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WATER AND SEWER  
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**EXECUTIVE  
SUMMARY**

**98**

*Little Sumter Utilities Company*

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Florida Public Service Commission  
Division of Water and Wastewater

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**CERTIFICATION OF ANNUAL REPORT**

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

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

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.

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Florida Public Service Commission  
Division of Water and Wastewater

**ANNUAL REPORT OF**

<b>YEAR OF REPORT</b> December 31, 1998
--------------------------------------------

LITTLE SUMTER UTILITY COMPANY County: SUMTER  
 (Exact Name of Utility)

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

1100 MAIN STREET  
THE VILLAGES, FL 32159

Telephone: 352 753-6270

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

JOHN F. WISE  
1100 MAIN STREET  
THE VILLAGES, FL 32159

Telephone: 352 753-6270

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

1100 MAIN STREET  
THE VILLAGES, FL 32159

Telephone: 352 753-6270

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

CRONIN, JACKSON, NIXON & WILSON, PA

Date of original organization of the utility: 17-Nov-94

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:

Name	Percent Ownership
1. H. GARY MORSE	12%
2. MARK MORSE, IRREVOCABLE TRUST	12%
3. JENNIFER PARR, IRREVOCABLE TRUST	12%
4. TRACY MATHEWS, IRREVOCABLE TRUST	12%
5. JOHN PARKER	5%
6. JOHN WISE	5%
7. DEWEY BURNSSED	5%
8.	
9.	
10.	

UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
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**THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1) & (2)	TITLE OR POSITION (1) & (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
JOHN F. WISE	TREASURER	THE VILLAGES OF LAKE-SUMTER, INC.	PSC COMPLIANCE
JUSTIN CARROLL	ACCOUNTING MANAGER	THE VILLAGES OF LAKE-SUMTER, INC.	PSC COMPLIANCE
DEWEY BURNESED	ATTORNEY	MCLIN, BURNESED, MORRISON JOHNSON & ROBUCK	LEGAL MATTERS
ROBERT NIXON	CERTIFIED PUBLIC ACCOUNTANT	CRONIN, JACKSON, NIXON & WILSON P.A. (813) 791-4020	PSC COMPLIANCE

- (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: LITTLE SUMTER UTILITY COMPANY

YEAR OF REPORT  
December 31, 1998

### 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.

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>A. LITTLE SUMTER UTILITY COMPANY, A FLORIDA CORPORATION WAS FORMED IN 1996 TO ACQUIRE CONSTRUCT, OWN AND OPERATE A WATER AND WASTEWATER SYSTEM TO SERVE CERTAIN PORTIONS OF THE ACTIVE ADULT RETIREMENT DEVELOPMENT KNOWN AS "THE VILLAGES".</li><li>B. WATER AND SEWER</li><li>C. PROVIDE QUALITY WATER AND SEWER SERVICE TO ITS CUSTOMERS AND EARN A FAIR RATE OF RETURN ON INVESTMENT.</li><li>D. WATER AND WASTEWATER</li><li>E. AT DECEMBER 31, 1998 THE COMPANY HAS 1,524 WATER AND 1,341 WASTEWATER CUSTOMERS. PROJECTED GROWTH PATTERNS ESTIMATE AN ADDITIONAL 800 CUSTOMERS EACH YEAR.</li><li>F. NONE</li></ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

YEAR OF REPORT  
December 31, 1998

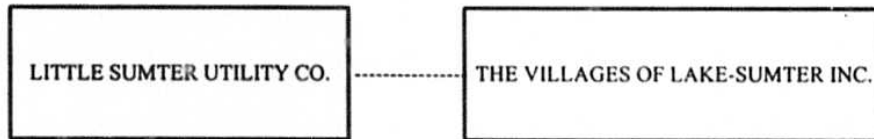
**PARENT/AFFILIATE ORGANIZATION CHART**

Current as of \_\_\_\_\_

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).

LITTLE SUMTER UTILITY COMPANY DOES NOT HAVE A PARENT OR ANY SUBSIDIARIES.

LITTLE SUMTER UTILITY COMPANY IS AFFILIATED THROUGH PARTIAL COMMON OWNERSHIP TO  
THE VILLAGES OF LAKE-SUMTER, INC.



UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

**YEAR OF REPORT**  
December 31, 1998

**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)	% OF TIME SPENT OFFICERS COMPENSATION (d)
H. GARY MORSE	PRESIDENT	1%	\$ NONE
R. DEWEY BURNS	SECRETARY	1%	NONE
JOHN F. WISE	TREASURER	5%	NONE

**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)
H. GARY MORSE	DIRECTOR	12	\$ NONE



UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

**YEAR OF REPORT**  
December 31, 1998

**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)
NONAPPLICABLE		\$	

\* 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:

LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
--------------------------------------------

**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, 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)
H. GARY MORSE	CHIEF EXECUTIVE OFFICER	YES	THE VILLAGES OF LAKE-SUMTER, INC. 1100 MAIN STREET THE VILLAGES, FL 32159
R. DEWEY BURNSD	SECRETARY	YES	SAME **
JOHN F. WISE	TREASURER	YES	SAME
** DEWEY BURNSD IS ALSO A PARTNER IN THE LEESBURG, FL LAW FIRM OF MCLIN, BURNSD, MORRISON, JOHNSON, & ROBUCK.			

UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
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**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)
NONAPPLICABLE		\$		\$	\$	

UTILITY NAME:

LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
--------------------------------------------

**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)	
THE VILLAGES OF LAKE-SUMTER, INC.	BILLING & ACCTING	1998	P	\$ 21,515

**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)
THE VILLAGES OF LAKE-SUMTER	PURCHASE WATER DISTRIBUTION LINES	\$ 675,898	\$ 675,898	NONE	\$ 675,898
THE VILLAGES OF LAKE-SUMTER	PURCHASE WASTEWATER COLLECTION LINES & LIFTSTATION #1-#4	1,289,506	1,289,506	NONE	1,289,506

E-10(b)

UTILITY NAME:

LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
--------------------------------------------

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)
<b>PLANT (Intrastate Only) (000's Omitted):</b>		
Plant in Service -----	\$ 3,690	\$ 7,653
Construction Work In Progress -----	1,815	2,171
Plant Acquisition Adjustment -----		
Plant Held For Future Use -----		
Materials and Supplies -----		
Less:		
Accumulated Depreciation and Accumulated Amortization -----	123	153
Contributions In Aid of Construction -----	1,596	1,234
Net Book Cost -----	\$ 3,786	\$ 8,437
<b>REVENUES AND EXPENSES (Intrastate Only) (000's Omitted):</b>		
Operating Revenues -----	\$ 261	\$ 231
Depreciation and Amortization Expense -----	\$ 69	\$ 126
Income Tax Expense -----		
Taxes Other Than Income -----	28	34
Other Operation Expenses -----	147	170
Total Operating Expenses -----	\$ 244	\$ 330
Net Operating Income -----	\$ 17	\$ (99)
Other Income -----	\$ 113	\$ 112
Other Income Deductions -----	433	433
Net Income -----	\$ (303)	\$ (420)
<b>CUSTOMERS (Intrastate Only):</b>		
Residential - Yearly Average -----	819	819
Commercial - Yearly Average -----	40	40
Industrial - Yearly Average -----	0	0
Others - Yearly Average -----	106	0
Total -----	965	859
<b>OTHER STATISTICS (Intrastate Only):</b>		
Average Annual Residential Use Per 1,000 Gallons -----	212	200
Average Annual Residential Cost Per 1,000 Gallons -----	\$ 1.19	\$ 1.92
Average Residential Monthly Bill -----	\$ 20.49	\$ 21.02
Gross Plant Investment Per Customer -----	\$ 3,824	\$ 8,909

# **FINANCIAL SECTION**

UTILITY NAME:

LITTLE SUMTER UTILITY COMPANYYEAR OF REPORT  
December 31, 1998

## COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	UTILITY PLANT			
101-106	Utility Plant _____	F-5	\$ 15,328,370	\$ 8,737,790
108-110	Less: Accumulated Depreciation and Amortization _____	F-6	275,244	23,068
	Net Plant _____		\$ 15,053,126	\$ 8,714,722
114-115	Utility Plant Acquisition adjustment (Net) _____	F-5		
116	Other Utility Plant Adj. _____			
	Total Net Utility Plant _____		\$ 15,053,126	\$ 8,714,722
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property _____	F-7	\$	\$
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		
126-127	Special Funds _____	F-8	2,280,605	2,707,152
	Total Other Property & Investments _____		\$ 2,280,605	\$ 2,707,152
	CURRENT AND ACCRUED ASSETS			
131	Cash _____		\$ 402,615	\$ 133,748
132	Special Deposits _____	F-7		
133	Other 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	27,303	9,140
145	Accounts Receivable from Associated Companies _____	F-10		
146	Notes Receivable from Associated Companies _____	F-10		
151-153	Material and Supplies _____		18,316	28,755
161	Stores Expense _____			
162	Prepayments _____	F-11	3,763	2,756
171	Accrued Interest and Dividends Receivable _____		24,473	
172	Rents Receivable _____			0
173	Accrued Utility Revenues _____		40,248	16,440
174	Misc. Current and Accrued Assets _____			
	Total Current and Accrued Assets _____		\$ 516,718	\$ 190,839

F-1(a)



UTILITY NAME:

LITTLE SUMTER UTILITY COMPANY

YEAR OF REPORT

December 31, 1998

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

NO. (a)	ACCT. ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>DEFERRED DEBITS</b>				
181	Unamortized Debt Discount & Expense _____	F-12	\$ 390,022	\$ 234,499
182	Extraordinary Property Losses _____	F-12	_____	_____
183	Preliminary Survey & Investigation Charges _____		_____	_____
184	Clearing Accounts _____		_____	_____
185	Temporary Facilities _____		_____	_____
186	Misc. Deferred Debits _____		_____	_____
187	Research & Development Expenditures _____	F-11	_____	_____
190	Accumulated Deferred Income Taxes _____		_____	_____
	Total Deferred Debits _____		\$ 390,022	\$ 234,499
	<b>TOTAL ASSETS AND OTHER DEBITS _____</b>		<b>\$ 18,240,471</b>	<b>\$ 11,847,212</b>

NOTES TO THE BALANCE SHEET

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

- (1) UNREALIZED GAIN ON INVESTMENTS (FASB 115)

## COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	<b>EQUITY CAPITAL</b>			
201	Common Stock Issued _____	F-14	\$ 100	\$ 100
204	Preferred Stock Issued _____	F-14		
202,205	Capital Stock Subscribed _____			
203, 206	Capital Stock Liability for Conversion _____			
207	Premium on Capital Stock _____			
209	Reduction in Par or Stated Value of Capital Stock _____			
210	Gain on Resale or Cancellation of Reacquired Capital Stock _____ NOTE #1		22,576	10,838
211	Other Paid - In Capital _____			
212	Discount On Capital Stock _____			
213	Capital Stock Expense _____			
214-215	Retained Earnings _____	F-15	(833,649)	(111,131)
216	Reacquired Capital Stock _____			
218	Proprietary Capital (Proprietorship and Partnership Only) _____			
	<b>Total Equity Capital</b> _____		\$ (810,973)	\$ (100,193)
	<b>LONG TERM DEBT</b>			
221	Bonds _____	F-16	14,540,000	8,540,000
222	Reacquired Bond _____			
223	Advances from Associated Companies _____	F-16		
224	Other Long Term Debt _____	F-14		
	<b>Total Long Term Debt</b> _____		\$ 14,540,000	\$ 8,540,000
	<b>CURRENT AND ACCRUED LIABILITIES</b>			
231	Accounts Payable _____		49,862	246,961
232	Notes Payable _____	F-13		
233	Accounts Payable to Associated Companies _____	F-13	1,257,577	294,987
234	Notes Payable to Associated Companies _____	F-13		1,828,500
235	Customer Deposits _____			
236	Accrued Taxes _____	F-17	21,904	4,925
237	Accrued Interest _____	F-18	256,040	154,788
238	Accrued Dividends _____			
239	Matured Long Term Debt _____			
240	Matured Interest _____			
241	Miscellaneous Current & Accrued Liabilities _____	F-19		2,775
	<b>Total Current &amp; Accrued Liabilities</b> _____		\$ 1,585,383	\$ 2,532,936

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium On Debt _____	F-12	\$ _____	\$ _____
252	Advances For Construction _____	F-19	_____	_____
253	Other Deferred Credits _____		95,774	23,251
255	Accumulated Deferred Investment Tax Credits _____		_____	_____
	Total Deferred Credits _____		\$ 95,774	\$ 23,251
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve _____		\$ _____	\$ _____
262	Injuries & Damages Reserve _____		_____	_____
263	Pensions and Benefits Reserve _____		_____	_____
265	Miscellaneous Operating Reserves _____		_____	_____
	Total Operating Reserves _____		\$ _____	\$ _____
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction _____	F-20	\$ 2,892,324	\$ 856,293
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(62,037)	(5,075)
	Total Net C.I.A.C. _____		\$ 2,830,287	\$ 851,218
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____		_____	_____
283	Accumulated Deferred Income Taxes - Other _____		_____	_____
	Total Accumulated Deferred Income Tax _____		\$ _____	\$ _____
	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>		\$ 18,240,471	\$ 11,847,212

**COMPARATIVE OPERATING STATEMENT**

NO. (a)	ACCT. ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
UTILITY	OPERATING INCOME			
400	Operating Revenues _____	\$ 109,451	F-3(b)	\$ 492,838
401	Operating Expenses _____	\$ 133,848	F-3(b)	\$ 317,560
403	Depreciation Expense _____	17,993	F-6	195,215
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____			
408.1	Taxes Other Than Income _____	18,620	F-17	61,833
409.1	Income Taxes _____		F-17	
410.10	Deferred Federal Income Taxes _____			
410.11	Deferred State 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 _____	\$ 170,461		574,608
	Utility Operating Income _____	\$ (61,010)		\$ (81,770)
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)] _____	\$ (61,010)		\$ (81,770)

