

**CLASS "C"**  
**WATER AND/OR WASTEWATER UTILITIES**

(Gross Revenue of Less Than \$200,000 Each)

# **ANNUAL REPORT**

OF

Heartland Utilities, Inc.  
Exact Legal Name of Respondent

420-W  
Certificate Number(s)

Submitted To The

**STATE OF FLORIDA**



**PUBLIC SERVICE COMMISSION**

FOR THE

**YEAR ENDED DECEMBER 31, 1998**

Form PSCWAW 6 (Rev. \_\_/\_\_/\_\_)

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WATER AND SEWER  
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**FINANCIAL  
SECTION**

**REPORT OF**

Heartland Utilities, Inc.  
(EXACT NAME OF UTILITY)

P.O. Box 1991 Sebring, FL 33871	10405 U.S. Highway 27 South Sebring, FL 33870	Highlands County
Mailing Address	Street Address	

Telephone Number (941)655-3111 Date Utility First Organized 1989

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

Individual    
  Sub Chapter S Corporation    
  1120 Corporation    
  Partnership

Name, Address and phone where records are located: 10405 U.S. Highway 27 South  
Sebring, FL 33870

Name of subdivisions where services are provided: DeSoto City, Sebring Country Estates, Sebring Lakes

**CONTACTS:**

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Howard Short</u>	<u>President</u>	<u>P.O. Box 1991</u> <u>Sebring, FL 33871</u>	
Person who prepared this report: <u>The NCT Group CPA's, L.L.P.</u>	<u>CPA</u>	<u>435 South Commerce Ave</u> <u>Sebring, FL 33870</u>	
Officers and Managers: <u>Howard Short</u>	<u>President</u>	<u>Same</u>	\$ <u>35,000</u>
<u>Coleen Short</u>	<u>Vice President</u>	<u>Same</u>	\$ <u>12,984</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

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	Principle Business Address	Salary Charged Utility
<u>Howard Short</u>	<u>50%</u>	<u>Same</u>	\$ <u>35,000</u>
<u>Coleen Short</u>	<u>50%</u>	<u>Same</u>	\$ <u>12,984</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT  
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INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 159,151	_____	\$ _____	\$ 159,151
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Reconnect & late fees _____		6,675	_____	_____	6,675
<b>Total Gross Revenue</b> _____		<b>\$ 165,826</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ 165,826</b>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 125,551	\$ _____	\$ _____	\$ 125,551
Depreciation Expense(Net) _____	F-5	40,969	_____	_____	40,969
Amortization Expense _____	F-8	(32,427)	_____	_____	(32,427)
Taxes Other Than Income _____	F-7	19,217	_____	_____	19,217
Income Taxes _____	F-7	0	_____	_____	0
<b>Total Operating Expense</b> _____		<b>\$ 153,310</b>	<b>_____</b>	<b>_____</b>	<b>\$ 153,310</b>
<b>Net Operating Income (Loss)</b> _____		<b>\$ 12,516</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ 12,516</b>
Other Income:					
Nonutility Income - Rental		\$ _____	\$ 0	\$ _____	\$ 0
Misc. Income		858	_____	_____	858
Gain on Sale of Asset		1,811	_____	_____	1,611
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		27,864	_____	_____	27,864
Officer's Life Insurance		877	_____	_____	877
Penalties		124	_____	_____	124
Donations		810	_____	_____	810
<b>Net Income (Loss)</b> _____		<b>\$ (14,690)</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ (14,690)</b>

UTILITY NAME: Heartland Utilites, Inc.

