



REDACTED
Accounting

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February 2, 2005

050192-WS

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Reference: Central Sumter Utility Company, L.L.C.

Dear Sir,

Central Sumter Utility Company, L.L.C. ("CSU") is filing its original application for water and wastewater utility certificates. CSU is an affiliate of The Villages of Lake-Sumter, Inc. ("The Villages") through common ownership. The Villages is a real estate developer that will develop the property upon which CSU is proposing to provide water and sewer utilities.

The purpose of this letter is to inform you that The Villages will make the financial and operating commitment necessary for CSU to be successful in its endeavor to provide water and wastewater facilities to the residents of The Villages development within the CSU service territory. I have enclosed a copy of the December 31, 2004 balance sheet for The Villages. The Villages has the ability to provide the financial support and operating support necessary for CSU to be successful.

The Villages has been associated with other utilities providing potable water and wastewater services at The Villages. Little Sumter Utility, with approximately 12,000 customers was sold to the Village Center Community Development District in October 2003. North Sumter Utility Company, which is regulated by the Florida Public Service Commission, currently has approximately 3,400 customers. Both of these utilities operate within The Villages development. Operation and Management International ("OMI") is the contract provider of the services to operate all the water and sewer utilities at The Villages. CSU will contract with OMI for OMI to operate the CSU facilities.

Please contact me should you have any questions.

Very truly yours,

John F. Wise
Vice President Finance

JFW/lct
L0022

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THE VILLAGES OF LAKE-SUMTER, INC.

Consolidated Financial Statements

December 31, 2004 and 2003

(With Independent Accountants' Review Report Thereon)





KPMG LLP
Suite 1600
111 North Orange Avenue
PO Box 3031
Orlando, FL 32802

Independent Accountants' Review Report

The Board of Directors
The Villages of Lake-Sumter, Inc.:

We have reviewed the accompanying consolidated balance sheets of The Villages of Lake-Sumter, Inc. as of December 31, 2004 and 2003 and the related consolidated statements of operations, shareholders' equity and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these consolidated financial statements is the representation of the management of The Villages of Lake-Sumter, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

February 4, 2005

THE VILLAGES OF LAKE-SUMTER, INC.
CONSOLIDATED BALANCE SHEET.
DECEMBER 31, 2004 AND 2003
(See accompanying review report of KPMG LLP)

Commitments and contingencies (Notes 4 and 8)

See accompanying notes to consolidated financial statements.

THE VILLAGES OF LAKE-SUMTER, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
DECEMBER 31, 2004 AND 2003
(See accompanying review report of KPMG LLP)

THE VILLAGES OF LAKE-SUMTER, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2004 AND 2003
(See accompanying review report of KPMG LLP)

See accompanying notes to consolidated financial statements.

THE VILLAGES OF LAKE-SUMTER, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
DECEMBER 31, 2004 AND 2003
(See accompanying review report of KPMG LLP)

See accompanying notes to consolidated financial statements.

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THE VILLAGES OF LAKE-SUMTER, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(See accompanying review report of KPMG LLP)

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