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

PAGE (f)	REF. WATER (g)	PAGE (h)	REF. WASTEWATER (i)	OTHER (j)
W-3	\$ <u>261,368</u>	S-3	\$ <u>231,470</u>	\$ _____
W-2	\$ <u>147,075</u>	S-2	\$ <u>170,485</u>	\$ _____
F-6	<u>69,161</u>	F-6	<u>126,054</u>	_____
	_____		_____	_____
F-6	_____	F-6	_____	_____
F-17	<u>27,739</u>	F-17	<u>34,094</u>	_____
F-17	_____	F-17	_____	_____
	_____		_____	_____
	_____		_____	_____
	_____		_____	_____
	_____		_____	_____
	_____		_____	_____
	_____		_____	_____
	\$ <u>243,975</u>		\$ <u>330,633</u>	\$ _____
	\$ <u>17,393</u>		\$ <u>(99,163)</u>	\$ _____
	_____		_____	_____
	_____		_____	_____
	\$ <u>17,393</u>		\$ <u>(99,163)</u>	\$ _____

F-3(b)

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)]	\$ (61,010)		\$ (81,770)
	<b>OTHER INCOME AND DEDUCTIONS</b>			
415	Revenues-Merchandising, Jobbing, and Contract Deductions	\$		\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income	11,314		223,330
420	Allowance for Funds Used During Construction			
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses			
	Total Other Income and Deductions	\$ 11,314		\$ 223,330
	<b>TAXES APPLICABLE TO OTHER INCOME</b>			
408.20	Taxes Other Than Income	\$	F-17	\$ (1,867)
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	\$		\$ 1,867
	<b>INTEREST EXPENSE</b>			
427	Interest Expense	\$ 10,147	F-18	\$ 840,874
428	Amortization of Debt Discount & Expense	51,287	F-12	25,072
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	\$ 61,434		\$ 865,946
	<b>EXTRAORDINARY ITEMS</b>			
433	Extraordinary Income	\$		\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items	\$		\$
	<b>NET INCOME</b>	\$ (111,130)		\$ (722,519)

YEAR OF REPORT December 31, 1998
-------------------------------------

UTILITY NAME: LITTLE SUMNER UTILITY COMPANY

## SCHEDULE OF YEAR END RATE BASE

Revised 6/9/99  
KK

NO. (a)	ACCT. ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service -----	F-5	\$ 3,689,628	\$ 7,652,730
	Less:			
	Nonused and Useful Plant (1) -----		781,000	152,669
108	Accumulated Depreciation -----	F-6	122,575	
110	Accumulated Amortization -----	F-6		1,256,475
271	Contributions In Aid of Construction -----	F-20	1,635,849	
252	Advances for Construction -----	F-19		
	Subtotal -----		\$ 1,150,204	\$ 6,243,586
	Additions:			
272	Accumulated Amortization of Contributions In Aid of Construction -----	F-21	39,803	22,234
	Subtotal -----		\$ 1,190,007	\$ 6,265,820
	Plus or Minus:			
114	Acquisition Adjustments (2) -----	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) -----	F-5	18,384	21,311
	Working Capital Allowance (3) -----			
	Other (Specify): ----- ----- -----			PG
	RATE BASE -----		\$ 1,208,391	\$ 6,287,131
	UTILITY OPERATING INCOME -----		\$ 17,393	\$ (99,163)
	ACHIEVED RATE OF RETURN -----		1.44%	-1.58%

## NOTES:

- Estimate if not Known.
- Include only those Acquisition Adjustments that have been approved by the Commission.
- Calculate using One-eighth Operating and Maintenance Expense.

UTILITY NAME: **LITTLE SUMTER UTILITY COMPANY**

YEAR OF REPORT  
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**UTILITY PLANT (ACCTS. 101-106)**

ACCT.	DESCRIPTION	WATER NO.	WASTEWATER	OTHER THAN REPORTING SYSTEMS	TOTAL
(a)	(b)	(c)	(d)	(e)	(f)
	Plant Accounts:				
101	Utility Plant In Service	\$ 3,689,628	\$ 7,652,730	\$	\$ 11,342,358
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	1,815,016	2,170,996		3,986,012
106	Completed Construction Not Classified				
	Total Utility Plant	\$ 5,504,644	\$ 9,823,726	\$	\$ 15,328,370

**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	WATER	WASTEWATER	OTHER THAN REPORTING SYSTEMS	TOTAL
(a)	(b)	(c)	(d)	(e)
ACQUISITION ADJUSTMENTS (114):				
	\$	\$	\$	\$
Total Plant Acquisition Adjs.	\$	\$	\$	\$
ACCUMULATED AMORTIZATION (115):				
	\$	\$	\$	\$
Total Accumulated Amortization	\$	\$	\$	\$
Net Acquisition Adjustments	\$	\$	\$	\$ NONE



UTILITY NAME: **LITTLE SUMTER UTILITY COMPANY**

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**ACCUMULATED DEPRECIATION ( ACCT. 108 )**

