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MAINTENANCE **WATER and/or SEWER UTILITIES** LAKE HILLS UTILITIES

ADMINISTRATION
MAINTENANCE Revenue of Less Than \$150,000 Each)

ANNUAL REPORT

OF

WU589
LAKE HILLS UTILITIES, INC.
P. O. BOX 3873
LONGWOOD, FL 32779-0873

WU 35

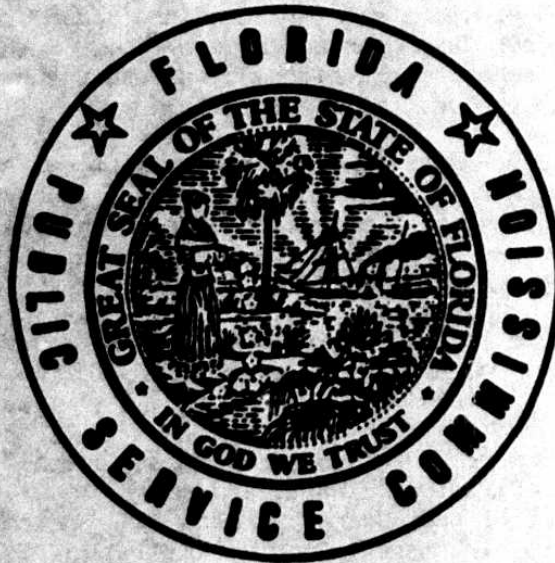
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Fla. Public Service Commission
Division of Water and Sewer

512-11
Certificate Number(s)

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DIVISION OF
WATER AND SEWER
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FOR THE
YEAR ENDED DECEMBER 31, 19 89

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 Sewer 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 schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record, such as by typewriter.
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 statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and 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 Sewer
 101 East Gaines Street
 Tallahassee, Florida 32399-0873

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 DIVISION OF WATER AND SEWER
 MARCH 20 1985
 TALLAHASSEE, FLORIDA

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REPORT OF

Lake Hills Utilities, Inc.

(Exact name of utility)

P.O. Box 915389

Longwood, FL 32791
(Address)

Lake
(County)

Telephone Number (407) 774-8992

Date Utility First Organized: 3/7/89

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

Individual Partnership Sub Chapter S Corporation 1120 Corporation

Location where books and records are located: 1105 Kensington Park Drive, Altamonte Springs, FL 32714

Names of subdivisions where service is provided: Greater Hills

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>Robert A. Mandell</u>	<u>Vice President</u>	<u>1105 Kensington Park Dr. Altamonte Springs, FL 32714</u>	XXXXXXXXXXXX
Person who prepared this report: <u>Hubert Jacques</u>	<u>General Manager</u>	<u>Same as above</u>	XXXXXXXXXXXX
Officers and Managers: <u>Lester N. Mandell</u>	<u>President</u>	<u>Same as above</u>	\$ 0
<u>Robert A. Mandell</u>	<u>Vice President</u>	<u>Same as above</u>	\$ 0
<u>William L. Mustard</u>	<u>Exec. Vice Pres.</u>	<u>Same as above</u>	\$ 0
<u>Lester Zimmerman</u>	<u>Secretary/Treas.</u>	<u>Same as above</u>	\$ 0
<u>George Billings, Jr.</u>	<u>Assist. Treas.</u>	<u>Same as above</u>	\$ 0
<u>Hubert Jacques</u>	<u>General Manager</u>	<u>Same as above</u>	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
<u>Lester N. Mandell</u>	<u>40</u>	<u>Same as above</u>	\$ 0
<u>Lester Zimmerman</u>	<u>40</u>	<u>Same as above</u>	\$ 0
<u>John F. Lowndes</u>	<u>20</u>	<u>215 N. Eola Dr., Orlando, FL 32801</u>	\$ 0
-----	-----	-----	\$
-----	-----	-----	\$
-----	-----	-----	\$
-----	-----	-----	\$

