally, accounts payable at year end are \$-0-. Bills are paid as received.

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued -----	F-14	\$ _____	\$ _____
204	Preferred Stock Issued -----	F-14	_____	_____
211	Other Paid - In Capital -----		_____	_____
212	Discount On Capital Stock -----		_____	_____
213	Capital Stock Expense -----		_____	_____
214-215	Retained Earnings -----	F-15	_____	_____
216	Reacquired Capital Stock -----		_____	_____
218	Proprietary Capital (Proprietorship and Partnership Only) -----		179,728	49,504
	Total Equity Capital -----		\$ 179,728	\$ 49,504
LONG TERM DEBT				
221	Bonds -----	F-16	_____	_____
223	Advances from Associated Companies -----	F-16	_____	_____
224	Other Long Term Debt -----	F-14	68,957	136,567
	Total Long Term Debt -----		\$ 68,957	\$ 136,567
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable -----		_____	_____
232	Notes Payable -----	F-13	_____	_____
233	Accounts Payable to Associated Companies -----	F-13	_____	_____
234	Notes Payable to Associated Companies -----	F-13	_____	3,656
235	Customer Deposits -----		_____	_____
236	Accrued Taxes -----	F-17	(1,055)	14,323
237	Accrued Interest -----	F-18	_____	_____
238	Accrued Dividends -----		_____	_____
239	Matured Long Term Debt -----		83,372	61,000
240	Matured Interest -----		_____	_____
241	Miscellaneous Current & Accrued Liabilities -----	F-19	19,416	31,973
	Total Current & Accrued Liabilities -----		\$ 101,733	\$ 110,952

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt _____	F-12	\$ 0	\$ 0
252	Advances For Construction _____	F-19		
253	Other Deferred Credits _____			
255	Accumulated Deferred Investment Tax Credits _____			
	Total Deferred Credits _____		\$ 0	\$ 0
OPERATING RESERVES				
261	Property Insurance Reserve _____		\$ 0	\$ 0
262	Injuries & Damages Reserve _____			
263	Pensions and Benefits Reserve _____			
265	Miscellaneous Operating Reserves _____			
	Total Operating Reserves _____		\$ 0	\$ 0
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction _____	F-20	\$ 375,439	\$ 0
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	282,538	
	Total Net C.I.A.C. _____		\$ 92,901	\$ 0
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		\$ 0	\$ 0
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____			
283	Accumulated Deferred Income Taxes - Other _____			
	Total Accumulated Deferred Income Tax _____		\$ 0	\$ 0
	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 443,319	\$ 297,023

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

COMPARATIVE OPERATING STATEMENT

NO. (a)	ACCT. ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues _____	\$ 290,022	F-3(b)	\$ 335,331
401	Operating Expenses _____	\$ 242,807	F-3(b)	\$ 179,897
403	Depreciation Expense _____	14,393	F-6	41,298
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____	1,073		(12,496)
408.1	Taxes Other Than Income _____	8,990	F-17	25,511
409.1	Income Taxes _____		F-17	
410.10	Deferred Income Taxes _____			
411.10	Provision for Deferred Income Taxes - Credit _____			
412.10	Investment Tax Credits Deferred to Future Periods _____			
412.11	Investment Tax Credits Restored to Operating Income _____			
	Utility Operating Expenses _____	\$ 267,263		\$ 234,210
	Utility Operating Income _____	\$ 22,759		\$ 101,121
413	Income From Utility Plant Leased to others _____			
414	Gains (losses) From Disposition of Utility Property _____			
	Total Utility Operating Income [Enter here and on Page F-3(c)] _____	\$ 22,759		\$ 101,121

AS AMENDED

COMPARATIVE OPERATING STATEMENT (Cont'd)

PAGE (f)	REF. WATER (g)	PAGE (h)	REF. WASTEWATER (i)	OTHER (j)
W-3	\$ <u>135,805</u>	S-3	\$ <u>199,526</u>	\$ _____
W-2	\$ <u>59,902</u>	S-2	\$ <u>119,995</u>	\$ _____
F-6	<u>22,380</u>	F-6	<u>18,918</u>	_____
F-21	<u>(6,405)</u>	F-21	<u>(6,091)</u>	_____
F-6	<u>0</u>	F-6	<u>0</u>	_____
F-17	<u>9,774</u>	F-17	<u>15,737</u>	_____
F-17	<u>0</u>	F-17	<u>0</u>	_____
	_____		_____	_____
	_____		_____	_____
	_____		_____	_____
	_____		_____	_____
	\$ <u>85,651</u>		\$ <u>148,559</u>	\$ _____
	\$ <u>50,154</u>		\$ <u>50,967</u>	\$ _____
	_____		_____	_____
	_____		_____	_____
	\$ <u>50,154</u>		\$ <u>50,967</u>	\$ _____

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. (a)	ACCOUNT NAME NO. (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	Total Utility Operating Income [from page F-3(a)]	\$ 65,242		\$ 101,121
	OTHER INCOME AND DEDUCTIONS			
415	Revenues-Merchandising, Jobbing, and Contract Deductions	\$ 0		\$ 0
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income			
420	Allowance for Funds Used During Construction			
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses			
	Total Other Income and Deductions	\$ 0		\$ 0
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income	\$ 0	F-17	\$ (76)
409.20	Income Taxes		F-17	
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
	Total Taxes Applicable To Other Income	\$ 0		\$ 0
	INTEREST EXPENSE			
427	Interest Expense	\$ 22,923	F-18	\$ 17,790
428	Amortization of Debt Discount & Expense		F-12	
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	\$ 22,923		\$ 17,790
	EXTRAORDINARY ITEMS			
433	Extraordinary Income	\$ 0		\$ 0
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items	\$ 0		\$ 0
	NET INCOME	\$ 42,319		\$ 83,407

