

CLASS "C"

WATER and/or SEWER UTILITIES

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

ANNUAL REPORT RECEIVED

OF

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FL Public Utilities Commission
Division of Water and Sewer

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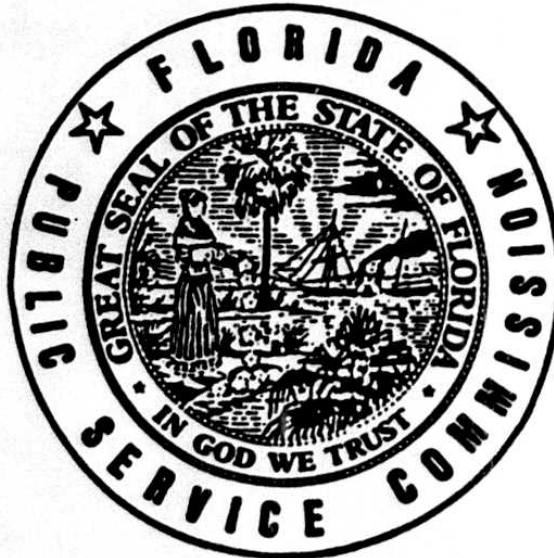
WU 35

Lake Hills Utilities, Inc.

P. O. Box 915389

Longwood, FL 32791-5389

512-W
Certificate Number(s)



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DIVISION OF
WATER AND SEWER

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FOR THE
YEAR ENDED DECEMBER 31, 19 91

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 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 Sewer
101 East Gaines Street
Tallahassee, Florida 32399-0873

TABLE OF CONTENTS

Financial Section	Page
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payments For Services Rendered By Other Than Employees	F-7
Contributions In Aid Of Construction	F-8
Cost Of Capital Used For AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
<hr/>	
Water Operating Section	Page
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation By Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Other Water System Information	W-6
<hr/>	
Sewer Operating Section	Page
Sewer Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation By Primary Account - Sewer	S-2
Sewer Operation and Maintenance Expense	S-3
Sewer Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Other Sewer System Information	S-5
<hr/>	
Verification Section	Page
Verification	V-1

(Exact name of utility)

P. O. Box 915389

Longwood, Florida 32791

Lake

(Address)

(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: Robert A. Mandell	Vice President	P. O. Box 3884 Longwood, Fl. 32791	XXXXXXXXXXXX
Person who prepared this report: Scott L. Nelson	Asst. Comptroller Greater Construction	same	XXXXXXXXXXXX
Officers and Managers: Lester N. Mandell	President	same	\$ None
Hubert Jacques	Exec. Vice Pres.	same	\$ None
Robert A. Mandell	Vice President	same	\$ None
Lester Zimmerman	Sec./Treasurer	same	\$ None
George H. Billings, Jr.	Asst. Sec./Treasurer	same	\$ None

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
Lester N. Mandell	40	same	\$ None
Lester Zimmerman	40	same	\$ None
John F. Lowndes	20	215 N. Eola Dr. Orlando, Fl. 32801	\$ None
			\$
			\$
			\$

INCOME STATEMENT

Account Name	Ref. Page	Water	Sewer	Other	Total Company
Gross Revenue:					
Residential -----		\$ 52,257	\$ -----	\$ -----	\$ 52,257
Commercial -----		1,444	-----	-----	1,444
Industrial -----		-----	-----	-----	-----
Multiple Family -----		-----	-----	-----	-----
Guaranteed Revenues -----		3,924	-----	-----	3,924
Other (Specify) <u>IRR</u> -----		1,289	-----	-----	1,289
<u>MISC. SERVICE CHARGES</u> -----		2,295	-----	-----	2,295
Total Gross Revenue -----		\$ 61,209	\$ -----	\$ -----	\$ 61,209
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	\$ 38,989	\$ -----	\$ -----	\$ 38,989
Depreciation Expense -----	F-5	38,115	-----	-----	38,115
Amortization Expense <u>CIAC & UIC.</u> -----		(9,306)	-----	-----	(9,306)
Taxes Other Than Income -----	F-7	11,996	-----	-----	11,996
Income Taxes -----	F-7	(29,856)	-----	-----	(29,856)
Total Operating Expense -----		\$ 49,938	\$ -----	\$ -----	\$ 49,938
Net Operating Income (Loss) -----		\$ 11,271	\$ -----	\$ -----	\$ 11,271
Other Income:					
Nonutility Income -----		\$ -----	\$ -----	\$ -----	\$ -----
<u>Interest Income</u> -----		1,766	-----	-----	1,766
<u>Misc. Income</u> -----		312	-----	-----	312
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ 473	\$ -----	\$ -----	\$ 473
<u>Interest Expense</u> -----		53,563	-----	-----	53,563
-----		-----	-----	-----	-----
-----		-----	-----	-----	-----
Net Income (Loss) -----		\$ (40,687)	\$ -----	\$ -----	\$ (40,687)