INCOME STATEMENT

Account Name	Ref. Page	Water	Sewer	Other	Total Company
Gross Revenue:					
Residential		\$ -----	\$ -----	\$ -----	\$ -----
Commercial		-----	-----	-----	-----
Industrial		-----	-----	-----	-----
Multiple Family		-----	-----	-----	-----
Guaranteed Revenues		-----	-----	-----	-----
Other (Specify)		-----	-----	-----	-----
Initial connection		540	-----	-----	540
Total Gross Revenue		\$ 540	\$ -----	\$ -----	\$ 540
Operation Expense (Must tie to Pages W-3 and S-3)					
	W-3				
	S-3	\$ 7,762	\$ -----	\$ -----	\$ 7,762
Depreciation Expense	F-5	-----	-----	-----	-----
Amortization Expense		-----	-----	-----	-----
Taxes Other Than Income	F-7	25	-----	-----	25
Income Taxes	F-7	(6,006)	-----	-----	(6,006)
Total Operating Expense		\$ 1,781	\$ -----	\$ -----	\$ 1,781
Net Operating Income (Loss)		\$ (1,241)	\$ -----	\$ -----	\$ (1,241)
Other Income:					
Nonutility Income		\$ -----	\$ -----	\$ -----	\$ -----
Interest income		1,119	-----	-----	1,119
Other Deductions:					
Miscellaneous Nonutility Expenses		\$ -----	\$ -----	\$ -----	\$ -----
Interest Expense		12,759	-----	-----	12,759
Net Income (Loss)		\$ (12,881)	\$ -----	\$ -----	\$ (12,881)

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 89
--

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant In Service (101-105) -----	F-5,W-1,S-1	\$ 535,243	\$ 0
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	-----	-----
Net Utility Plant -----		\$ 535,243	\$ 0
Cash -----		33,087	0
Customer Accounts Receivable (141) -----		-----	-----
Other Assets (Specify)			
Other accounts receivable -----		7,879	0
Prepaid expense -----		5,431	0
-----		-----	-----
-----		-----	-----
Total Assets -----		\$ 581,640	\$ 0
Liabilities And Capital:			
Common Stock Issued (201) -----	F-6	\$ 100	\$ 0
Preferred Stock Issued (204) -----	F-6	-----	-----
Other Paid In Capital (211) -----		29,900	0
Retained Earnings (215) -----	F-6	(12,608)	0
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6	-----	-----
Total Capital -----		\$ (17,392)	\$ 0
Long-Term Debt (224) -----	F-6	\$ -----	\$ -----
Accounts Payable (231) -----		7,050	0
Notes Payable (232) -----		411,850	0
Customer Deposits (235) -----		50,000	0
Accrued Taxes (236) -----		26,419	0
Other Liabilities (Specify)			
Accrued interest payable -----		12,301	0
-----		-----	-----
-----		-----	-----
Advances For Construction -----		-----	-----
Contributions In Aid Of Construction - Net (271-272) -----	F-8	56,628	0
Total Liabilities And Capital -----		\$ 581,640	\$ 0

Lake Hills Utilities, Inc. operated as development stage enterprise through period ending December 31, 1988.

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1989

NET UTILITY PLANT

Plant Accounts: (101-107) Inclusive	Water	Sewer	W & S Other Than Reporting Systems	Total
Utility Plant In Service (101)	\$ 30,909	\$	\$	\$ 30,909
Construction Work In Progress (105)	504,334			504,334
Other (Specify)				
Total Utility Plant	\$ 535,243	\$	\$	\$ 535,243

ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Sewer	W & S Other Than Reporting Systems	Total
Balance First Of Year	\$ 0	\$	\$	\$ 0
Credits During Year:				
Accruals charged to depreciation account	\$	\$	\$	\$
Salvage				
Other credits (specify)				
Total credits	\$	\$	\$	\$
Debits During Year:				
Book cost of plant retired	\$	\$	\$	\$
Cost of removal				
Other debits (specify)				
Total debits	\$	\$	\$	\$
Balance End Of Year	\$ 0	\$	\$	\$ 0

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>89</u>

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share -----	1	
Shares authorized -----	100	
Shares issued and outstanding -----	100	
Total par value of stock issued -----	100	0
Dividends declared per share for year -----	0	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year -----	\$ -----	\$ 0
Changes during the year (specify):		
Net loss -----		(12,608)

Balance end of year -----	\$ 0	\$ (12,608)