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

SCHEDULE OF YEAR END RATE BASE

NO.	ACCT. ACCOUNT NAME	REF. PAGE	WATER UTILITY	WASTEWATER UTILITY
(a)	(b)	(c)	(d)	(e)
101	Utility Plant In Service -----	F-5	\$ 443,729	\$ 687,866
	Less:			
	Nonused and Useful Plant (1) -----			
108	Accumulated Depreciation -----	F-6	333,922	392,550
110	Accumulated Amortization -----	F-6		
271	Contributions In Aid of Construction -----	F-20	218,000	157,439
252	Advances for Construction -----	F-19		
	Subtotal -----		\$ (108,193)	\$ 137,877
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction -----	F-21	149,331	133,207
	Subtotal -----		\$ 41,138	\$ 271,084
	Plus or Minus:			
114	Acquisition Adjustments (2) -----	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) -----	F-5		
	Working Capital Allowance (3) -----		7,488	14,999
	Other (Specify): _____ _____			
	RATE BASE -----		\$ 48,626	\$ 286,083
	UTILITY OPERATING INCOME -----		\$ 50,154	\$ 50,967
	ACHIEVED RATE OF RETURN -----		103.14	17.82

NOTES :

- (1) Estimate if not Known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculate using Balance Sheet Method, beginning-year end average.

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

UTILITY PLANT (ACCTS. 101-106)

ACCT. (a)	DESCRIPTION (b)	WATER NO. (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
	Plant Accounts:				
101	Utility Plant In Service	\$ 673,634	\$ 723,513	\$ _____	\$ 1,397,147
102	Utility Plant Leased to Others	_____	_____	_____	_____
103	Audit Adjustment Property Held for Future Use	(229,905)	(35,647)	_____	(265,552)
104	Utility Plant Purchased or Sold	_____	_____	_____	_____
105	Construction Work in Progress	_____	_____	_____	_____
	Total Utility Plant	\$ 443,729	\$ 687,866	\$ _____	\$ 1,131,595

UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition approved by the Commission, include the Order Number.					
DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)	
ACQUISITION ADJUSTMENTS (114):					
	\$ 0	\$ 0	\$ _____	\$ _____	\$ 0
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
Total Plant Acquisition Adjs.	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
ACCUMULATED AMORTIZATION (115):					
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Net Acquisition Adjustments	\$ 0	\$ 0	\$ _____	\$ _____	\$ 0

AS AMENDED

 UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION (a)	WATER NO. (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year _____	\$ 402,202	\$ 684,831	\$ _____	\$ 1,087,033
Credit during year:				
Accruals charged to Account 108	\$ 22,380	\$ 18,918	\$ _____	\$ 41,298
Other Accounts (specify) _____				
Reclassify from wastewater to water	145,568	(145,568)		0
Audit Adjustments	(236,228)	(165,631)		(401,859)
Salvage _____				
Other Credits (Specify) _____				
Total Credits _____	\$ (68,280)	\$ (292,281)	\$ _____	\$ (360,561)
Debits during year:				
Book cost of plant retired _____				
Cost of removal _____				
Other Debits (specify) _____				
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance end of year _____	\$ 333,922	\$ 392,550	\$ _____	\$ 726,472

ACCUMULATED AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER NO. (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year _____	\$ 1,190	\$ 2,027	\$ _____	\$ 3,217
Credit during year:				
Accruals charged to Account 110	\$ _____	\$ _____	\$ _____	\$ _____
Other Accounts (specify) _____				
Total Credits _____	\$ _____	\$ _____	\$ _____	\$ _____
Debits during year:				
Book cost of plant retired _____				
Other Debits (specify) _____				
Remove fully amortized amounts	1,190	2,027		3,217
Total Debits _____	\$ 1,190	\$ 2,027	\$ _____	\$ 3,217
Balance end of year _____	\$ 0	\$ 0	\$ 0	\$ 0

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

NONUTILITY PROPERTY (ACCT. 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121. Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINING YEAR (b)	ADDITIONS BALANCE (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ 0	\$ 0	\$ 0	\$ 0
Total Nonutility Property_	\$ 0	\$ 0	\$ 0	\$ 0

SPECIAL DEPOSITS (ACCT. 132)

Report hereunder all special deposits carried in Accounts 132.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (ACCT. 132):	
None	\$ 0
Total Special Deposits_	\$ 0

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

INVESTMENTS AND SPECIAL FUNDS (ACCTS. 123-127)

Report hereunder all investments and special funds carried in Accounts 123 thru 127.		
DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123): <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____ _____
Total Investment in Associated Companies -----	\$ _____	\$ _____ 0
UTILITY INVESTMENTS (ACCT. 124): <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____ _____
Total Utility Investment -----	\$ _____	\$ _____ 0
OTHER INVESTMENTS (ACCT. 125): <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____ _____
Total Other Investment -----	\$ _____	\$ _____ 0
SPECIAL FUNDS (ACCT. 127): <hr/> <hr/> <hr/> <hr/> <hr/>	_____ _____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____ _____
Total Special Funds -----	_____	\$ _____ 0

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

ACCOUNTS AND NOTES RECEIVABLE - NET (ACCTS. 141 - 144)

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)	TOTAL (b)
ACCOUNTS RECEIVABLE:	
Customer Accounts Receivable (Acct. 141):	
Water _____	\$ 10,200
Wastewater _____	15,686
Other _____	894
Total Customer Accounts Receivable _____	\$ 26,780
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
_____	\$ 0

Total Other Accounts Receivable _____	\$ 0
NOTES RECEIVABLE (Acct. 144):	
_____	\$ 0

Total Notes Receivable _____	\$ 0
Total Accounts and Notes Receivable _____	\$ 26,780
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Acct. 143)	
Balance first of year _____	\$ 0
Add: Provision for uncollectibles for current year _____	\$ _____
Collection of accounts previously written off _____	
Utility Accounts _____	
Others _____	
Total Additions _____	\$ _____
Deduct accounts written off during year:	
Utility Accounts _____	
Others _____	
Total accounts written off _____	\$ 0
Balance end of year _____	\$ 0
Total Accounts and Notes Receivable - Net _____	\$ 26,780