DESCRIPTION (a)	WATER	WASTEWATER	OTHER THAN	TOTAL
	NO. (b)	(c)	REPORTING SYSTEMS (d)	(e)
Balance first of year _____	\$ 16,923	\$ 6,145	\$ _____	\$ 23,068
Credit during year:				
Accruals charged to:				
Account 108.1 _____	\$ 105,652	\$ 146,524	\$ _____	\$ 252,176
Account 108.2 _____	_____	_____	_____	_____
Account 108.3 _____	_____	_____	_____	_____
Other Accounts (specify): _____	_____	_____	_____	_____
Salvage _____	_____	_____	_____	_____
Other Credits (Specify): _____	_____	_____	_____	_____
Total credits _____	\$ 105,652	\$ 146,524	\$ _____	\$ 252,176
Debits during year:				
Book cost of plant retired _____	_____	_____	_____	_____
Cost of Removal _____	_____	_____	_____	_____
Other Debits (specify): _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance end of year _____	\$ 122,575	\$ 152,669	\$ _____	\$ 275,244

**ACCUMULATED AMORTIZATION ( ACCT. 110 )**

DESCRIPTION (a)	WATER	WASTEWATER	OTHER THAN	TOTAL
	NO. (b)	(c)	REPORTING SYSTEMS (d)	(e)
Balance first of year _____	\$ _____	\$ _____	\$ _____	\$ NONE
Credit during year:				
Accruals charged to:				
Account 110.1 _____	\$ _____	\$ _____	\$ _____	\$ _____
Account 110.2 _____	_____	_____	_____	_____
Other Accounts (specify): _____	_____	_____	_____	_____
Total credits _____	\$ _____	\$ _____	\$ _____	\$ _____
Debits during year:				
Book cost of plant retired _____	_____	_____	_____	_____
Other debits (specify): _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance end of year _____	\$ _____	\$ _____	\$ _____	\$ NONE

UTILITY NAME: **LITTLE SUMTER UTILITY COMPANY**

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**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)
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Nonutility Property _____	\$ _____	\$ _____	\$ _____	\$ <u>NONE</u>

**SPECIAL DEPOSITS ( ACCT. 132 - 133 )**

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
<b>SPECIAL DEPOSITS (ACCT. 132):</b>	
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total Special Deposits _____	\$ <u>NONE</u>
<b>OTHER SPECIAL DEPOSITS (ACCT. 133):</b>	
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total Special Deposits _____	\$ <u>NONE</u>

\*Class A Annual Report

UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
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**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/> Total Investment in Associated Companies -----	\$ _____ _____ _____ _____ _____ \$ _____	\$ _____ _____ _____ _____ _____ \$ NONE
UTILITY INVESTMENTS (ACCT. 124): <hr/> <hr/> <hr/> <hr/> <hr/> Total Utility Investment -----	\$ _____ _____ _____ _____ _____ \$ _____	\$ _____ _____ _____ _____ _____ \$ NONE
OTHER INVESTMENTS (ACCT. 125): <hr/> <hr/> <hr/> <hr/> <hr/> Total Other Investment -----	\$ _____ _____ _____ _____ _____ \$ _____	\$ _____ _____ _____ _____ _____ \$ NONE
SPECIAL FUNDS (ACCT. 126 & 127):		
CONSTRUCTION FUNDS 97 & 98		\$ 507,885
DEBT SERVICE FUND		1,217,515
CAPITALIZED INTEREST FUND 97 & 98		476,496
REDEMPTION FUND 97 & 98		41,365
COST OF ISSUANCE FUND		37,344
Total Special Funds -----		\$ 2,280,605

UTILITY NAME:

**LITTLE SUMTER UTILITY COMPANY**

<b>YEAR OF REPORT</b> December 31, 1998
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**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)
<b>ACCOUNTS RECEIVABLE:</b>	
Customer Accounts Receivable ( Acct. 141 ):	
Water _____ \$ _____	
Wastewater _____	
Other _____	
Total Customer Accounts Receivable _____	\$ 10,723
<b>OTHER ACCOUNTS RECEIVABLE ( Acct. 142):</b>	
THE VILLAGES OF LAKE-SUMTER INC. _____	\$ 10,100
CIAC (4 @ \$1,620) _____	6,480
Total Other Accounts Receivable _____	\$ 16,580
<b>NOTES RECEIVABLE (Acct. 144 ):</b>	
_____ \$ _____	
_____	
Total Notes Receivable _____	\$ NONE
Total Accounts and Notes Receivable _____	\$ 27,303
<b>ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS ( Acct. 143 )</b>	
Balance first of year _____	\$ _____
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 _____	\$ _____
Balance end of year _____	\$ NONE
Total Accounts and Notes Receivable - Net _____	\$ 27,303

UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
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**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES ( ACCT. 145 )**

Report each account receivable from associated companies separately.	
DESCRIPTION (a)	TOTAL (b)
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total _____	\$ <u>NONE</u>