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year -----	\$ -----	\$ -----
Changes during the year (specify):		

Balance end of year -----	\$ 0	\$ 0

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity):	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	

Total -----			\$ 0

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1989

TAXES ACCRUED (236)

(a)	Water (b)	Sewer (c)	Other (d)	Total (e)
Balance first of year	\$ 0	\$	\$	\$ - 0
Accruals charged:				
State ad valorem tax	\$	\$	\$	\$
Local property tax	-----	-----	-----	-----
Federal income tax	22,536	-----	-----	22,536
State income tax	3,858	-----	-----	3,858
Regulatory assessment fee	25	-----	-----	25
Other (Specify)	-----	-----	-----	-----

Total Taxes Accrued	\$ 26,419	\$	\$	\$ 26,419
Taxes Paid:				
State ad valorem tax	\$	\$	\$	\$
Local property tax	-----	-----	-----	-----
Federal income tax	-----	-----	-----	-----
State income tax	-----	-----	-----	-----
Regulatory assessment fee	-----	-----	-----	-----
Other (Specify)	-----	-----	-----	-----

Total Taxes Paid	\$	\$	\$	\$
Balance end of year	<u>\$ 26,419</u>	<u>\$</u>	<u>\$</u>	<u>\$ 26,419</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 services 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	Amount	Description of Service
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----
-----	\$	-----

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1989

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Sewer (c)	Total (d)
Balance first of year	\$ 0	\$	\$ 0
Add credits during year			
Total	\$ 56,628	\$	\$ 56,628
Deduct charges during year			
Balance end of year	56,628		56,628
Less Accumulated Amortization			
Net CIAC	\$ 56,628	\$	\$ 56,628

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Sewer
Greater Construction Corporation	Cash	54,000	
Sub-total		\$ 54,000	\$ 0
Report below all capacity charges, main extension charges and customer connections charges recieved during the year.			
Description of Charge	Number of Connections	Charge per Connection	
Meter and meter installation fees	36	\$ 73	\$ 2,628
Total Credits During Year		\$ 56,628	\$ 0

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

UTILITY NAME: Lake Hills Utilities, Inc.
 Not applicable.

YEAR OF REPORT DECEMBER 31, 19 <u>89</u>

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	\$	100.00 %		

- (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:	_____

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

UTILITY NAME: Lake Hills Utilities, Inc.
 Not applicable.

YEAR OF REPORT DECEMBER 31, 1989

SCHEDULE 'B'

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$	\$	\$	\$	\$
Preferred Stock					
Long Term Debt					
Customer Deposits					
Tax Credits - Zero Cost					
Tax Credits - Weighted Cost of Capital					
Deferred Income Taxes					
Other (Explain)					
Total	\$	\$	\$	\$	\$

(1) Explain below all adjustments made in Column (e):

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ 0	\$ 5,050	\$	\$ 5,050
302	Franchises				
303	Land and Land Rights	0	24,369		24,369
304	Structures and Improvements				
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs				
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	0	950		950
335	Hydrants				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant	0	540		540
	Total Water Plant	\$ 0	\$ 30,909	\$ 0	\$ 30,909

UTILITY NAME: Lake Hills Utilities, Inc.

Not applicable.

YEAR OF REPORT
DECEMBER 31, 19 89

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage In Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)
304	Structures & Improvements	--	%	\$				\$
305	Collecting & Impounding Reservoirs	--	%	\$				\$
306	Lake River & Other Intakes	--	%	\$				\$
307	Well & Springs	--	%	\$				\$
308	Infiltration Galleries & Tunnels	--	%	\$				\$
309	Supply Mains	--	%	\$				\$
310	Power Generating Equipment	--	%	\$				\$
311	Pumping Equipment	--	%	\$				\$
320	Water Treatment Equipment	--	%	\$				\$
330	Distribution Reservoirs & Standpipes	--	%	\$				\$
331	Trans. & Dist. Mains	--	%	\$				\$
333	Services	--	%	\$				\$
334	Meter & Meter Installations	--	%	\$				\$
335	Hydrants	--	%	\$				\$
339	Other Plant and	--	%	\$				\$
340	Miscellaneous Equipment	--	%	\$				\$
	Office Furniture and Equipment	--	%	\$				\$
341	Transportation Equipment	--	%	\$				\$
342	Stores Equipment	--	%	\$				\$
393	Tools, Shop and Garage Equipment	--	%	\$				\$
344	Laboratory Equipment	--	%	\$				\$
345	Power Operated Equipment	--	%	\$				\$
346	Communication Equipment	--	%	\$				\$
347	Miscellaneous Equipment	--	%	\$				\$
348	Other Tangible Plant	--	%	\$				\$
	Totals			\$				\$