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.	
DESCRIPTION (a)	TOTAL (b)
	\$ 0
Total -----	\$ 0

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)

Report each note receivable from associated companies separately.		
DESCRIPTION (a)	INTEREST	
	RATE (b)	TOTAL (c)
		\$ 0
Total -----		\$ 0

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance _____	\$ _____ 0
Prepaid Rents _____	_____
Prepaid Interest _____	_____
Prepaid Taxes _____	_____
Other Prepayments (Specify): _____	_____
_____	_____
_____	_____
Total Prepayments _____	\$ _____ 0

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION (a)	TOTAL (b)
MISCELLANEOUS DEFERRED DEBITS (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1) _____	\$ _____ 0
Other Deferred Debits (Acct. 186.2) _____	_____
Total Miscellaneous Deferred Debits _____	\$ _____ 0

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
(ACCTS. 181 & 251)**

Report the net discount and expense or premium separately for each security issue.		
DESCRIPTION (a)	AMOUNT	
	WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (ACCT. 181):		
_____	\$ _____ 0	\$ _____ 0
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense _____	\$ _____ 0	\$ _____ 0
UNAMORTIZED PREMIUM ON DEBT (ACCT. 251)		
_____	\$ _____ 0	\$ _____ 0
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt _____	\$ _____ 0	\$ _____ 0

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

Report each item separately.	
DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (ACCT. 182):	
_____	\$ _____ 0
_____	_____
_____	_____
Total Extraordinary Property Losses _____	\$ _____ 0

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

NOTES PAYABLE (ACCTS. 232 & 234)

DESCRIPTION (a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	FREQUENCY OF PAYMENT (e)	
ACCOUNT 232 - NOTES PAYABLE: _____ _____ _____ _____ _____ Total Account 232_____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____ _____ \$ _____ 0
ACCOUNT 234 - NOTES PAYABLE TO ASSOC. COMPANIES: _____ _____ _____ _____ _____ Total Account 234_____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____ _____ _____ \$ _____ 0

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
_____ _____ _____ _____ _____ _____ Total_____	\$ _____ 0 _____ _____ _____ _____ _____ \$ _____ 0

BONDS (ACCT. 221)

DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	RATE (b)	FREQUENCY OF PAYMENT (c)	
None	%		\$ 0
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 0

ADVANCES FROM ASSOCIATED COMPANIES (ACCT. 223)

Report each advance separately.	
DESCRIPTION (a)	TOTAL (b)
None	\$ 0
Total	\$ 0

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

ACCRUED TAXES (ACCT. 236)

ACCT.	DESCRIPTION	WATER	WASTEWATER NO.	OTHER	TOTAL
(a)	(b)	(c)	(d)	(e)	(f)
	Balance First of Year _____	\$ 5,300	\$ 9,023	\$ 0	\$ 14,323
	Accruals Charged:				
408.10	Utility Regulatory Assessment Fees _____	\$ * 3,840	\$ * 5,634	\$ 0	\$ 9,474
408.11	Property Taxes _____	1,773	3,019		4,792
408.12	Payroll Taxes _____	2,559	4,357		6,916
408.13	Other Taxes & Licenses _____	1,802	2,727		4,329
409.10	Federal Income Taxes _____				
409.11	State Income Taxes _____				
	Taxes Applicable to Other Income (Accts. 408.2, 409.2, 409.3, 410.2) _____				
	Total Taxes Accrued _____	\$ 9,774	\$ 15,737	\$ 0	\$ 25,511
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment Fees _____	\$ * 4,295	\$ * 6,310	\$	\$ 10,605
408.11	Property Taxes _____	1,773	3,019		4,792
408.12	Payroll Taxes _____	6,957	11,845		18,802
408.13	Other Taxes & Licenses _____	2,504	4,262		6,766
409.10	Federal Income Taxes _____				
409.11	State Income Taxes _____				
	Taxes Applicable to other Income (Accts. 408.2, 409.2, 409.3, 410.2) _____	* (28)	* (48)		(76)
	Total Taxes Paid _____	\$ 15,501	\$ 25,388	\$ 0	\$ 40,889
	Balance End of Year _____	\$ (427)	\$ (628)	\$ 0	\$ (1,055)

* Audit Adjustments

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 199

ACCRUED INTEREST (ACCT. 237)

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	DURING YEAR		INTEREST ACCRUED	BALANCE END OF YEAR (f)
		DEBIT (c)	ACCT. AMOUNT (d)	PAID DURING (e)	
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt:					
	\$ 0		\$ 17,790	\$ 17,790	\$ 0
Total Account No. 237.1	\$ 0		\$ 17,790	\$ 17,790	\$ 0
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities:					
	\$ 0		\$ 0	\$ 0	\$ 0
Total Account No. 237.2	\$ 0		\$ 0	\$ 0	\$ 0
Total Account No. 237	\$ 0		\$ 17,790	\$ 17,790	\$ 0

**REGULATORY COMMISSION EXPENSE - AMORTIZATION
OF RATE CASE EXPENSE (ACCTS. 666 & 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO 186.1 (c)	CHARGED OFF DURING YEAR	
			ACCOUNT NO. ACCT. (d)	AMOUNT (e)
	\$ 0	\$ 0		\$ 0
Total	\$ 0	\$ 0		\$ 0

AS AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

SCHEDULE "A"
**ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
 MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR**

DESCRIPTION OF CHARGES (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER (c)	WATER CONNECTION (d)	WASTEWATER (e)
Hook-up fees-per audit		\$ _____	\$ 1,077	\$ 0
Audit Adjustments			216,923	157,439
Total Credits _____			\$ 218,000	\$ 157,439