UTILITY NAME: _____

Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1991

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant In Service (101-105)	F-5,W-1,S-1	\$ 1,151,447	\$ 1,049,554
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-3	57,106	18,991
Net Utility Plant		\$ 1,094,341	\$ 1,030,563
Cash		6,918	51,768
Customer Accounts Receivable (141)		10,950	42,718
Other Assets (Specify) Investment in associated companies (123)		-	88,943
Equipment deposits (133)		100	200
Note receivable-affiliate (146)		54,924	-
Plant Materials and supplies (151)		956	1,219
Prepays (162)		5,103	6,425
Deferred rate case expense (186)		2,540	3,492
Total Assets		\$ 1,175,832	\$ 1,225,328
Liabilities And Capital:			
Common Stock Issued (201)	F-6	\$ 100	\$ 100
Preferred Stock Issed (204)	F-6	-	-
Other Paid In Capital (211)		29,900	29,900
Retained Earnings (215)	F-6	(94,015)	(25,224)*
Proprietary Capital (Proprietary and partnership only) (218)	F-6	-	-
Total Capital		\$ (64,015)	\$ 4,776
Long-Term Debt (224)	F-6	\$ 7,563	\$ -
Accounts Payable (231)		3,659	6,696
Notes Payable (232)		3,025	13,613
Customer Deposits (235)		5,480	2,880
Accrued Taxes (236)		(70,354)	66,127*
Other Liabilities (Specify) Advances from associated companies (223)		792,177	744,501
Accrued interest (237)		62,127	59,136
Miscellaneous (241)		350	-
Deferred tax liability (283)		9,467	9,551*
Advances For Construction Contributions In Aid Of Construction - Net (271-272)	F-8	426,353	318,048
Total Liabilities And Capital		\$ 1,175,832	\$ 1,225,328

* As restated, see Page F-4(a)

UTILITY NAME: LAKE HILLS UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 1991

NOTES TO THE BALANCE SHEET

The beginning balance sheet has been restated to adjust for 1990 corrections made subsequent to the filing of the 1990 PSC Report. These corrections relate to deferred income taxes and income taxes payable for changes recommended by our CPA's when filing the 1990 federal and state income tax returns.

The following account balances have been restated:

ACCOUNT	AS ORIGINALLY REPORTED	AS CORRECTED	DIFFERENCE DEBIT (CREDIT)
215 Retained Earnings	(32,434)	(25,224)	(7,210)
236 Accrued Taxes	82,888	66,127	16,761
283 Deferred Tax Liability	0	9,551	(9,551)
TOTAL			0

UTILITY NAME: LAKE HILLS UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 19 91

NET UTILITY PLANT

Plant Accounts: (101-107) Inclusive	Water	Sewer	W & S Other Than Reporting Systems	Total
Utility Plant In Service (101)	\$ 1,122,372	\$	\$	\$ 1,122,372
Construction Work In Progress (105)	29,075			29,075
Other (Specify)				
Total Utility Plant	\$ 1,151,447	\$	\$	\$ 1,151,447

ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Sewer	W & S Other Than Reporting Systems	Total
Balance First Of Year *	\$ 18,991	\$	\$	\$ 18,991
Credits During Year:				
Accruals charged to depreciation account	\$ 38,115	\$	\$	\$ 38,115
Salvage				
Other credits (specify)				
Total credits	\$ 38,115	\$	\$	\$ 38,115
Debits During Year:				
Book cost of plant retired	\$	\$	\$	\$
Cost of removal				
Other debits (specify)				
Total debits	\$ 0	\$	\$	\$ 0
Balance End Of Year	\$ 57,106	\$	\$	\$ 57,106

* In 1990 this amount was netted with CIAC amortization of \$3,947.

