

CLASS "C"

WATER and/or SEWER UTILITIES

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

ANNUAL REPORT

WU589
Lake Hills Utilities, Inc.
P.O. Box 915389

Longwood, FL 32791-5389

Exact Legal Name of Respondent

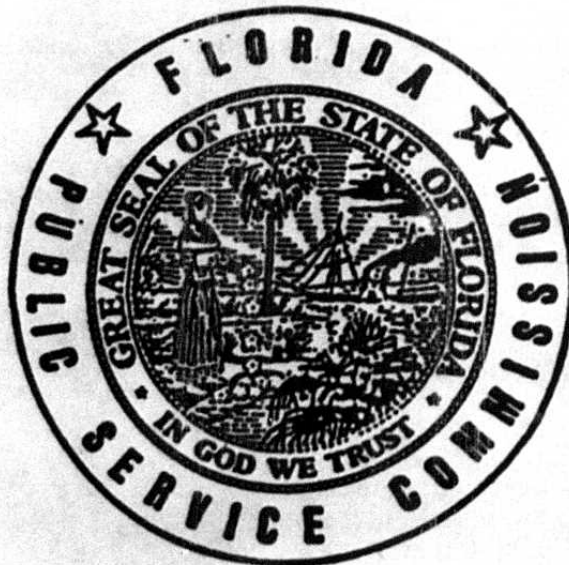
512W

Certificate Number(s)

RECEIVED

APR 30 1996

Florida Public Service Commission
Division of Water and Wastewater



FOR THE .

YEAR ENDED DECEMBER 31, 19 95

OFFICIAL COPY
DIVISION OF
REGULATION AND
OPERATION

DO NOT REMOVE FROM THIS OFFICE

Do Not Remove from this Office

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

INCOME STATEMENT

Account Name	Ref. Page	Water	Sewer	Other	Total Company
Gross Revenue:					
Residential		\$ 45,390	\$	\$	\$ 45,390
Commercial		422			422
Industrial					
Multiple Family					
Guaranteed Revenues		6,013			6,013
Other (Specify) <u>Irr.</u>		1,185			1,185
Misc. Service Charges		840			840
Total Gross Revenue		\$ 53,850	\$	\$	\$ 53,850
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	\$ 30,711	\$	\$	\$ 30,711
Depreciation Expense	F-5	34,493			34,493
+CIAC					
Amortization Expense <u>Org.</u>		(11,678)			(11,678)
Taxes Other Than Income	F-7	11,870			11,870
Income Taxes	F-7	(214,813)			(214,813)
Total Operating Expense		\$ (149,417)	\$	\$	\$ (149,417)
Net Operating Income (Loss)		\$ 203,267	\$	\$	\$ 203,267
Other Income:					
Nonutility Income		\$	\$	\$	\$
Interest Income		1,716			1,716
Gain on Sale of assets		245,944			245,944
Miscellaneous income		1,041			1,041
Other Deductions:					
Miscellaneous Nonutility Expenses		\$	\$	\$	\$
Interest Expense		54,907			54,907
Amort. of Loan Fees		2,768			2,768
Net Income (Loss)		\$ 394,293	\$	\$	\$ 394,293

COMPARATIVE BALANCE SHEET

Account Name	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant In Service (101-105)	F-5,W-1,S-1	\$ 4,981	\$ 2,151,656
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-3	707	(191,413)
Net Utility Plant		\$ 4,274	\$ 1,960,243
Cash		166,451	119,767
Customer Accounts Receivable (141)		218	14,976
Other Assets (Specify) Equipment Deposits (132)		200	200
Unamortized Mortgage Costs (181)		0	29,754
Plant Materials & Supplies (151)		0	3,231
Prepays (162)		22	2,398
Prepaid Income Taxes (133)		219,158	26,846
Total Assets		\$ 390,323	\$ 2,157,415
Liabilities And Capital:			
Common Stock Issued (201)	F-6	\$ 100	\$ 100
Preferred Stock Issued (204)	F-6		
Other Paid In Capital (211)		29,900	29,900
Retained Earnings (215)	F-6	229,368	(164,925)
Proprietary Capital (Proprietary and partnership only) (218)	F-6		
Total Capital		\$ 259,368	\$ (134,925)
Long-Term Debt (224)	F-6	\$ 0	\$ 0
Accounts Payable (231)		708	32,270
Notes Payable (232)		0	0
Customer Deposits (235)		0	10,720
Accrued Taxes (236)		2,423	6,247
Other Liabilities (Specify) Adv. from Assoc. Co (223)		100,103	1,456,925
Accrued Interest (237)		7,844	18
Misc. (241)		18,312	13,200
Deferred Tax Liability (283)		1,565	23,365
Advances For Construction			
Contributions In Aid Of Construction - Net (271-272)	F-8	0	749,595
Total Liabilities And Capital		\$ 390,323	\$ 2,157,415

