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**CLASS "C"**

# WATER AND/OR WASTEWATER UTILITIES

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

# ANNUAL REPORT

OF  
SU648-04-AR  
FAIRMOUNT UTILITIES THE 2ND, INC.

Exact Legal Name of Respondent

357-S

Certificate Number(s)

Submitted To The

**STATE OF FLORIDA**



RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
DIVISION OF  
ECONOMIC REGULATION  
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## PUBLIC SERVICE COMMISSION

FOR THE

## YEAR ENDED DECEMBER 31, 2004

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# **FINANCIAL SECTION**

REPORT OF

Fairmount Utilities the 2nd, Inc.  
(EXACT NAME OF UTILITY)

P.O. Box 488 Avon Park, FL 33826-0488	3625 Valerie Blvd Sebring, FL 33870
Mailing Address	Street Address

Highlands  
County

Telephone Number (863) 314-9402 Date Utility First Organized 10-14-91

Fax Number \_\_\_\_\_ E-mail Address \_\_\_\_\_

Sunshine State One-Call of Florida, Inc. Member No. \_\_\_\_\_

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: 3625 Valerie Blvd  
Sebring, FL 33870

Name of subdivisions where services are provided: Fairmount Mobile Estates

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Roger E. Miller</u>	<u>President</u>	<u>P.O. Box 488</u> <u>Avon Park, FL 33826-0488</u>	
Person who prepared this report: <u>The NCT Group CPA's, L.L.P.</u>	<u>CPA</u>	<u>435 S. Commerce Ave.</u> <u>Sebring, FL 33870</u>	
Officers and Managers: <u>Roger E. Miller</u>	<u>President</u>	<u>Same</u>	\$ <u>7,202</u>
<u>Karen J. Berry</u>	<u>Manager</u>	<u>Same</u>	\$ <u>14,116</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>William J. Berry</u>	<u>21%</u>	<u>P.O. Box 488</u> <u>Avon Park, FL 33826-0488</u>	\$ <u>0</u>
<u>Karen J. Berry</u>	<u>79%</u>	<u>P.O. Box 488</u> <u>Avon Park, FL 33826-0488</u>	\$ <u>14,116</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

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INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ _____	\$ 105,369	\$ _____	\$ 105,369
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
<b>Total Gross Revenue_____</b>		<b>\$ _____</b>	<b>\$ 105,369</b>	<b>\$ _____</b>	<b>\$ 105,369</b>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ 95,757	\$ _____	\$ 95,757
Depreciation Expense_____	F-5	_____	6,576	_____	6,576
CIAC Amortization Expense_____	F-8	_____	(91)	_____	(91)
Taxes Other Than Income_____	F-7	_____	11,304	_____	11,304
Income Taxes_____	F-7	_____	_____	_____	_____
<b>Total Operating Expense</b>		<b>\$ _____</b>	<b>113,546</b>	<b>\$ _____</b>	<b>\$ 113,546</b>
<b>Net Operating Income (Loss)</b>		<b>\$ _____</b>	<b>\$ (8,177)</b>	<b>\$ _____</b>	<b>\$ (8,177)</b>
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	(14,432)	_____	(14,432)
Loss on Disposal_____		_____	(597)	_____	(597)
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
<b>Net Income (Loss)</b>		<b>\$ _____</b>	<b>\$ (23,206)</b>	<b>\$ _____</b>	<b>\$ (23,206)</b>

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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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	\$ <u>220,613</u>	\$ <u>221,576</u>
Accumulated Depreciation and Amortization (108)-----	F-5,W-2,S-2	<u>(174,541)</u>	<u>(168,331)</u>
Net Utility Plant-----		\$ <u>46,072</u>	\$ <u>53,245</u>
Cash-----		<u>6,658</u>	<u>3,359</u>
Customer Accounts Receivable (141)-----		<u>8,539</u>	<u>10,562</u>
Other Assets (Specify):-----			
Other Receivables-----			
Loan Cost-----		<u>529</u>	<u>688</u>
Prepaid Expense-----		<u>-</u>	<u>-</u>
Total Assets-----		\$ <u><u>61,798</u></u>	\$ <u><u>67,854</u></u>
<b>Liabilities and Capital:</b>			
Common Stock Issued (201)-----	F-6	<u>1,000</u>	<u>1,000</u>
Preferred Stock Issued (204)-----	F-6		
Other Paid in Capital (211)-----		<u>46,418</u>	<u>46,418</u>
Retained Earnings (215)-----	F-6	<u>(382,253)</u>	<u>(359,047)</u>
Proprietary Capital (Proprietary and partnership only) (218)-----	F-6		
Total Capital-----		\$ <u>(334,835)</u>	\$ <u>(311,629)</u>
Long Term Debt (224)-----	F-6	\$ <u>46,729</u>	\$ <u>48,739</u>
Accounts Payable (231)-----		<u>77,714</u>	<u>64,961</u>
Notes Payable (232)-----			
Customer Deposits (235)-----			
Accrued Taxes (236)-----			
Other Liabilities (Specify)-----			
Accrued Interest-----		<u>1,188</u>	<u>1,293</u>
Due to P.E.H.-----		<u>170,608</u>	<u>170,666</u>
Due to Others-----		<u>99,692</u>	<u>93,031</u>
Advances for Construction-----			
Contributions in Aid of Construction - Net (271-272)-----	F-8	<u>702</u>	<u>793</u>
Total Liabilities and Capital-----		\$ <u><u>61,798</u></u>	\$ <u><u>67,854</u></u>