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 272)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	W & WW THAN SYSTEM REPORTING (d)	OTHER REPORTING TOTAL (e)
Balance first of year	\$ 0	\$ 0	\$ 0	\$ 0
Debits during year:				
Accruals charged to:				
Account 272 _____	\$ 6,405	\$ 6,091	\$ 0	\$ 12,496
Other debits (specify):				
Audit Adjustments _____	142,926	127,116		270,042
Total debits _____	\$ 0	\$ 0	\$ 0	\$ 0
Credits during year:				
	0	0	0	0
Total Credits _____	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year _____	\$ 149,331	\$ 133,207	\$ 0	\$ 282,538

4S AMENDED

UTILITY NAME: Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year _____		\$ 83,407
Reconciling items for the year:		
Taxable income not reported on books:		
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
<u>Rate making AJE's</u>		<u>48,755</u>
_____		_____
_____		_____
Income recorded on books not included in return:		
<u>Accounts Receivable - cash basis taxpayer</u>		<u>(28,780)</u>
<u>Land Rent - not deducted in prior year</u>		<u>(18,000)</u>
_____		_____
_____		_____
Deduction on return not charged against book income:		
_____		_____
_____		_____
_____		_____
Federal tax net income _____		\$ <u>87,382</u>
Computation of tax:		
No tax owed by Lake Wales Utility Company, Ltd. since it is a partnership.		

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

UTILITY NAME: Lake Wales Utility Company, Ltd. (Not applicable)

YEAR OF REPORT December 31, 1996
--

SCHEDULE "A"
SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (2)

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$		%	%
Preferred Stock				
Long Term Debt				
Customer Deposits				
Tax Credits - Zero Cost			0.00%	
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain) : _____				
Total	\$ _____	<u>100.00%</u>		_____

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

APPROVED AFUDC RATE

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

**WATER OPERATION
SECTION**

AS AMENDED

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

WATER UTILITY PLANT ACCOUNTS

NO.	ACCT. ACCOUNT NAME	YEAR	PREVIOUS ADDITIONS	RETIREMENTS
(a)	(b)	(c)	(d)	(e)
301	Organization	\$ _____	\$ _____	\$ _____
302	Franchises	_____	_____	_____
303	Land and Land Rights	50,000	0	* (35,527)
304	Structures and Improvements	238,419	0	* (92,946)
305	Collecting and Impounding Reservoirs	_____	_____	_____
306	Lake, River and Other Intakes	_____	_____	_____
307	Wells and Springs	85,945	0	0
308	Infiltration Galleries and Tunnels	_____	_____	_____
309	Supply Mains	67,072	_____	* (26,148)
310	Power Generation Equipment	50,450	_____	* (19,668)
311	Pumping Equipment	51,200	_____	* (19,960)
320	Water Treatment Equipment	10,275	_____	* (4,006)
330	Distribution Reservoirs and Standpipes	_____	_____	_____
331	Transmission and Distribution Mains	85,676	_____	* (33,400)
333	Services	_____	_____	_____
334	Meters and Meter Installations	2,675	_____	_____
335	Hydrants	8,026	_____	_____
339	Other Plant and Miscellaneous Equipment	4,080	19,816	0
340	Office Furniture and Equipment	_____	* 1,750	_____
341	Transportation Equipment	_____	_____	_____
342	Stores Equipment	_____	_____	_____
343	Tools, Shop and Garage Equip.	_____	_____	_____
344	Laboratory Equipment	_____	_____	_____
345	Power Operated Equipment	_____	_____	_____
346	Communication Equipment	_____	_____	_____
347	Miscellaneous Equipment	_____	_____	_____
348	Other Tangible Plant	_____	_____	_____
	Total Water Plant	\$ 653818	\$ 21,566	\$ (231,655)

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

Reclassification of plant accounts 304, 309, 310, 311, 320, 331, 334 and 335 was made to reflect their proper balances.

* Audit Adjustments

AS AMENDED

WATER UTILITY PLANT MATRIX

CURRENT YEAR (f)	1. INTANGIBLE PLANT (g)	2. SOURCE OF SUPPLY AND PUMPING PLANT (h)	3. SOURCE WATER TREATMENT PLANT (i)	4. TRANSMISSION AND DISTRIBUTION PLANT (j)	5. MISSION GENERAL PLANT (k)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
14,473					14,473
145,473			145,473		
85,945		85,945			
40,924		40,924			
30,782		30,782			
31,240		31,240			
6,269			6,269		
52,276				52,276	
2,675				2,675	
8,026				8,026	
23,896			23,896		
1,750					1,750

\$ 443,729	\$ 0	\$ 188,891	\$ 175,638	\$ 62,977	\$ 16,223

AS AMENDED

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	1. SOURCE OF SUPPLY AND EXPENSES - OPERATIONS	2. SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE
(a)	(b)	(c)	(d)	(e)
601	Salaries and Wages - Employees	\$ 23,809	\$ 19,047	\$ 4,762
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	-	-	-
604	Employee Pensions and Benefits	-	-	-
610	Purchased Water	-	-	
615	Purchased Power	9,086	9,086	
616	Fuel for Power Purchased	-	-	
618	Chemicals	-	-	-
620	Materials and Supplies	387	310	77
631	Contractual Services-Engineering	-	-	-
632	Contractual Services - Accounting	779	-	-
633	Contractual Services - Legal	-	-	-
634	Contractual Services - Mgt. Fees	5,088	-	-
635	Contractual Services - Other	1,246	1,246	-
641	Rental of Building/Real Property	-	-	-
642	Rental of Equipment	-	-	-
650	Transportation Expenses	3,259	2,607	652
656	Insurance - Vehicle	756	756	-
657	Insurance - General Liability	5,491	-	-
658	Insurance - Workman's Comp.	-	-	-
659	Insurance - Other	569	-	-
660	Advertising Expense	-		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	-		
667	Regulatory Commission Expenses - Other	-		
670	Bad Debt Expense	-		
675	Miscellaneous Expenses	* 9,432	-	1,847
	Total Water Utility Expenses	\$ 59,902	\$ 33,052	\$ 7,338