<b>YEAR OF REPORT</b> <b>DECEMBER 31, 1998</b>
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**COMPARATIVE BALANCE SHEET**

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 1,439,491	\$ 1,201,959
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	<u>450,691</u>	<u>415,785</u>
Net Utility Plant -----		\$ 988,800	\$ 786,174
Cash -----		500	4,560
Customer Accounts Receivable (141) -----		5,132	3,750
Other Assets (Specify): Loan Costs -----		4,236	1,428
Due from Stockholder -----		5,539	5,539
Note Receivable -----		4,000	4,000
Returned Checks -----		0	99
Deposits -----		<u>250</u>	<u>          </u>
Total Assets -----		\$ <u>1,008,457</u>	\$ <u>805,550</u>
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) -----	F-6	100	100
Preferred Stock Issued (204) -----	F-6	2,000	2,000
Other Paid in Capital (211) -----		(32,460)	(17,769)
Retained Earnings (215) -----	F-6	<u>(40,000)</u>	<u>(40,000)</u>
Treasury Stock -----	F-6	<u>(70,360)</u>	<u>(55,669)</u>
Total Capital -----		\$ (70,360)	\$ (55,669)
Long Term Debt (224) -----	F-6	\$ 309,182	\$ 311,519
Accounts Payable (231) -----		100	100
Notes Payable (232) -----		4,083	4,683
Customer Deposits (235) -----		2,100	1,238
Accrued Taxes (236) -----		15,000	15,000
Other Liabilities (Specify) -----		<u>          </u>	<u>          </u>
Accrued Salaries -----		<u>          </u>	<u>          </u>
Advances for Construction -----		<u>          </u>	<u>          </u>
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>748,352</u>	<u>528,679</u>
Total Liabilities and Capital -----		\$ <u>1,008,457</u>	\$ <u>805,550</u>

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT  
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GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101) _____	\$ <u>1,439,491</u>	\$ _____	\$ _____	\$ <u>1,439,491</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>1,439,491</u>	\$ _____	\$ _____	\$ <u>1,439,491</u>

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Wastewater	A/D & CIAC AM Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>415,785</u>	\$ _____	\$ _____	\$ <u>415,785</u>
<b>Add Credits During Year:</b>				
Accruals charged to depreciation account _____	\$ <u>40,969</u>	\$ _____	\$ _____	\$ <u>40,969</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>40,969</u>	\$ _____	\$ _____	\$ <u>40,969</u>
<b>Deduct Debits During Year:</b>				
Book cost of plant retired _____	\$ <u>6,063</u>	\$ _____	\$ _____	\$ <u>6,063</u>
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ <u>6,063</u>	\$ _____	\$ _____	\$ <u>6,063</u>
Balance End of Year _____	\$ <u>450,691</u>	\$ _____	\$ _____	\$ <u>450,691</u>

UTILITY NAME: Heartland Utilities, Inc.

<b>YEAR OF REPORT</b> <b>DECEMBER 31, 1998</b>
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**CAPITAL STOCK ( 201 - 204 )**

	Common Stock	Preferred Stock
Par or stated value per share _____	1.00	_____
Shares authorized _____	100	_____
Shares issued and outstanding _____	100	_____
Total par value of stock issued _____	100	_____
Dividends declared per share for year _____	0.00	_____

**RETAINED EARNINGS ( 215 )**

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ (17,770)
Changes during the year (Specify): 1998 Net Income (loss) _____	_____	(14,690)
_____	_____	_____
Balance end of year _____	\$ _____	\$ (32,460)

**TREASURY STOCK**

	Common Stock	Partner
Balance first of year _____	\$ 40,000	\$ _____
Changes during the year (Specify): N/A _____	_____	_____
_____	_____	_____
Balance end of year _____	\$ 40,000	\$ _____

**LONG TERM DEBT ( 224 )**

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Note payable to bank (issued 5/92) _____	9.00	180	\$ 260,578
Note payable to bank _____	8.38	60	20,882
Note payable to bank _____	8.21	84	24,611
Note payable to John Deere Credit _____	10.89	24	3,131
Total _____			\$ 309,182



UTILITY NAME: Heartland Utilities, Inc.