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>91</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	
Dividends declared per share for year	0	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year <u>As restated see Page F-4</u>	\$ (25,224)	\$
Changes during the year (specify):		
Net loss	(40,687)	
Consolidation of discontinued cable television division	(28,104)	
Balance end of year	\$ (94,015)	\$

PROPRIETARY CAPITAL (218)

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

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity):	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
Vehicle note payable- 1995 maturity	11.38%	252/mo	7,563
Total			\$7,563

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1991

TAXES ACCRUED (236)

(a)	Water (b)	Sewer (c)	Other (d)	Total (e)
Balance first of year *	\$ 66,127	\$	\$	\$ 66,127
Accruals charged:				
State ad valorem tax	\$ 8,192	\$	\$	\$ 8,192
Local property tax	(25,494)			(25,494)
Federal income tax	(4,362)			(4,362)
State income tax	2,754			2,754
Regulatory assessment fee				
Other (Specify)				
Permits	1,050			1,050
Total Taxes Accrued	\$ (17,860)	\$	\$	\$ (17,860)
Taxes Paid:				
State ad valorem tax	\$ 8,192	\$	\$	\$ 8,192
Local property tax	92,096			92,096
Federal income tax	15,749			15,749
State income tax	1,534			1,534
Regulatory assessment fee				
Other (Specify)				
Permits	1,050			1,050
Total Taxes Paid	\$ 118,621	\$	\$	\$ 118,621
Balance end of year	\$ (70,354)	\$	\$	\$ (70,354)

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
<u>Conklin, Porter & Holmes</u>	\$ 17,230	<u>Design and consulting engineers</u>
<u>Ernst & Young</u>	\$ 4,375	<u>Accounting and tax return preparation</u>
<u>Quastella Associates, Inc.</u>	\$ 2,069	<u>Rate & CIAC consulting</u>
<u>Lowdes, Drosdick, Doster, Karpur & Reed</u>	\$ 5,178	<u>Developer agreement and legal consulting</u>
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

* As restated; see page F-4

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Sewer (c)	Total (d)
Balance first of year - Gross	\$ 321,995	\$	\$ 321,995
Add credits during year	\$ 119,757	\$	\$ 119,757
Total	1,978		1,978
Deduct charges during year Capitalized Taxes	439,774		439,774
Balance end of year	13,421		13,421
Less Accumulated Amortization Cumulative			
Net CIAC	\$ 426,353	\$	\$ 426,353

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 Corp. Utility Agreements	Cash	49,140	
Greater Construction Corp. Utility Agreements	Property	65,361	
Sub-total		\$ 114,501	\$
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	
3/4" Meter Installation	72	\$ 73.00	\$ 5,256
Total Credits During Year			\$ 119,757

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

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 19 <u>91</u>

SCHEDULE 'A' (Not Applicable)

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.

YEAR OF REPORT DECEMBER 31, 1991

SCHEDULE 'B' (Not Applicable)

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	\$ 4,882	\$	\$ 168	\$ 4,714
302	Franchises				
303	Land and Land Rights	<u>24,369</u>			<u>24,369</u>
304	Structures and Improvements	<u>231,747</u>			<u>231,747</u>
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	<u>426,042</u>			<u>426,042</u>
308	Infiltration Galleries and Tunnels				
309	Supply Mains	<u>4,571</u>			<u>4,571</u>
310	Power Generation Equipment	<u>6,950</u>			<u>6,950</u>
311	Pumping Equipment	<u>100</u>			<u>100</u>
320	Water Treatment Equipment	<u>42,689</u>			<u>42,689</u>
330	Distribution Reservoirs and Standpipes	<u>53,200</u>			<u>53,200</u>
331	Transmission and Distribution Mains	<u>221,197</u>	<u>83,458</u>		<u>304,655</u>
333	Services				
334	Meters and Meter Installations	<u>6,441</u>	<u>3,444</u>		<u>9,885</u>
335	Hydrants				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment	<u>11,427</u>			<u>11,427</u>
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	<u>1,483</u>			<u>1,483</u>
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant	<u>540</u>			<u>540</u>
	Total Water Plant	<u>\$ 1,035,638</u>	<u>\$ 86,902</u>	<u>\$ 168</u>	<u>\$ 1,122,372</u>

UTILITY NAME: Lake Hills Utilities, Inc.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