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES ( ACCT. 146 )**

Report each note receivable from associated companies separately.		
DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total _____	_____	\$ <u>NONE</u>

UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

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**MATERIALS AND SUPPLIES (Accts. 151 - 153)**

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Plant Material and Supplies (Acct. 151) -----	\$ <u>18,316</u>	\$ <u>NONE</u>	\$ <u>NONE</u>	\$ <u>18,316</u>
Merchandise (Acct. 152) -----	_____	_____	_____	_____
Other Material and Supplies (Acct. 153) -----	_____	_____	_____	_____
Total Material and Supplies -----	<u>18,316</u>	<u>NONE</u>	<u>NONE</u>	\$ <u>18,316</u>

**PREPAYMENTS ( ACCT. 162 )**

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance -----	\$ <u>3,763</u>
Prepaid Rents -----	_____
Prepaid Interest -----	_____
Prepaid Taxes -----	_____
Other Prepayments (Specify): _____	_____
_____	_____
_____	_____
Total Prepayments -----	\$ <u>3,763</u>

**MISCELLANEOUS DEFERRED DEBITS ( ACCT. 186 )**

DESCRIPTION (a)	TOTAL (b)
MISCELLANEOUS DEFERRED DEBITS (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1) -----	\$ _____
Other Deferred Debits (Acct. 186.2) -----	_____
Total Miscellaneous Deferred Debits -----	\$ <u>NONE</u>

UTILITY NAME: **LITTLE SUMTER UTILITY COMPANY**

<b>YEAR OF REPORT</b> December 31, 1998
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**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):		
BOND 97 DEBT COST	\$ 11,148	\$ 215,685
BOND 98 DEBT COST	6,424	174,337
SUNTRUST LOC #2 LOAN COST	7,500	0
Total Unamortized Debt Discount and Expense _____	\$ 25,072	\$ 390,022
UNAMORTIZED PREMIUM ON DEBT (ACCT. 251)		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt _____	\$ NONE	\$ NONE

**EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)**

Report each item separately.	
DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (ACCT. 182):	
_____	\$ _____
_____	_____
Total Extraordinary Property Losses _____	\$ NONE

UTILITY NAME: **LITTLE SUMTER UTILITY COMPANY**

**YEAR OF REPORT**  
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**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 _____					\$ <u>NONE</u>
ACCOUNT 234 - NOTES PAYABLE TO ASSOC. COMPANIES:					
_____	_____	_____	%		\$ _____
_____	_____	_____	%		_____
_____	_____	_____	%		_____
_____	_____	_____	%		_____
_____	_____	_____	%		_____
Total Account 234 _____					\$ <u>NONE</u>

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)**

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
THE VILLAGES OF LAKE-SUMTER INC.	\$ 1,257,577
_____	_____
_____	_____
_____	_____
_____	_____
Total _____	\$ <u>1,257,577</u>





**STATEMENT OF RETAINED EARNINGS**

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

NO. (a)	ACCT. DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings:	
	Balance Beginning of Year _____	\$ (111,130)
	Changes to Account:	
439	Adjustments to Retained Earnings ( requires Commission approval prior to use):	
	Credits: _____	\$ _____
	_____	_____
	Total Credits: _____	\$ NONE
	Debits: _____	\$ _____
	_____	_____
	Total Debits: _____	\$ NONE
435	Balance Transferred from Income _____	\$ (722,519)
436	Appropriations of Retained Earnings:	
	_____	_____
	_____	_____
	Total Appropriations of Retained Earnings _____	\$ _____
	Dividends Declared:	
437	Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____
	_____	_____
	Total Dividends Declared _____	\$ NONE
	Year end Balance _____	\$ (833,649)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	_____	_____
	_____	_____
	Total Appropriated Retained Earnings _____	\$ NONE
	Total Retained Earnings _____	\$ (833,649)

Notes to Statement of Retained Earnings:

UTILITY NAME: **LITTLE SUMTER UTILITY COMPANY**

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**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)	
SUMTER COUNTY DEVELOPMENT REVENUE BONDS, SERIES 1997 ISSUED OCTOBER 1, 1997. DATE OF MATURITY OCTOBER 1, 2027	7.25%	ANNUAL	\$ 8,540,000
	%		
	%		
	%		
SUMTER COUNTY DEVELOPMENT REVENUE BONDS, SERIES 1998 ISSUED MARCH 1, 1998. DATE OF MATURITY OCTOBER 1, 2027	6.75%	ANNUAL	6,000,000
	%		
	%		
	%		
	%		
Total _____			\$ 14,540,000

**ADVANCES FROM ASSOCIATED COMPANIES ( ACCT. 223)**

Report each advance separately.	
DESCRIPTION (a)	TOTAL (b)
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total _____	\$ NONE

ACCRUED TAXES (ACCT. 236)