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**TAXES ACCRUED ( 236 )**

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
1. Balance first of year	\$ 1,238	\$	\$	\$ 1,238
Add Accruals charged:				
State ad valorem tax	\$	\$	\$	\$ 6,877
Local property tax	6,877			0
Federal income tax	0			0
State income tax	0			7,245
Regulatory assessment fee	7,245			
Other (Specify)				
Payroll Tax	4,439			4,439
Licenses and Other Taxes	656			656
2. Total Taxes Accrued	\$ 19,217	\$	\$	\$ 19,217
Deduct Taxes Paid:				
State ad valorem tax	\$	\$	\$	\$ 6,877
Local property tax	6,877			0
Federal income tax	0			0
State income tax	0			7,245
Regulatory assessment fee	7,245			
Other (Specify)				
Payroll Tax	3,577			3,577
Licenses and Other Taxes	656			656
3. Total Taxes Paid	\$ 18,355	\$	\$	\$ 18,355
4. Balance end of year ( 1 + 2 - 3 = 4 )	\$ 2,100	\$	\$	\$ 2,100

**PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

Report all information concerning outside 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	Water Amount	Wastewater Amount	Description of Service
Larry Howard	\$	\$ 3,033	Operations and Maintenance
Keith Stuart	\$	\$ 1,385	Operations and Maintenance
S & M Maintenance	\$	\$ 803	Operations and Maintenance
DeYoung Engineers	\$	\$ 1,740	Engineering Services
Germaine Surveying	\$	\$ 1,540	Engineering Services
Poiston Engineering	\$	\$ 11,000	Engineering Services
Short Utility Service	\$	\$ 1,140	Operations and Maintenance
Charles Filler	\$	\$ 885	Permits
Ted Rogers	\$	\$ 998	Consulting
The NCT Group CPA's, L.L.P.	\$	\$ 3,635	Accounting and COUNSULTING
Short Environmental Lab	\$	\$ 2,880	Testing

UTILITY NAME: Heartland Utilites, Inc.

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CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 978,891	\$ _____	\$ 978,891
2) Add credits during year _____	\$ 252,100	\$ _____	\$ 252,100
3) Total _____	1,230,991	_____	1,230,991
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	1,230,991	_____	1,230,991
6) Less Accumulated Amortization _____	482,639	_____	482,639
7) Net CIAC _____	\$ 748,352	\$ _____	\$ 748,352

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	Wastewater
Service Connections _____	Cash	900	_____
State/County/Local Grants _____	Cash	248,200	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____	_____	\$ 249,100	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
Tap Fees _____	6	\$ 500	\$ 3,000
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ 252,100

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 450,212	\$ _____	\$ 450,212
Add Credits During Year _____	32,427	_____	32,427
Deduct Debits During Year _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ 482,639	\$ _____	\$ 482,639

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

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1998
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N/A

**SCHEDULE "A"**

**SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)**

Class of Capital (a)	Dollar Amount (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)	_____	_____ %	_____ %	_____ %
<b>Total</b>	<b>\$ _____</b>	<b>100.00 %</b>		<b>_____ %</b>

(1) 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 Number approving AFUDC rate: _____

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

UTILITY NAME: Heartland Utilities, Inc.

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N/A

**SCHEDULE "B"**

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

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

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

\_\_\_\_\_

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**WATER  
OPERATING  
SECTION**

**WATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____				
303	Land and Land Rights _____	9,850	4,800	0	14,650
304	Structures and Improvements _____	120,738	11,816	0	132,554
305	Collecting and Impounding Reservoirs _____				
306	Lake, River and Other Intakes _____				
307	Wells and Springs _____	257,708	42,040	0	299,748
308	Infiltration Galleries and Tunnels _____				
309	Supply Mains _____	12,000	0	0	12,000
310	Power Generation Equipment _____				
311	Pumping Equipment _____	78,795	32,908	0	111,703
320	Water Treatment Equipment _____	8,511	200	0	8,711
330	Distribution Reservoirs and Standpipes _____	117,649	36,487	0	154,136
331	Transmission and Distribution Lines _____	422,008	81,052	0	503,060
333	Services _____	73,942	447	0	79,389
334	Meters and Meter Installations _____	66,684	3,056	0	69,740
335	Hydrants _____				
336	Backflow Prevention Devices _____				
339	Other Plant and Miscellaneous Equipment _____				
340	Office Furniture and Equipment _____	7,948	2,135	0	10,083
341	Transportation Equipment _____	15,897	23,034	6,853	32,078
342	Stores Equipment _____				
343	Tools, Shop and Garage Equipment _____	0	243	0	243
344	Laboratory Equipment _____				
345	Power Operated Equipment _____	0	6,167	0	6,167
346	Communication Equipment _____				
347	Miscellaneous Equipment _____				
348	Other Tangible Plant _____	5,229	0	0	5,229
	<b>Total Water Plant _____</b>	<b>\$ 1,201,959</b>	<b>\$ 244,385</b>	<b>\$ 6,853</b>	<b>\$ 1,439,491</b>

UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT  
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ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements	28	%	3.57 %	\$ 33,913	\$	\$ 4,592	\$ 38,505
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	3.70 %	111,757		8,927	120,684
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains	32	%	3.13 %	3,710		375	4,085
310	Power Generating Equipment		%					
311	Pumping Equipment	27	%	3.70 %	18,122		3,359	21,481
320	Water Treatment Equipment	17	%	5.88 %	2,588		320	2,908
330	Distribution Reservoirs & Standpipes	33	%	3.03 %	42,717		3,759	46,476
331	Trans. & Dist. Mains	40	%	2.50 %	144,792		11,495	156,287
333	Services	40	%	2.86 %	13,934		2,065	15,999
334	Meter & Meter Installations	17	%	5.88 %	33,320		1,944	35,264
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment		%					
340	Office Furniture and Equipment		%					
341	Transportation Equipment	15	%	6.67 %	1,068		596	1,664
342	Stores Equipment	5	%	20.00 %	6,573	6,063	2,826	3,336
343	Tools, Shop and Garage Equipment	15	%	6.67 %	0		1	1
344	Laboratory Equipment		%					
345	Power Operated Equipment	15	%	6.67 %	0		187	187
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant	10	%	10.00 %	3,291		523	3,814
	Totals				\$ 415,785	\$ 6,063	\$ 40,969	\$ 450,691 *

\* This amount should tie to Sheet F-5.

**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 3,596
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	47,984
604	Employee Pensions and Benefits	
610	Purchased Water	9,099
615	Purchased Power	796
616	Fuel for Power Production	701
618	Chemicals	1,285
620	Materials and Supplies	
630	Contractual Services:	
	Operator and Management	8,734
	Testing	2,880
	Professional	18,983
	Other	1,135
640	Rents	2,362
650	Transportation Expense	5,271
655	Insurance Expense	8,022
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses (Office Exp, Repairs, Maintenance & Miscellaneous)	14,703
	<b>Total Water Operation And Maintenance Expense</b>	<b>\$ 125,551 *</b>

\* This amount should tie to Sheet F-3.

**WATER CUSTOMERS**

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
5/8"	D	1.0	661	662	662
3/4"	D	1.5	12	12	18
1"	D	2.5	7	12	30
1 1/2"	D,T	5.0	3	8	40
2"	D,C,T	8.0	0	2	16
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers					
** D = Displacement C = Compound T = Turbine			Total		
			683	696	766



UTILITY NAME: Heartland Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: DeSoto City

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded 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		2,737	271	2,466	2,466
February		2,504	398	2,106	2,106
March		2,918	904	2,014	2,014
April		3,320	821	2,499	2,499
May		3,699	1,019	2,680	2,680
June		4,259	1,294	2,965	2,965
July		3,645	(284)	3,929	3,929
August		2,729	(14)	2,743	2,743
September		2,745	(63)	2,808	2,808
October		3,165	1,142	2,023	2,023
November		3,541	1,507	2,034	2,034
December		3,259	343	2,916	2,916
<b>Total for Year</b>		<b>38,521</b>	<b>7,338</b>	<b>31,183</b>	<b>31,183</b>