* Audit Adjustments

AS AMENDED

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

WATER OPERATING REVENUE

NO.	ACCT. DESCRIPTION	BEGINNING YEAR NO. CUSTOMERS	NUMBER OF	YEAR END AMOUNT
(a)	(b)	(c)	(d)	(e)
	Operating Revenues:			
460	Unmetered Water Revenue	_____	_____	\$ _____
	Metered Water Revenue:			
461.1	Sales to Residential Customers	84	84	101,905
461.2	Sales to Commercial Customers	15	15	32,806
461.3	Sales to Industrial Customers	_____	_____	_____
461.4	Sales to Public Authorities	_____	_____	_____
461.5	Sales Multiple Family Dwellings	_____	_____	_____
	Total Metered Sales	99	99	\$ 134,711
	Fire Protection Revenue:			
462.1	Public Fire Protection	_____	_____	_____
462.2	Private Fire Protection	_____	_____	_____
	Total Fire Protection Revenue	_____	_____	\$ _____
464	Other Sales To Public Authorities	_____	_____	_____
465	Sales To Irrigation Customers	_____	_____	_____
466	Sales For Resale	_____	_____	_____
467	Interdepartmental Sales	_____	_____	_____
	Totals	99	99	\$ 134,711
	Other Water Revenues:			
469	Guaranteed Revenues	_____	_____	0
470	Forfeited Discounts	_____	_____	_____
471	Miscellaneous Service Revenues	_____	_____	* 1,094
472	Rents From Water Property	_____	_____	_____
473	Interdepartmental Rents	_____	_____	_____
474	Other Water Revenues	_____	_____	_____
	Total Other Water Revenues	_____	_____	\$ 1,094
	Total Water Operating Revenues	_____	_____	\$ 135,805

* Audit Adjustments

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

BASIS FOR WATER DEPRECIATION CHARGES

NO. (a)	ACCT. ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	15		6.67%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	15		6.67%
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
339	Other Plant Miscellaneous Equipment	12		8.33%
340	Office Furniture and Equip.			
341	Transportation Equipment			
342	Stores Equipment			
343	Office Furniture and Equip.			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	Water Plant Composite Depreciation Rate *	15		6.67%

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

AS AMENDED

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

NO.	ACCT. ACCOUNT NAME	BALANCE		OTHER CREDITS *	TOTAL CREDITS (d + e)
		AT BEGINNING	ACCRUALS OF YEAR		
(a)	(b)	(c)	(d)	(e)	(f)
304	Structures and Improvements	\$ 512,855	\$ 0	\$ (274,436)	\$ (274,436)
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	34,350	* 17,946	0	17,946
308	Infiltration Galleries and Tunnels				
309	Supply Mains			67,072	67,072
310	Power Generation Equipment			50,450	50,450
311	Pumping Equipment			51,200	51,200
320	Water Treatment Equipment			10,275	10,275
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains			85,676	85,676
333	Services				
334	Meters and Meter Installations			2,675	2,675
335	Hydrants			8,026	8,026
339	Other Plant and Miscellaneous Equipment	565	* 4,259	(938)	3,321
340	Office Furniture and Equipment		* 175		175
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equip.				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Depreciable Water Plant In Service	\$ 547,770	\$ 22,380	\$ 0	\$ 22,380

* Specify nature of transaction
Use () to denote reversal entries.

Result of reclassification of plant accounts.

* Audit Adjustments

UTILITY NAME: Lake Wales Utility Company, Ltd.
 UTILITY SYSTEM

YEAR OF REPORT
 December 31, 1996

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES ETC. (d)	TOTAL PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January	0	4,220	0	4,220	4,220
February	0	4,390	0	4,390	4,390
March	0	5,420	0	5,420	5,420
April	0	5,060	0	5,060	5,060
May	0	6,000	0	6,000	6,000
June	0	4,220	0	4,220	4,220
July	0	3,770	0	3,770	3,770
August	0	3,600	0	3,600	3,600
September	0	4,140	0	4,140	4,140
October	0	4,330	0	4,330	4,330
November	0	4,690	0	4,690	4,690
December	0	4,910	0	4,910	4,910
Total for year	0	54750	0	54750	54750

If water is purchased for resale, indicate the following:

Vendor: N/A
 Point of delivery _____

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

N/A

UTILITY NAME: Lake Wales Utility Company, Ltd.
 UTILITY SYSTEM:

YEAR OF REPORT
 December 31, 1996

WATER TREATMENT PLANT INFORMATION

Type of treatment (reverse osmosis, etc.): Aeriation/Chlorination
 Methods used (sedimentation, chemical, aerated, etc.): Chemical, aerated

LIME TREATMENT None

Unit rating (GPM): _____ Manufacturer: _____

FILTRATION None

Type and area:

Pressure --> Square Feet: _____

Gravity --> GPM/Square Feet: _____

MAINS

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (In inches)	OF YEAR	MAINS		MAINS END OF YEAR (In feet)
			BEGINNING ADDITIONS (In feet)	RETIREMENTS	
PVC	8.00	21120.00	0.00	0.00	21120.00
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total feet of mains	8.00	21120.00	0.00	0.00	21120.00

SERVICES AND METERS

METERS IN SERVICE	BEGINNING	METERS ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	122	30	0	152
1"	8	0	0	8
2"	1	0	0	1
3"	2	0	0	2
4"	_____	_____	_____	_____
6"	_____	_____	_____	_____
8"	_____	_____	_____	_____
Other (Specify): 1 1/2"	2	0	0	2
_____	_____	_____	_____	_____
Total meters in service	135	30	0	165
Total meters in stock	6	0	0	6
Number of services in use	135	30	0	165

UTILITY NAME: Lake Wales Utility Company, Ltd.
 UTILITY SYSTEM: NONA

YEAR OF REPORT
 December 31, 1996

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1962	1991	_____	_____
Types of Well Construction and Casing _____	Drilled 300' casing	Drilled 420' casing	_____	_____
Depth of Wells _____	850'	850'	_____	_____
Diameters of Wells _____	8"	8"	_____	_____
Pump - GPM _____	1100	750	_____	_____
Motor - HP _____	Peerless - 25HP	Johnson Turbine-15 HP	_____	_____
Yields of Wells in GPD _____	*	*	_____	_____
Auxiliary Power _____	No	Yes	_____	_____