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>89</u>

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ -----
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	-----
604	Employee Pensions and Benefits	-----
610	Purchased Water	-----
615	Purchased Power	-----
616	Fuel for Power Production	-----
618	Chemicals	-----
620	Materials and Supplies	-----
630	Contractual Services	-----
640	Rents	5,196
650	Transportation Expense	-----
655	Insurance Expense	1,431
665	Regulatory Commission Expenses	-----
670	Bad Debt Expense	-----
675	Miscellaneous Expenses	1,135
	Total Water Operation And Maintenance Expense	\$ <u>7,762</u>

WATER CUSTOMERS

Description	Number First of Year	Additions	Disconnects	Number End of Year
Metered Customers:				
5/8 X 3/4"	-----	-----	-----	-----
1"	-----	-----	-----	-----
1 - 1/2"	-----	-----	-----	-----
2"	-----	-----	-----	-----
2 - 1/2"	-----	-----	-----	-----
3"	-----	-----	-----	-----
Other (Specify):				
_____	-----	-----	-----	-----
_____	-----	-----	-----	-----
Unmetered Customers	-----	-----	-----	-----
Total Customers	<u>0</u>	-----	-----	<u>0</u>

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1989

SYSTEM NAME: Greater Hills

PUMPING AND PURCHASED WATER STATISTICS

(a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER FROM WELLS (Omit 000's) (c)	ACCOUNTED FOR LOSS THROUGH LINE FLUSHING ETC. (OMIT 000's) (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January	---	---	---	---	---
February	---	---	---	---	---
March	---	---	---	---	---
April	---	---	---	---	---
May	---	---	---	---	---
June	---	---	---	---	---
July	---	---	---	---	---
August	---	---	---	---	---
September	---	---	---	---	---
October	---	---	---	---	---
November	---	---	---	---	---
December	---	---	---	---	---
Total for year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

MAINS (Feet)

Kind of Pipe (Cast iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
---	---	---	---	---	0
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>89</u>

SYSTEM NAME: Greater Hills

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed	1989			
Types of Well Construction and Casing	Cable & Rotary			
Depth of Wells	1315			
Diameters of Wells	10			
Pump - GPM	1250			
Motor - HP	60			
Yields of Wells in GPD	1.8 MGD			
Auxiliary Power	Yes			

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete or pneumatic)	HPT	Steel	Steel	Steel
Capacity of Tank	2,449	17,265	50,000	50,000
Ground or Elevated	GST	GST	GST	GST

HIGH SERVICE PUMPING

Motors (a)	(b)	(c)	(d)	(e)
Manufacturer	Century	Century	Aurora	
Type				
Rated Horsepower	15	15	30	
Pumps				
Manufacturer	Peerless	Peerless	Peerless	
Type	Centrifugal	Centrifugal	Centrifugal	
Capacity in GPM	245	245	500	
Average Number Of Hours Operated Per Day	8	8	8	
Auxiliary Power	Yes	Yes	Yes	

SOURCE OF SUPPLY

List for each source of supply:

Gals. per day of source	<u>1.8 MGD</u>		
Type of source	<u>Groundwater</u>		

WATER TREATMENT FACILITIES

List for each water treatment facility:

Type	<u>Package</u>		
Make	<u>Allenco</u>		
Gals. per day capacity	<u>700,000</u>		
Method of measurement	<u>Metered</u>		

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 * now being served 0
- Present ERC's * that system can efficiently serve 346 design capacity
- Estimated annual increase in ERC's * 100
- List fire fighting facilities and capacities hydrants. Flow > 500 GPM
- List percent of certificated area where service connections are installed (total for each county) 0
- What is the current need for system upgrading and/or expansion? Second well
- What are plans for future system upgrading and/or expansion? Expansion as required by operating conditions and demands for service.
- Have questions 6 and 7 been discussed with an engineer (if so, state name and address)? Conklin, Porter & Holmes, 1104 E. Robinson St., Orlando, FL 32801
- Have questions 6 and 7 been discussed with appropriate state sanitary engineering office? Yes

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

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 19 89

Not applicable.