If water is purchased for resale, indicate the following: **N/A**

Vendor \_\_\_\_\_  
Point of delivery \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MAINS (FEET)**

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2"	7,640	0	0	7,640
PVC	4"	25,180	0	0	25,180
PVC	6"	8,548	1,550	0	10,098
Galv.	2"	500	0	0	500
Galv.	3"	3,000	0	0	3,000
Transite	6"	7,000	0	0	7,000

UTILITY NAME: HEARTLAND UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: DeSoto City

**WELLS AND WELL PUMPS  
(If Available)**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>1987</u>	<u>1987</u>	_____	_____
Types of Well Construction and Casing _____	<u>Steel</u>	<u>Steel</u>	_____	_____
Depth of Wells _____	<u>1500'</u>	<u>1500'</u>	_____	_____
Diameters of Wells _____	<u>8"</u>	<u>8"</u>	_____	_____
Pump - GPM _____	<u>300</u>	<u>300</u>	_____	_____
Motor - HP _____	<u>10</u>	<u>10</u>	_____	_____
Motor Type * _____	_____	_____	_____	_____
Yields of Wells in GPD _____	<u>360,000</u>	<u>360,000</u>	_____	_____
Auxiliary Power _____	_____	_____	_____	_____

\* Submersible, centrifugal, etc.

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	<u>Steel</u>	<u>Steel Pneumatic</u>	_____	_____
Capacity of Tank _____	<u>11,000</u>	<u>10,000</u>	_____	_____
Ground or Elevated _____	<u>Ground</u>	<u>Ground</u>	_____	_____

**HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<b>Motors</b>				
Manufacturer _____	<u>U.S.E.M.</u>	<u>U.S.E.M.</u>	_____	_____
Type _____	<u>Electric</u>	<u>Electric</u>	_____	_____
Rated Horsepower _____	<u>15</u>	<u>15</u>	_____	_____
<b>Pumps</b>				
Manufacturer _____	<u>Peerless</u>	<u>Peerless</u>	_____	_____
Type _____	<u>H/S Centrifugal</u>	<u>H/S Centrifugal</u>	_____	_____
Capacity in GPM _____	<u>240</u>	<u>240</u>	_____	_____
Average Number of Hours Operated Per Day _____	<u>6</u>	<u>6</u>	_____	_____
Auxiliary Power _____	<u>65 KW</u>	<u>65 KW</u>	_____	_____

UTILITY NAME: HEARTLAND UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

DeSoto City

**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Gals. per day of source	<u>85,433</u>	_____	_____
Type of Source	<u>Groundwater</u>	_____	_____

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type	<u>Aeration &amp; Chlorination</u>		
Make	_____	_____	_____
Gals. per day capacity	<u>200,000</u>	_____	_____
High service pumping Gallons per minute	<u>600</u>	_____	_____
Reverse Osmosis	_____	_____	_____
Lime Treatment Unit Rating	_____	_____	_____
Filtration Pressure Sq. Ft.	_____	_____	_____
Gravity GPD/Sq.Ft.	_____	_____	_____
Disinfection Chlorinator	<u>Regal 216</u>	_____	_____
Ozone	_____	_____	_____
Other	_____	_____	_____
Auxiliary Power	<u>65 KW</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 ERCs \* now being served 244
- Maximum ERCs \*\* that system can efficiently serve 571
- Present system connection capacity (in ERC's) using existing lines \_\_\_\_\_
- Future connection capacity (in ERC's) upon service area buildout \_\_\_\_\_
- Estimated annual increase in ERCs \* 5
- List fire fighting facilities and capacities (including number of fire hydrants) \_\_\_\_\_  
4 hydrants at 500 GPM each.
- List percent of certificated area where service connections are installed (total for each county)  
75
- What is the current need for system upgrading and/or expansion?  
larger lines, loop dead ends, meter change outs.
- What are plans for future system upgrading and/or expansion?  
Add remaining service area.
- Have questions 8 and 9 been discussed with an engineer? (if so, state name and address)  
Yes Polston Engineering
- Has an application for a construction permit been filed with the DEP? (if so, explain) No
- Department of Environmental Protection ID # \_\_\_\_\_  
Water Management District ID # \_\_\_\_\_