ACCT.	DESCRIPTION	WATER	WASTEWATER NO.	OTHER	TOTAL
(a)	(b)	(c)	(d)	(e)	(f)
	Balance First of Year	\$ 2,841	\$ 2,084	\$	\$ 4,925
8.10	Accruals Charged: Utility Regulatory Assessment Fees	\$ 11,626	\$ 10,277	\$	\$ 21,903
8.11	Property Taxes	16,014	23,717		39,731
8.12	Payroll Taxes				
8.13	Other Taxes & Licenses	99	100		199
9.10	Federal Income Taxes				
9.11	State Income Taxes				
0.10	Taxes Applicable to Other Income				
0.11	(Accts. 408.2, 409.2, 409.3, 410.2)	(1,062)	(805)		(1,867)
	Total Taxes Accrued	\$ 26,677	\$ 33,289	\$	\$ 59,966
	Taxes Paid During Year:				
8.10	Utility Regulatory Assessment Fees	\$ 1,779	\$ 1,278	\$	\$ 3,057
8.11	Property Taxes	16,014	23,717		39,731
8.12	Payroll Taxes				
8.13	Other Taxes & Licenses	99	100		199
9.10	Federal Income Taxes				
9.11	State Income Taxes				
0.10	Taxes Applicable to other Income (Accts. 408.2, 409.2, 409.3, 410.2)				
0.11					
	Total Taxes Paid	\$ 17,892	\$ 25,095	\$	\$ 42,987
	Balance End of Year	\$ 11,626	\$ 10,278	\$	\$ 21,904













UTILITY NAME: LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
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**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 _____		\$ _____
Reconciling items for the year:		
Taxable income not reported on books:		
_____		_____
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
_____		_____
_____		_____
_____		_____
_____		_____
Income recorded on books not included in return:		
_____		_____
_____		_____
_____		_____
_____		_____
Deduction on return not charged against book income:		
_____		_____
_____		_____
_____		_____
_____		_____
Federal tax net income _____		\$ _____
Computation of tax : <b>NONAPPLICABLE - UTILITY IS A SUBCHAPTER S CORPORATION FOR TAX PURPOSES,</b>		

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

UTILITY NAME: **LITTLE SUMTER UTILITY COMPANY**

<b>YEAR OF REPORT</b> December 31, 1998
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**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	12,454,250	100.00%	7.14%	7.14%
Customer Deposits			%	
Tax Credits - Zero Cost			0.00%	
Tax Credits - Weighted Cost			%	
Deferred Income Taxes			%	
Other (Explain) _____			%	
_____			%	
<b>Total</b>	\$ <u>12,454,250</u>	<u>100.00%</u>		<u>7.14%</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:	<u>10.60%</u>
Commission order approving AFUDC rate:	<u>PSC-96-1132-FOF-WS</u>



**WATER OPERATION  
SECTION**

UTILITY NAME:

**LITTLE SUMTER UTILITY COMPANY**

<b>YEAR OF REPORT</b> December 31, 1998
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**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 _____	16,773	_____	_____
304	Structures and Improvements _____	_____	_____	_____
305	Collecting and Impounding Reservoirs _____	_____	_____	_____
306	Lake, River and Other Intakes _____	_____	_____	_____
307	Wells and Springs _____	1,708,432	11,683	_____
308	Infiltration Galleries and Tunnels _____	_____	_____	_____
309	Supply Mains _____	_____	_____	_____
310	Power Generation Equipment _____	_____	_____	_____
311	Pumping Equipment _____	_____	_____	_____
320	Water Treatment Equipment _____	_____	8,761	_____
330	Distribution Reservoirs and Standpipes _____	_____	_____	_____
331	Transmission and Distribution Mains _____	713,238	475,700	_____
333	Services _____	64,514	28,698	_____
334	Meters and Meter Installations _____	256,003	212,060	_____
335	Hydrants _____	106,930	62,074	_____
339	Other Plant and Miscellaneous Equipment _____	_____	_____	_____
340	Office Furniture and Equipment _____	15,564	_____	_____
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 _____	_____	9,199	_____
	Total Water Plant _____	\$ 2881454	\$ 808175	\$ _____

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

**WATER UTILITY PLANT MATRIX**

CURRENT YEAR (f)	1. INTANGIBLE PLANT (g)	2. SOURCE OF SUPPLY AND PUMPING PLANT (h)	3. WATER TREATMENT PLANT (i)	4. TRANSMISSION AND DISTRIBUTION PLANT (j)	5. GENERAL PLANT (k)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
16,773			1,000		15,773
1,720,115		1,720,115			
8,761			8,761		
1,188,938				1,188,938	
93,212				93,212	
468,063				468,063	
169,004				169,004	
15,564					15,564
9,199					9,199
\$ <u>3,689,629</u>	\$ _____	\$ <u>1,720,115</u>	\$ <u>9,761</u>	\$ <u>1,919,217</u>	\$ <u>40,536</u>