SEWER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	\$	\$	\$	\$
352	Franchises	-----	-----	-----	-----
353	Land and Land Rights	-----	-----	-----	-----
354	Structures and Improvements	-----	-----	-----	-----
360	Collection Sewers - Force	-----	-----	-----	-----
361	Collection Sewers - Gravity	-----	-----	-----	-----
362	Special Collecting Structures	-----	-----	-----	-----
363	Services to Customers	-----	-----	-----	-----
364	Flow Measuring Devices	-----	-----	-----	-----
365	Flow Measuring Installations	-----	-----	-----	-----
370	Receiving Wells	-----	-----	-----	-----
371	Pumping Equipment	-----	-----	-----	-----
380	Treatment and Disposal Equipment	-----	-----	-----	-----
381	Plant Sewers	-----	-----	-----	-----
382	Outfall Sewer Lines	-----	-----	-----	-----
389	Other Plant and Miscellaneous Equipment	-----	-----	-----	-----
390	Office Furniture and Equipment	-----	-----	-----	-----
391	Transportation Equipment	-----	-----	-----	-----
392	Stores Equipment	-----	-----	-----	-----
393	Tools, Shop and Garage Equipment	-----	-----	-----	-----
394	Laboratory Equipment	-----	-----	-----	-----
395	Power Operated Equipment	-----	-----	-----	-----
396	Communication Equipment	-----	-----	-----	-----
397	Miscellaneous Equipment	-----	-----	-----	-----
398	Other Tangible Plant	-----	-----	-----	-----
	Total Sewer Plant	\$ -----	\$ -----	\$ -----	\$ -----

UTILITY NAME: Lake Hills Utilities, Inc.

Not applicable.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - SEWER

YEAR OF REPORT
DECEMBER 31, 19 89

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage In Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)
354	Structures and Improvements		%	%	\$	\$	\$	\$
360	Collection Sewers - Force		%	%				
361	Collection Sewers - Gravity		%	%				
362	Special Collecting Structures		%	%				
363	Services to Customers		%	%				
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%				
371	Pumping Equipment		%	%				
380	Treatment and Disposal Equipment		%	%				
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment		%	%				
390	Office Furniture and Equipment		%	%				
391	Transportation Equipment		%	%				
392	Stores Equipment		%	%				
393	Tools, Shop and Garage Equipment		%	%				
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment		%	%				
398	Other Tangible Plant		%	%				
	Totals				\$	\$	\$	\$

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
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Not applicable.
SEWER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$.
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	---
716	Fuel for Power Production	---
718	Chemicals	---
720	Materials and Supplies	---
730	Contractual Services	---
740	Rents	---
750	Transportation Expense	---
755	Insurance Expense	---
765	Regulatory Commission Expenses	---
770	Bad Debt Expense	---
775	Miscellaneous Expenses	---
	Total Sewer Operation And Maintenance Expense	\$ _____

SEWER CUSTOMERS

Description	Number First of Year	Additions	Disconnects	Number End of Year
Measured Service				
Customers By Water				
Meter Size:				
5/8 X 3/4"	---	---	---	---
1"	---	---	---	---
1 - 1/2"	---	---	---	---
2"	---	---	---	---
2 - 1/2"	---	---	---	---
3"	---	---	---	---
Other (Specify):	---	---	---	---
_____	---	---	---	---
_____	---	---	---	---
Unmetered Customers	---	---	---	---
Total Customers	_____	_____	_____	_____

UTILITY NAME: Lake Hills Utilities, Inc.
 Not applicable.