\* ERC = ( Total Gallons Sold / 365 days ) / 350 Gallons Per Day  
\*\* Total Plant Capacity / 350 gallons

UTILITY NAME: HEARTLAND UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: Sebring Country Estates

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	(b) Water Purchased For Resale (Omit 000's)	(c) Finished Water From Wells (Omit 000's)	(d) Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	(e) Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	(f) Water Sold To Customers (Omit 000's)
January		2,194	(213)	2,407	2,407
February		1,779	(23)	1,802	1,802
March		2,095	89	2,006	2,006
April		2,706	748	1,958	1,958
May		2,770	282	2,488	2,488
June		3,059	547	2,512	2,512
July		2,593	(767)	3,360	3,360
August		2,274	(137)	2,411	2,411
September		1,998	(554)	2,552	2,552
October		2,375	608	1,767	1,767
November		2,206	69	2,137	2,137
December		2,284	(301)	2,585	2,585
Total for Year		28,333	348	27,985	27,985

If water is purchased for resale, indicate the following: NA

Vendor \_\_\_\_\_

Point of delivery \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MAINS (FEET)**

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2"	5,290	0	0	5,290
PVC	4"	18,850	0	0	18,850
Galv.	2"	500	0	0	500
Transite	6"	3,250	0	0	3,250

UTILITY NAME: HEARTLAND UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: Sebring Country Estates

**WELLS AND WELL PUMPS  
(If Available)**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	Unknown	Unknown	_____	_____
Types of Well Construction and Casing _____	Steel	Steel	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	1200'	120'	_____	_____
Diameters of Wells _____	12"	4"	_____	_____
Pump - GPM _____	300	30	_____	_____
Motor - HP _____	20	1.5	_____	_____
Motor Type * _____	_____	_____	_____	_____
Yields of Wells in GPD _____	504,000	43,200	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

**RESERVOIRS**

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

NA **HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<b>Motors</b>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<b>Pumps</b>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____	_____

UTILITY NAME: HEARTLAND UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

Sebring Country Estates

**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Gals. per day of source	<u>76,671</u>		
Type of Source	<u>Groundwater</u>		

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type	<u>Chlorination</u>		
Make			
Gals. per day capacity	<u>200,000</u>		
High service pumping			
Gallons per minute			
Reverse Osmosis			
Lime Treatment			
Unit Rating			
Filtration			
Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection			
Chlorinator	<u>Regal 216</u>		
Ozone			
Other			
Auxiliary Power	<u>75 KW</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 ERCs \* now being served 219
- Maximum ERCs \*\* that system can efficiently serve 571
- Present system connection capacity (in ERC's) using existing lines \_\_\_\_\_
- Future connection capacity (in ERC's) upon service area buildout \_\_\_\_\_
- Estimated annual increase in ERCs \* 5
- List fire fighting facilities and capacities (including number of fire hydrants) 0

---

- List percent of certificated area where service connections are installed (total for each county)  
75
- What is the current need for system upgrading and/or expansion?  
larger lines, loop dead ends, meter change outs.
- What are plans for future system upgrading and/or expansion?  
Add remaining service area.
- Have questions 8 and 9 been discussed with an engineer? (if so, state name and address)  
yes Polston Engineering
- Has an application for a construction permit been filed with the DEP? (if so, explain) \_\_\_\_\_
- Department of Environmental Protection ID # \_\_\_\_\_  
Water Management District ID # \_\_\_\_\_

\* ERC = ( Total Gallons Sold / 365 days ) / 350 Gallons Per Day  
\*\* Total Plant Capacity / 350 gallons