YEAR OF REPORT
DECEMBER 31, 1991

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage In Percent (d)	Depreciation Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)
304	Structures & Improvements	28	%	3.57	\$ 4,138		\$ 8,277	\$ 12,415
305	Collecting & Impounding Reservoirs		%					
306	Lake River & Other Intakes		%					
307	Well & Springs	27	%	3.70	7,890		15,779	23,669
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains	32	%	3.13	71		143	214
310	Power Generating Equipment	17	%	5.88	204		409	613
311	Pumping Equipment	17	%	5.88	3		6	9
320	Water Treatment Equipment	17	%	5.88	1,256		2,511	3,767
330	Distribution Reservoirs & Standpipes	30	%	3.33	887		1,773	2,660
331	Trans. & Dist. Mains	35	%	2.86	3,160		6,618	9,778
333	Services		%					
334	Meter & Meter Installations	17	%	5.88	245		505	750
335	Hydrants		%					
339	Other Plant and		%					
340	Miscellaneous Equipment		%					
340	Office Furniture and		%					
341	Equipment	6	%	16.67	952		1,905	2,857
341	Transportation Equipment		%					
342	Stores Equipment		%					
393	Tools, Shop and Garage		%					
344	Equipment	15	%	6.67	50		99	149
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant	6	%	16.67	135		90	225
	Totals				\$ 18,991		\$ 38,115	\$ 57,106

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 19 91

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	7,131
616	Fuel for Power Production	-----
618	Chemicals	239
620	Materials and Supplies	1,106
630	Contractual Services	8,536
640	Rents	2,465
650	Transportation Expense	1,629
655	Insurance Expense	3,292
665	Regulatory Commission Expenses	953
670	Bad Debt Expense	-----
675	Miscellaneous Expenses	13,638
	Total Water Operation And Maintenance Expense	\$ 38,989

WATER CUSTOMERS

Description	Number First of Year	Additions	Disconnects	Number End of Year
Metered Customers:				
5/8 X 3/4"	107	78		185
1"	-----	-----	-----	-----
1 - 1/2"	-----	-----	-----	-----
2"	1			1
2 - 1/2"	-----	-----	-----	-----
3"	-----	-----	-----	-----
Other (Specify):				
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
Unmetered Customers				
Total Customers	108	78		186

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 19 91

SYSTEM NAME: _____

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		1,468		1,468	1,707
February		1,152		1,152	1,454
March		1,414		1,414	1,396
April		1,749		1,749	1,405
May		4,212		4,212	2,882
June		2,542		2,542	3,430
July		2,601		2,601	2,629
August		2,203		2,203	2,499
September		5,192		5,192	2,764
October		2,129		2,129	4,421
November		2,242		2,242	3,274
December		4,019		4,019	3,337
Total for year		<u>30,933</u>		<u>30,933</u>	<u>31,198</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
PVC	2	420		-	420
PVC	4	1,933		-	1,933
PVC	6	2,278	1,100	-	3,378
PVC	8	2,010	1,840	-	3,850
PVC	10	0	1,160	-	1,160
PVC	12	3,948	1,090	-	5,038
PVC	14	1,460		-	1,460

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 19 91

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed	1989	1990		
Types of Well Construction and Casing	Cable & Rotary	Cable		
Depth of Wells	1315	1310		
Diameters of Wells	10"	18"		
Pump - GPM	1250	1250		
Motor - HP	60	60		
Yields of Wells in GPD	1.8 MGD	1.8 MGD		
Auxiliary Power	Yes	No		

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	Cent.	Cent.	Cent.	
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	3.6 MGD		
Type of source	Groundwater		

WATER TREATMENT FACILITIES

List for each water treatment facility:

Type	Package		
Make	Atenco		
Gals. per day capacity	700,000		
Method of measurement	Metered		

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * now being served 244
2. Present ERC's * that system can efficiently serve 668
3. Estimated annual increase in ERC's * 200
4. List fire fighting facilities and capacities Hydrants
5. List percent of certificated area where service connections are installed (total for each county) 23%
6. What is the current need for system upgrading and/or expansion? High Service Pumping, Treatment, and Storage
7. What are plans for future system upgrading and/or expansion? Expansion as required by operating conditions and demands for service.
8. 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. 2801
9. 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 91

SEWER UTILITY PLANT ACCOUNTS

Not Applicable

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.

YEAR OF REPORT
DECEMBER 31, 1991

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - SEWER

Not Applicable

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 DECEMBER 31, 19 <u>91</u>

SEWER OPERATION AND MAINTENANCE EXPENSE

Not Applicable

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.

YEAR OF REPORT DECEMBER 31, 19 <u>91</u>

PUMPING EQUIPMENT Not Applicable

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>91</u>

SYSTEM NAME: _____

TREATMENT PLANT

Not Applicable

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, 19 91


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.

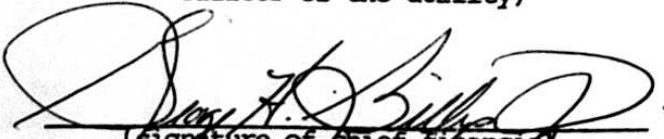
Items Certified

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

 *

(signature of chief executive officer of the utility)

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

 *

(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.