* Both wells-1,000,000 GPD combined

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete or pneumatic) _____	Concrete	Steel	_____	_____
Capacity of Tank _____	200,000	100,000	_____	_____
Ground or Elevated _____	Ground	Elevated	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	MOTORS		
		(c)	(d)	(e)
Manufacturer _____	Continental	_____	_____	_____
Type _____	Induction	_____	_____	_____
Rated Horsepower _____	50 HP	_____	_____	_____
PUMPS				
Manufacturer _____	Well	_____	_____	_____
Type _____	Centrifugal	_____	_____	_____
Capacity in GPM _____	750	_____	_____	_____
Average Number of Hours Operated Per Day _____	1-2 hours	_____	_____	_____
Auxiliary Power _____	Yes	_____	_____	_____

UTILITY NAME: Lake Wales Utility Company, Ltd.
 UTILITY SYSTEM: NONA

YEAR OF REPORT
 December 31, 1996

SOURCE OF SUPPLY

List for each source of supply:				
Gallons per day of source _____	Unlimited _____	_____	_____	_____
Type of source _____	Groundwater _____	_____	_____	_____

WATER TREATMENT FACILITIES

List for each water treatment facility:				
Type _____	Aeriation/Chlorination _____	_____	_____	_____
Make _____	Regal _____	_____	_____	_____
Gallons per day Capacity _____	1,000,000 _____	_____	_____	_____
Method of measurement _____	BIF Recorders _____	_____	_____	_____

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

- Present ERC's * the system can efficiently serve.
Water-400 Wastewater-464
- Estimated annual increase in ERC's * .
6-Residential
- List fire fighting facilities and capacities.
2-Volunteer stations 16-Fire hydrants 5-Fire fighting stand pipes
- List percent of certificated areas where service connections are installed (total for each county).
50%
- What is the current need for system upgrading and/or expansion?
Water tower renovation needed. Upgrade water chlorination system at treatment plant.
- What are plans for future system upgrading and/or expansion?
1997-Do tower renovation and chlorination system upgrade
- Have questions 5 and 6 been discussed with an engineer? (if so, state name and address)
Yes, Charles S. Freed P. O. Box 1507 Haines City, FL 33845
- Have questions 5 and 6 been discussed with the appropriate state sanitary engineering office?
No

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

UTILITY NAME: Lake Wales Utility Company, Ltd.
 SYSTEM NAME: _____

YEAR OF REPORT
 December 31, 1996

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
5/8"	Displacement	1.0		
3/4"	Displacement	1.5	152	228
1"	Displacement	2.5	8	20
1 1/2"	Displacement or Turbine	5.0	2	10
2"	Displacement, Compound or Turbine	8.0	1	8
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				266

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

($\frac{54,750,000}{\text{(total gallons sold)}}$ / 365 days) / 350 gpd = 429

**WASTEWATER OPERATION
SECTION**

4S AMENDED

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1925

WASTEWATER UTILITY PLANT ACCOUNTS

NO.	ACCT. ACCOUNT NAME	YEAR	PREVIOUS	
			ADDITIONS	RETIRE
(a)	(b)	(c)	(d)	(e)
351	Organization_____	\$ _____	\$ _____	\$ _____
352	Franchises_____			
353	Land and Land Rights_____	50,000	0	* (15,753)
354	Structures and Improvements_____	469,767	0	* (21,644)
360	Collection Sewers - Force_____	40,651		
361	Collection Sewers - Gravity_____	98,615		
362	Special Collecting Structures_____		0	0
363	Services to Customers_____			
364	Flow Measuring Devices_____			
365	Flow Measuring Installations_____			
370	Receiving Wells_____			
371	Pumping Equipment_____	18,336		
380	Treatment and Disposal Equip._____	25,690		
381	Plant Sewers_____			
382	Outfall Sewer Lines_____			
389	Other Plant and Miscellaneous Equipment_____	638	19,816	0
390	Office Furniture and Equipment_____		* 1,750	
391	Transportation Equipment_____			
392	Stores Equipment_____			
393	Tools, Shop and Garage Equip._____			
394	Laboratory Equipment_____			
395	Power Operated Equipment_____			
396	Communication Equipment_____			
397	Miscellaneous Equipment_____			
398	Other Tangible Plant_____			
	Total Wastewater Plant	\$ 703,697	\$ 21,566	\$ (37,397)

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

Reclassification of plant accounts 354, 360, 361, 362, 371 and 380 was made to reflect their proper balances.

* Audit Adjustments

AS AMENDED

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--



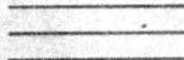








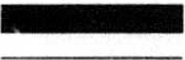
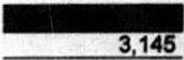


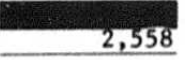
WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	1. COLLECTION EXPENSES- OPERATIONS	2. COLLECTION EXPENSES- MAINTENANCE
(a)	(b)	(c)	(d)	(e)
701	Salaries and Wages - Employees	\$ 40,539	\$ 32,431	\$ 8,108
703	Salaries and Wages - Officers, Directors, and Majority Stockholders			
704	Employee Pensions and Benefits			
710	Purchased Sewage Treatment			
711	Sludge Removal Expense			
715	Purchased Power	15,470	5,157	
716	Fuel for Power Purchased			
718	Chemicals			
720	Materials and Supplies	659	527	132
731	Contractual Services-Engineering			
732	Contractual Services - Accounting	1,326		
733	Contractual Services - Legal			
734	Contractual Services - Mgt. Fees	8,663		
735	Contractual Services - Other	2,122	2,122	
741	Rental of Building/Real Property	18,000		
742	Rental of Equipment			
750	Transportation Expenses	5,548	4,439	1,110
756	Insurance - Vehicle	1,286	1,286	
757	Insurance - General Liability	9,349		
758	Insurance - Workman's Comp.			
759	Insurance - Other	970		
760	Advertising Expense			
766	Regulatory Commission Expenses - Amortization of Rate Case Expense			
767	Regulatory Commission Expenses -Other			
770	Bad Debt Expense			
775	Miscellaneous Expenses	* 16,062		3,145
	Total Wastewater Utility Expenses	\$ 119,995	\$ 45,962	\$ 12,495