UTILITY NAME: HEARTLAND UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: Sebring Lakes

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total for Year	0	0	0	0	0

If water is purchased for resale, indicate the following:

Vendor \_\_\_\_\_  
Point of delivery \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MAINS (FEET)**

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2"	0	2,300	0	2,300
PVC	4"	0	2,050	0	2,050
PVC	6"	0	7,300	0	7,300

UTILITY NAME: HEARTLAND UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: Sebring Lakes

**WELLS AND WELL PUMPS  
(If Available)**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1998	1998	_____	_____
Types of Well Construction and Casing _____	Steel	Steel	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	1300'	1200'	_____	_____
Diameters of Wells _____	10 x 6	10 x 6	_____	_____
Pump - GPM _____	450	450	_____	_____
Motor - HP _____	20	20	_____	_____
Motor Type * _____	Goulds	Goulds	_____	_____
Yields of Wells in GPD _____	400	400	_____	_____
Auxiliary Power _____	NA	NA	_____	_____
* Submersible, centrifugal, etc.				

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	Steel	_____	_____	_____
Capacity of Tank _____	10,000	_____	_____	_____
Ground or Elevated _____	15,000	_____	_____	_____

**HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<b>Motors</b>				
Manufacturer _____	Baldor	Baldor	_____	_____
Type _____	Elect	Elect	_____	_____
Rated Horsepower _____	15	15	_____	_____
<b>Pumps</b>				
Manufacturer _____	Goulds	Goulds	_____	_____
Type _____	centrifugal	centrifugal	_____	_____
Capacity in GPM _____	350	350	_____	_____
Average Number of Hours Operated Per Day _____	20	20	_____	_____
Auxiliary Power _____	NA	NA	_____	_____



UTILITY NAME: HEARTLAND UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

Sebring Lakes

**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Gals. per day of source	<u>0</u>		
Type of Source	<u>Groundwater</u>		

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type	<u>Aeration/Chlorination</u>		
Make	<u>-</u>		
Gals. per day capacity	<u>280,000</u>		
High service pumping			
Gallons per minute	<u>700</u>		
Reverse Osmosis			
Lime Treatment			
Unit Rating			
Filtration			
Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection			
Chlorinator	<u>Regal 216</u>		
Ozone			
Other			
Auxiliary Power	<u>NA</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 ERCs \* now being served 0
- Maximum ERCs \*\* that system can efficiently serve 800
- Present system connection capacity (in ERC's) using existing lines \_\_\_\_\_
- Future connection capacity (in ERC's) upon service area buildout \_\_\_\_\_
- Estimated annual increase in ERCs \* 10
- List fire fighting facilities and capacities (including number of fire hydrants) \_\_\_\_\_

  

- List percent of certificated area where service connections are installed (total for each county)  
40
- What is the current need for system upgrading and/or expansion?  
This is a new water system.
- What are plans for future system upgrading and/or expansion?  
line extensions to eliminate contaminated wells
- Have questions 8 and 9 been discussed with an engineer? (if so, state name and address)  
Yes Polston Engineering
- Has an application for a construction permit been filed with the DEP? (if so, explain) \_\_\_\_\_
- Department of Environmental Protection ID # 5284137  
Water Management District ID # 2011768.00

\* ERC = ( Total Gallons Sold / 365 days ) / 350 Gallons Per Day  
\*\* Total Plant Capacity / 350 gallons

# **WASTEWATER OPERATING SECTION**

**Note:** This utility is a water only service; therefore, Pages S-1 through S-6 have been omitted from this report.

# CERTIFICATION OF ANNUAL REPORT

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

- |  |                                |   |
|--|--------------------------------|---|
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.   |
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.  |
| YES<br><input checked="" type="checkbox"/> | NO<br><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<br><input checked="" type="checkbox"/> | NO<br><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.                                  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

  
 \_\_\_\_\_  
 (signature of chief executive officer of the utility)  
 Howard Short, President

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

\_\_\_\_\_  
 (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.