YEAR OF REPORT
 DECEMBER 31, 19 89

PUMPING EQUIPMENT

Lift station number	---	---	---	---	---	---
Make or type and nameplate data of pump	---	---	---	---	---	---
Year installed	---	---	---	---	---	---
Rated capacity	---	---	---	---	---	---
Size	---	---	---	---	---	---
Power:	---	---	---	---	---	---
Electric	---	---	---	---	---	---
Mechanical	---	---	---	---	---	---
Nameplate data of motor	---	---	---	---	---	---
---	---	---	---	---	---	---

SERVICE CONNECTIONS

Size (inches)	---	---	---	---	---	---
Type (PVC, VCP, etc.)	---	---	---	---	---	---
Average length	---	---	---	---	---	---
Number of active service connections	---	---	---	---	---	---
Beginning of year	---	---	---	---	---	---
Added during year	---	---	---	---	---	---
Retired during year	---	---	---	---	---	---
End of year	---	---	---	---	---	---
Give full particulars concerning inactive connections	---	---	---	---	---	---
---	---	---	---	---	---	---

COLLECTING AND FORCE MAINS AND MANHOLES

	Collecting Mains				Force Mains			
	---	---	---	---	---	---	---	---
Size (inches)	---	---	---	---	---	---	---	---
Type of main	---	---	---	---	---	---	---	---
Length of main (nearest foot):	---	---	---	---	---	---	---	---
Beginning of year	---	---	---	---	---	---	---	---
Added during year	---	---	---	---	---	---	---	---
Retired during year	---	---	---	---	---	---	---	---
End of year	---	---	---	---	---	---	---	---
Manholes								
Size	---	---	---	---	---	---	---	---
Type	---	---	---	---	---	---	---	---
Number:	---	---	---	---	---	---	---	---
Beginning of year	---	---	---	---	---	---	---	---
Added during year	---	---	---	---	---	---	---	---
Retired during year	---	---	---	---	---	---	---	---
End of year	---	---	---	---	---	---	---	---

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>89</u>

SYSTEM NAME: Greater Hills
Not applicable.

TREATMENT PLANT

Manufacturer			
Type			
"Steel" or "Concrete"			
Total Capacity			
Average Daily Flow			
Effluent Disposal			
Total Gallons of Sewage Treated			

MASTER LIFT STATION PUMPS

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

OTHER SEWER SYSTEM INFORMATION

1. Present number of ERC's * being served _____

2. Maximum number of ERC's * which can be _____

3. Estimated annual increase in ERC's * _____

4. List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Regulation (DER) for systems in operation. _____

5. State any plans and estimated completion dates for any enlargements of this system _____

6. If present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:

- a. Evaluation of the present plant or plants in regard to meeting the DER's rules. _____
- b. Plans for funding and construction of the required upgrading. _____
- c. Have these plans been coordinated with the DER? _____
- d. Do they concur? _____
- e. When will construction begin? _____

7. In what percent of your certificated area have service connections been installed? _____ %

* ERC = (Total Gallons Treated / 365 days) / 275 Gallons Per Day

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

UTILITY NAME: Lake Hills Utilities, Inc.

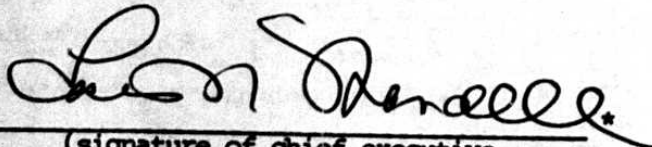
YEAR OF REPORT
DECEMBER 31, 1989

CERTIFICATION OF ANNUAL REPORT

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

- YES NO
(X) () 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.
- YES NO
(X) () 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 NO
(X) () 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.

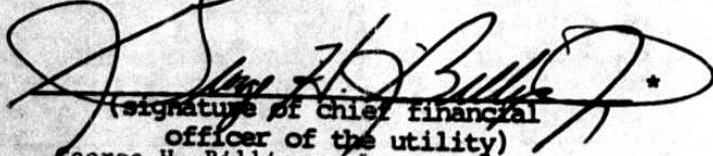
Items Certified			
1.	2.	3.	4.
(X)	(X)	(X)	(X)



(signature of chief executive officer of the utility)

Lester N. Mandell

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



(signature of chief financial officer of the utility)

George H. Billings, Jr.

* 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.