W-1(b)

UTILITY NAME:

LITTLE SUMTER UTILITY COMPANY

YEAR OF REPORT

December 31, 1998

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	\$ _____	\$ _____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____	_____	_____
604	Employee Pensions and Benefits	_____	_____	_____
610	Purchased Water	3,005	3,005	_____
615	Purchased Power	_____	_____	_____
616	Fuel for Power Purchased	_____	_____	_____
618	Chemicals	_____	_____	_____
620	Materials and Supplies	2,413	_____	_____
631	Contractual Services-Engineering	2,659	_____	119
632	Contractual Services - Accounting	7,628	_____	_____
633	Contractual Services - Legal	1,132	_____	_____
634	Contractual Services - Mgt. Fees	10,757	_____	_____
635	Contractual Services - Other	116,802	(69)	(69)
641	Rental of Building/Real Property	_____	_____	_____
642	Rental of Equipment	_____	_____	_____
650	Transportation Expenses	_____	_____	_____
656	Insurance - Vehicle	_____	_____	_____
657	Insurance - General Liability	2,005	_____	_____
658	Insurance - Workman's Comp.	_____	_____	_____
659	Insurance - Other	_____	_____	_____
660	Advertising Expense	_____	_____	_____
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	_____	_____	_____
667	Regulatory Commission Expenses -Other	_____	_____	_____
670	Bad Debt Expense	_____	_____	_____
675	Miscellaneous Expenses	674	_____	_____
	Total Water Utility Expenses	\$ 147,075	\$ 2,936	\$ 50





UTILITY NAME:

LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
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**WATER OPERATING REVENUE**

NO.	ACCT. DESCRIPTION	BEGINNING YEAR NO. CUSTOMERS	YEAR END NUMBER OF CUSTOMERS	AMOUNT
(a)	(b)	(c)	(d)	(e)
	Operating Revenues:			
460	Unmetered Water Revenue	_____	_____	\$ _____
	Metered Water Revenue:			
461.1	Sales to Residential Customers	368	1,269	201,369
461.2	Sales to Commercial Customers	8	72	12,528
461.3	Sales to Industrial Customers	_____	_____	_____
461.4	Sales to Public Authorities	_____	_____	_____
461.5	Sales Multiple Family Dwellings	_____	_____	_____
	Total Metered Sales	376	1,341	\$ 213,897
	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	29	183	32,471
466	Sales For Resale	_____	_____	14,437
467	Interdepartmental Sales	_____	_____	_____
	Totals	405	1,524	\$ 260,805
	Other Water Revenues:			
469	Guaranteed Revenues	_____	_____	_____
470	Forfeited Discounts	_____	_____	_____
471	Miscellaneous Service Revenues	_____	_____	563
472	Rents From Water Property	_____	_____	_____
473	Interdepartmental Rents	_____	_____	_____
474	Other Water Revenues	_____	_____	_____
	Total Other Water Revenues	_____	_____	\$ 563
	Total Water Operating Revenues	_____	_____	\$ 261,368

UTILITY NAME:

LITTLE SUMTER UTILITY COMPANY

<b>YEAR OF REPORT</b> December 31, 1998
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**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			
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment			
320	Water Treatment Equipment	22		4.55%
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	43		2.33%
333	Services	40		2.50%
334	Meters and Meter Installations	20		5.00%
335	Hydrants	45		2.22%
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equip.	6		16.67%
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	10		10.00%
	Water Plant Composite Depreciation Rate *			

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

UTILITY NAME:

LITTLE SUMTER UTILITY COMPANY

YEAR OF REPORT  
December 31, 1998

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	\$ _____	\$ _____	\$ _____	\$ _____
305	Collecting and Impounding Reservoirs	_____	_____	_____	_____
306	Lake, River and Other Intakes	_____	_____	_____	_____
307	Wells and Springs	9,491	57,143	_____	57,143
308	Infiltration Galleries and Tunnels	_____	_____	_____	_____
309	Supply Mains	_____	_____	_____	_____
310	Power Generation Equipment	_____	_____	_____	_____
311	Pumping Equipment	_____	_____	_____	_____
320	Water Treatment Equipment	0	199	_____	199
330	Distribution Reservoirs and Standpipes	_____	_____	_____	_____
331	Transmission and Distribution Mains	2,338	22,118	_____	22,118
333	Services	217	1,971	_____	1,971
334	Meters and Meter Installations	2,636	18,102	_____	18,102
335	Hydrants	317	3,066	_____	3,066
339	Other Plant and Miscellaneous Equipment	_____	_____	_____	_____
340	Office Furniture and Equipment	1,924	2,593	_____	2,593
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	0	460	_____	460
	Total Water Accumulated Depreciation	\$ 16,923	\$ 105,652	\$ _____	\$ 105,652

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