* Audit Adjustments

AS AMENDED

WASTEWATER EXPENSE ACCOUNT MATRIX

3. PUMPING EXPENSES - OPERATIONS (f)	4. PUMPING EXPENSES - MAINTENANCE (g)	5. TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	6. DISPOSAL EXPENSES - MAINTENANCE (i)	7. TREATMENT & CUSTOMER ACCOUNTS EXPENSE (j)	8. ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
					
5,157		5,156			
					1,326
					8,693
		18,000			
					9,349
					970
					
					
	3,145	4,069	3,145		2,558
\$ <u>5,157</u>	\$ <u>3,145</u>	\$ <u>27,225</u>	\$ <u>3,145</u>	\$ <u>0</u>	\$ <u>22,866</u>

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

WASTEWATER OPERATING REVENUE

NO.	ACCT. DESCRIPTION	BEGINNING YEAR NO. CUSTOMERS	YEAR END NUMBER OF CUSTOMERS	END AMOUNTS
(a)	(b)	(c)	(d)	(e)
	Operating Revenues:			
	Flat Rate Revenues:			
521.1	Residential Revenues			\$ 0
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Auth.			
521.5	Multiple Family Dwelling Rev.			
521.6	Other Revenues			
	Total Flat Rate Revenues			\$
	Measured Revenues:			
522.1	Residential Revenues	84	84	167,513
522.2	Commercial Revenues	15	15	32,013
522.3	Industrial Revenues			
522.4	Rev. From Public Authorities			
522.5	Multiple Family Dwelling Rev.			
	Total Measured Revenues	99	99	\$ 199,526
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Totals	99	99	\$ 199,526
	Other Wastewater Revenues:			
530	Guaranteed Revenues			\$ 0
531	Sale of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues			
	Total Other Wastewater Revenues			\$
	Total Wastewater Operating Revenues			\$ 199,526

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996
--

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT.	ACCOUNT NAME NO.	AVERAGE SERVICE LIFE IN YEARS	AVERAGE NET SALVAGE IN PERCENT	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C
(a)	(b)	(c)	(d)	(e)
354	Structures and Improvements	15.00		6.67%
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collection Structures	15.00		6.67%
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
371	Pumping Equipment			
380	Treatment and disposal Equip.			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment	12.00		8.33%
390	Office Furniture and Equipment			
391	Transportation Equipment			
392	Stores Equipment			
393	Tools, Shop and Garage Equip			
394	Laboratory Equipment			
395	Power Operated Equipment			
396	Communication Equipment			
397	Miscellaneous Equipment			
398	Other Tangible plant			
	Wastewater Plant Composite Depreciation Rate *	15.00		6.67%

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

AS AMENDED

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT December 31, 1996

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

NO. (a)	ACCT. ACCOUNT NAME (b)	BALANCE		OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
		AT BEGINNING (c)	ACCRUALS OF YEAR (d)		
354	Structures and improvements	\$ 512,856	\$ 0	\$ (43,089)	\$ (43,089)
360	Collection Sewers - Force		* 4,499	7,701	12,200
361	Collection Sewers - Gravity		* 10,917	18,682	29,599
362	Special Collecting Structures	26,383		(26,383)	(26,383)
363	Services to Customers				
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells				
371	Pumping Equipment			18,336	18,336
380	Treatment and Disposal Equip.			25,690	25,690
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant and Miscellaneous Equipment	24	3,327	(937)	2,390
390	Office Furniture and Equipment		* 175		175
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equip.				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Total Wastewater Accumulated Depreciation	\$ 539,263	\$ 18,918	\$ 0	\$ 18,918

* Specify nature of transaction.
Use () to denote reversal entries.

Result of reclassification of plant accounts.

* Audit Adjustments

UTILITY NAME: Lake Wales Utility Company, Ltd.
 UTILITY SYSTEM: .

YEAR OF REPORT
 December 31, 1996

COLLECTING MAINS

COLLECTING MAINS:						
Size (inches) _____	6"	8"	_____	_____	_____	_____
Type of main _____	Clay Pipe	Clay Pipe	_____	_____	_____	_____
Length of main (nearest foot):						
Beginning of year _____	4,000	18,800	_____	_____	_____	_____
Added during year _____	0	0	_____	_____	_____	_____
Retired during year _____	0	0	_____	_____	_____	_____
End of year _____	4,000	18,800	_____	_____	_____	_____
MANHOLES:						
Size _____	_____	6'	_____	_____	_____	_____
Type _____	_____	Brick	_____	_____	_____	_____
Number:						
Beginning of year _____	_____	60	_____	_____	_____	_____
Added during year _____	_____	0	_____	_____	_____	_____
Retired during year _____	_____	0	_____	_____	_____	_____
End of year _____	_____	60	_____	_____	_____	_____

FORCE MAINS

FORCE MAINS:						
Size (inches) _____	10"	_____	_____	_____	_____	_____
Type of main _____	Concrete Asbestos	_____	_____	_____	_____	_____
Length of main (nearest foot):						
Beginning of year _____	10,000	_____	_____	_____	_____	_____
Added during year _____	0	_____	_____	_____	_____	_____
Retired during year _____	0	_____	_____	_____	_____	_____
End of year _____	10,000	_____	_____	_____	_____	_____