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1995

NET UTILITY PLANT

Plant Accounts: (101-107) Inclusive	Water	Sewer	W & S Other Than Reporting Systems	Total
Utility Plant In Service (101)	\$ 4981	\$	\$	\$ 4981
Construction Work In Progress (105)				
Other (Specify)				
Total Utility Plant	\$ 4981	\$	\$	\$ 4981

ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Sewer	W & S Other Than Reporting Systems	Total
Balance First Of Year	\$ 191,413	\$	\$	\$ 191,413
Credits During Year:				
Accruals charged to depreciation account	\$ 34,493	\$	\$	\$ 34,493
Salvage				
Other credits (specify)				
Total credits	\$ 34,493	\$	\$	\$ 34,493
Debits During Year:				
Book cost of plant retired	\$ 225,199	\$	\$	\$ 225,199
Cost of removal				
Other debits (specify)				
Total debits	\$ 225,199	\$	\$	\$ 225,199
Balance End Of Year	\$ 707	\$	\$	\$ 707

UTILITY NAME: lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1995

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	\$	\$ (164,925)
Changes during the year (specify):		
Net Income		394,293
Balance end of year	\$	\$ 229,368

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	
Total			\$

TAXES ACCRUED (236)

(a)	Water (b)	Sewer (c)	Other (d)	Total (e)
Balance first of year	\$ 6,247	\$	\$	\$ 6,247
Accruals charged:				
State ad valorem tax	\$	\$	\$	\$
Local property tax	9,222			9,222
Federal income tax	(183,486)			(183,486)
State income tax	(31,327)			(31,327)
Regulatory assessment fee	2,423			2,423
Other (Specify)				
Permits	225			225
Total Taxes Accrued	\$ (202,943)	\$	\$	\$ (202,943)
Taxes Paid:				
State ad valorem tax	\$	\$	\$	\$
Local property tax	9,222			9,222
Federal income tax	(183,486)			(183,486)
State income tax	(31,327)			(31,327)
Regulatory assessment fee	6,247			6,247
Other (Specify)				
Permits	225			225
Total Taxes Paid	\$ (199,119)	\$	\$	\$ (199,119)
Balance end of year	\$ 2,423	\$	\$	\$ 2,423

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
Ernst & Young, LLP	\$ 2,250	Accounting Services
Lowndes, Drogdick, Doster, Kantor, & Reed	\$ 11,814	Legal Consulting
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Sewer (c)	Total (d)
Balance first of year	\$ 813,247	\$	\$ 813,247
Add credits during year			
Total	\$ 2,974	\$	\$ 2,974
Deduct charges during year	816,221		816,221
Capitalized Taxes	1,119		1,119
Balance end of year	815,102		815,102
Less Accumulated Amortization	75,498		75,498
Less: Disposal of Utility Plant CIAC	739,604		739,604
Net CIAC	\$ 0	\$	\$ 0

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
Sub-total		\$	\$
Report below all capacity charges, main extension charges and customer connections charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
3/4" Meter Installation	34	\$ 73.00	\$ 2482
1" Meter Installation	4	123.00	492
Total Credits During Year		\$ 2,974	\$

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

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1995

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, 1995

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	\$ 4,209	\$	\$ 168	\$ 4,041
302	Franchises				
303	Land and Land Rights				
304	Structures and Improvements	24,369		24,369	0
305	Collecting and Impounding Reservoirs	427,133		427,133	0
306	Lake, River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels	428,794		428,794	0
309	Supply Mains	4,571		4,571	0
310	Power Generation Equipment	86,282		86,282	0
311	Pumping Equipment	169,380		169,380	0
320	Water Treatment Equipment	75,080		75,080	0
330	Distribution Reservoirs and Standpipes	105,237		105,237	0
331	Transmission and Distribution Mains	672,245		672,245	0
333	Services	72,282		72,282	0
334	Meters and Meter Installations	24,798		24,798	0
335	Hydrants	54,087		54,087	0
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment	486		486	0
341	Transportation Equipment	280		280	0
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	1,483		1,483	0
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant	940			940
	Total Water Plant	\$ 2,151,656	\$	\$ 2,146,675	\$ 4,981

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

YEAR OF REPORT
DECEMBER 31, 1995

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	28	%	3.57%	\$ 37,245	\$ 6,464	\$ 43,709	\$ 0
305	Collecting & Impounding Reservoirs		%					
306	Lake River & Other Intakes		%					
307	Well & Springs	27	%	3.70%	71,261	7,941	79,202	0
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains	32	%	3.13%	643	71	714	0
310	Power Generating Equipment	17	%	5.88%	1,840	1,760	3,600	0
311	Pumping Equipment	17	%	5.88%	27	3,322	3,349	0
320	Water Treatment Equipment	17	%	5.88%	11,300	1,891	13,191	0
330	Distribution Reservoirs & Standpipes	30	%	3.33%	7,979	1,465	9,445	0
331	Trans. & Dist. Mains	35	%	2.86%	46,491	9,187	55,677	0
333	Services	35	%	2.86%	3,758	917	6,675	0
334	Meter & Meter Installations	17	%	5.88%	3,679	677	4,356	0
335	Hydrants	40	%	2.50%	4,067	603	4,670	0
339	Other Plant and Miscellaneous Equipment		%					
340	Office Furniture and Equipment	15	%	6.67%	11	11	22	0
341	Transportation Equipment	6	%	16.67%	71	23	94	0
342	Stores Equipment		%					
393	Tools, Shop and Garage Equipment	15	%	6.67%	446	49	495	0
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant	6	%	16.67%	595	112		707
	Totals				\$ 191,413	\$ 34,493	\$ 225,199	\$ 707

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1995

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	3,634
616	Fuel for Power Production	
618	Chemicals	
620	Materials and Supplies	2,139
630	Contractual Services	20,127
640	Rents	
650	Transportation Expense	127
655	Insurance Expense	2,487
665	Regulatory Commission Expenses	
670	Bad Debt Expense	
675	Miscellaneous Expenses	2,197
	Total Water Operation And Maintenance Expense	\$ 30,711

WATER CUSTOMERS (As of 5/4/95 - Date of sale of Utility)

Description	Number First of Year	Additions	Disconnects	Number End of Year
Metered Customers:				
5/8 X 3/4"	440	34		474
1"	0	4		4
1 - 1/2"	2	0		2
2"	0	0		0
2 - 1/2"	0	0		0
3"	0	0		0
Other (Specify):				
Unmetered Customers	0	0		0
Total Customers	442	38		480

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1995

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS (As of 5/4/95 - Date of sale of Utility)

(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		4,243	0	4,243	4,168
February		4,919	5	4,914	4,358
March		6,868	67	6,801	7,392
April		8,714	105	8,609	9,382
May					
June					
July					
August					
September					
October					
November					
December					
Total for year		24,744*	177	24,567	25,300

* Master Meter does not measure accurately at very low flows.

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	0		420
"	4"	2,613	260		2,873
"	6"	6,878	1,495		8,373
"	8"	8,180	3,240		11,420
"	10"	1,160	0		1,160
"	12"	6,408	1,500		7,908
"	14"	1,460	0		1,460
"	16"	7,195	0		7,195

UTILITY NAME: Lake Hills Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1995

SYSTEM NAME: _____

WELLS AND WELL PUMPS (As of 5/4/95 - Date of sale of Utility)

(a)	(b)	(c)	(d)	(e)
Year Constructed	1989	1990		
Types of Well Construction and Casing	Cable & Rotary	Rotary		
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	1.8MGD		
Auxiliary Power	Yes	No		

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete or pneumatic)	Pneumatic	Steel	Steel	
Capacity of Tank	10,000	50,000	50,000	
Ground or Elevated	Ground	Ground	Ground	

HIGH SERVICE PUMPING

Motors (a)	(b)	(c)	(d)	(e)
Manufacturer	U.S. Motors	U.S. Motors	U.S. Motors	
Type				
Rated Horsepower	50	50	50	
Pumps				
Manufacturer	Crane-Downing	Crane-Downing	Crane-Downing	
Type	Centrifugal	Centrifugal	Centrifugal	
Capacity in GPM	750	750	750	
Average Number Of Hours Operated Per Day	1.5	1.5	1.5	
Auxiliary Power	Yes	Yes	Yes	

SOURCE OF SUPPLY (As of 5/4/95 - Date of sale of Utility)

List for each source of supply:

Gals. per day of source	<u>1,800,000</u>	<u>1,800,000</u>	-----
Type of source	<u>Groundwater</u>	<u>Groundwater</u>	-----

WATER TREATMENT FACILITIES

List for each water treatment facility:

Type	<u>Primary</u>	-----	-----
Make	<u>N/A</u>	-----	-----
Gals. per day capacity	<u>1,400,000</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 559
- Present ERC's * that system can efficiently serve 787
- Estimated annual increase in ERC's * 100
- List fire fighting facilities and capacities Hydrant with minimum capacity of 500 GPM
- List percent of certificated area where service connections are installed (total for each county) 35%
- What is the current need for system upgrading and/or expansion? System was sold May 4, 1995
- What are plans for future system upgrading and/or expansion? N/A
- Have questions 6 and 7 been discussed with an engineer (if so, state name and address)? N/A
- Have questions 6 and 7 been discussed with appropriate state sanitary engineering office? N/A

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

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.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - SEWER

YEAR OF REPORT
DECEMBER 31, 19 95

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, 1995

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	=====	=====	=====	=====

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, 1995

SYSTEM NAME: _____

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

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.

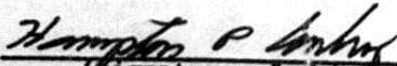
Items Certified

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~~ General Manager 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.