UTILITY NAME: Lake Wales Utility Company, Ltd.
 UTILITY SYSTEM: NONA

YEAR OF REPORT
 December 31, 1996

TREATMENT PLANT

Manufacturer _____	<u>Walker Process</u>	_____	_____	_____
Type _____	_____	_____	_____	_____
"Steel or "Concrete" _____	<u>Concrete</u>	_____	_____	_____
Total Capacity _____	<u>1/2 GPM</u>	_____	_____	_____
Average Daily Flow _____	_____	_____	_____	_____
Effluent Disposal _____	<u>Sprayfield</u>	_____	_____	_____
Total Gallons of Sewage Treated _____	<u>37080000.00</u>	_____	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>Same as #'s</u>	_____	_____	_____
Capacity _____	<u>2 & 6 from</u>	_____	_____	_____
Motor: Mfr. _____	<u>S-6.</u>	_____	_____	_____
Horsepower _____	_____	_____	_____	_____
Power (Electric or Mechanical) _____	_____	_____	_____	_____

OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

- Maximum number of ERC's* which can be served. 464
- Estimated annual increase in ERC's* 6
- List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Protection (DEP) for systems in operation. DEP: DD53-247965 NPDES: FL0022497
- State any plans and estimated completion dates for any enlargements of this system None
- If present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:
 - Evaluation of the present plant or plants in regards to meeting the DEP's rules. _____
 - Plans for funding and construction of the required upgrading. _____
 - Have these plans been coordinated with the DEP? _____
 - Do they concur? _____
 - When will construction begin? _____
- In what percent of your certificated area have service connections been installed? 46%

* ERC = (Total Gallons Sold / 365 days) / 275 Gallons Per Day
 Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment.

UTILITY NAME:

Lake Wales Utility Company, Ltd.

YEAR OF REPORT
December 31, 1996

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE*	TYPE OF METER*	EQUIVALENT FACTOR	NUMBER OF METERS	TOTAL NUMBER OF METER EQUIVALENTS (c x d)
(a)	(b)	(c)	(d)	(e)
5/8"	Displacement	1.0	152	152
3/4"	Displacement	1.5		
1"	Displacement	2.5	3	8
1 1/2"	Displacement or Turbine	5.0	2	10
2"	Displacement, Compound or Turbine	8.0	1	8
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5	2	35
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				213

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{37,280,000}{\text{(total gallons treated)}} / 365 \text{ days} \right) / 275 \text{ gpd} = 371$$

1996 ANNUAL REPORT CLOSE-OUT

NAME OF UTILITY: LAKE WALES UTILITY COMPANY, LTD.

1996 ANNUAL REPORT DUE: MARCH 31, 1997

1996 ANNUAL REPORT RECEIVED: MARCH 25, 1997

NUMBER OF DAYS LATE (IF ANY): NONE

IF GRANTED EXTENSION

EXTENSION REQUESTED:

ANNUAL REPORT DUE:

ANNUAL REPORT RECEIVED:

NUMBER OF DAYS LATE (IF ANY):

SECOND EXTENSION REQUESTED:

ANNUAL REPORT DUE:

ANNUAL REPORT RECEIVED:

NUMBER OF DAYS LATE (IF ANY):

DEFICIENCIES

DEFICIENCIES DUE: _____

DEFICIENCIES RECEIVED: _____

NUMBER OF DAYS LATE (IF ANY): _____

1996 CLASS A AND B ANNUAL REPORT REVIEW FORM

UTILITY NAME: Lake Wales Utility Company, Ltd.

Analyst Assigned: Connie Binford

Date Annual Report Received in Division of WAW 3/28/97
 Date Analyst Assigned: 4/22/97
 Due Date for Review Form or Deficiency Letter: 5/9/97
 Date Form Returned to Supervisor (No Deficiencies): _____
 Date of Deficiency Letter: 5-1-97
 Date Deficient Information Due: 6-1-97
 Date Deficiencies Stamped Received in Division of WAW: 5-19-97
 Due Date for Review Form 10 days After Receipt of Deficiencies: 5-20-97
 Date Form Returned to Supervisor (After Deficiencies): _____
 Date Corrections Returned to Analyst: _____
 Date Corrections Returned to Supervisor: _____
 Date Review Process Completed: 3/17/97 PMU

GENERAL

Accept Return

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

Beginning balances agree with prior years ending balances
 Name of utility agrees with certificate list (No #; has comp. code)
 Address for sending general information on page E-2
 agrees with certificate list
 All appropriate pages are included in Annual Report

EXECUTIVE SUMMARY

<u>Page</u>	<u>Accept</u>	<u>Return</u>	<u>Schedules (must be complete)</u>
E-1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Certification of Annual Report (Must cover all items and be signed by an officer)
E-2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Miscellaneous Information
E-3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Directory of Personnel Who Contact PSC
E-4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Company Profile
E-5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Parent/Affiliate Organization Chart
E-6	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Compensation of Officers and Directors
E-7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Business Contracts with Officers, Directors and Affiliates
E-8	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Affiliations of Officers and Directors
E-9	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Businesses which are a By-product, Co-product or Joint Product
E-10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Business Transactions with Related Parties (Parts 1 & 2)
E-11	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Composite Statistics

WS 786

REEVES & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

208 EAST STUART AVENUE ♦ LAKE WALES, FL 33853-3713 ♦ (941) 676-0566 ♦ FAX (941) 676-7376

March 25, 1997

Florida Public Service Commission
Division of Water and Sewer
101 East Gaines Street
Tallahassee, FL 32399-0873

1996 ANNUAL REPORT

Gentlemen:

Enclosed are an original and two copies of the 1996 annual report of Lake Wales Utility Company, Ltd. Also, enclosed is a regulatory assessment check for \$10,605.15. Please let us know if you require anything further in this regard.

Sincerely,



Dwight L. Reeves, CPA

f:\word\users\dwight\fwutlpsc.doc

xc: David Pearce

Mark Rubin

RECEIVED
REGULATORY
SERVICE COMMISSION
97 MAR 27 AM 7:42
MAIL ROOM