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 3 2004
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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>220,613</u>	\$ _____	\$ <u>220,613</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>_____</u>	\$ <u>220,613</u>	\$ <u>_____</u>	\$ <u>220,613</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ _____	\$ <u>168,331</u>	\$ _____	\$ <u>168,331</u>
<b>Add Credits During Year:</b>				
Accruals charged to depreciation account _____	\$ _____	\$ <u>6,576</u>	\$ _____	\$ <u>6,576</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>_____</u>	\$ <u>6,576</u>	\$ _____	\$ <u>6,576</u>
<b>Deduct Debits During Year:</b>				
Book cost of plant retired _____	\$ _____	\$ <u>366</u>	\$ _____	\$ <u>366</u>
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ <u>_____</u>	\$ <u>366</u>	\$ _____	\$ <u>366</u>
Balance End of Year _____	\$ <u>_____</u>	\$ <u>174,541</u>	\$ <u>_____</u>	\$ <u>174,541</u>

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

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CAPITAL STOCK ( 201 - 204 )

	Common Stock	Preferred Stock
Par or stated value per share _____	1.00	_____
Shares authorized _____	1,000	_____
Shares issued and outstanding _____	1,000	_____
Total par value of stock issued _____	1,000	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS ( 215 )

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (359,047)
Changes during the year (Specify):		
Net income (loss) for current year _____	_____	(23,206)
_____	_____	_____
Balance end of year _____	\$ _____	\$ (382,253)

PROPRIETARY CAPITAL ( 218 )

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

LONG TERM DEBT ( 224 )

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Note payable to Heartland National Bank _____	7.25%	60	\$ 46,729
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 46,729



UTILITY NAME: Fairmount Utilities the 2nd, Inc.

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**TAX EXPENSE**

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	_____	2,428	_____	2,428
Regulatory assessment fee _____	_____	4,935	_____	4,935
Other (Specify) _____	_____	_____	_____	_____
Licenses and other taxes _____	_____	718	_____	718
Payroll taxes _____	_____	3,223	_____	3,223
Total Tax Expense _____	\$ _____	\$ 11,304	\$ _____	\$ 11,304

**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
H & H Sludge Disposal Inc.	\$ _____	\$ 2,765	Maintenance
Highlands Utility Co	\$ _____	\$ 4,248	Maintenance
Pugh Utility Services, Inc.	\$ _____	\$ 3,661	Maintenance
The NCT Group CPA's, L.L.P.	\$ _____	\$ 3,530	Accounting and consulting
Short Environmental Labs	\$ _____	\$ 1,727	Water testing
Foreman Trucking	\$ _____	\$ 540	Maintenance
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

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**CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )**

	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ _____	\$ 2,463	\$ 2,463
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	_____	2,463	2,463
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	_____	2,463	2,463
6) Less Accumulated Amortization _____	_____	(1,761)	(1,761)
7) Net CIAC _____	\$ _____	\$ 702	\$ 702

**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
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____	_____	\$ _____	\$ _____
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	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____

**ACCUMULATED AMORTIZATION OF CIAC (272)**

	Water	Wastewater	Total
Balance First of Year _____	\$ _____	\$ (1,670)	\$ (1,670)
Add Debits During Year: _____	_____	(91)	(91)
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ _____	\$ (1,761)	\$ (1,761)

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

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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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 Fairmount Utilities the 2nd, 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**

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2004
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N/A

**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_____	_____	_____	_____	_____
304	Structures and Improvements_____	_____	_____	_____	_____
305	Collecting and Impounding Reservoirs_____	_____	_____	_____	_____
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	_____	_____	_____	_____
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	_____	_____	_____	_____
310	Power Generation Equipment_____	_____	_____	_____	_____
311	Pumping Equipment_____	_____	_____	_____	_____
320	Water Treatment Equipment_____	_____	_____	_____	_____
330	Distribution Reservoirs and Standpipes_____	_____	_____	_____	_____
331	Transmission and Distribution Lines_____	_____	_____	_____	_____
333	Services_____	_____	_____	_____	_____
334	Meters and Meter Installations_____	_____	_____	_____	_____
335	Hydrants_____	_____	_____	_____	_____
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
340	Office Furniture and Equipment_____	_____	_____	_____	_____
341	Transportation Equipment_____	_____	_____	_____	_____
342	Stores Equipment_____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
344	Laboratory Equipment_____	_____	_____	_____	_____
345	Power Operated Equipment_____	_____	_____	_____	_____
346	Communication Equipment_____	_____	_____	_____	_____
347	Miscellaneous Equipment_____	_____	_____	_____	_____
348	Other Tangible Plant_____	_____	_____	_____	_____
	Total Water Plant_____	\$ _____	\$ _____	\$ _____	\$ _____

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UTILITY NAME: Fairmount Utilities the 2nd, Inc.

N/A

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		%	%	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equipment		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installations		%	%				
335	Hydrants		%	%				
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$	\$	\$	\$ *

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

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N/A

**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	_____
604	Employee Pensions and Benefits_____	_____
610	Purchased Water_____	_____
615	Purchased Power_____	_____
616	Fuel for Power Production_____	_____
618	Chemicals_____	_____
620	Materials and Supplies_____	_____
630	Contractual Services:	
	Billing_____	_____
	Professional_____	_____
	Testing_____	_____
	Other_____	_____
640	Rents_____	_____
650	Transportation Expense_____	_____
655	Insurance Expense_____	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
670	Bad Debt Expense_____	_____
675	Miscellaneous Expenses_____	_____
	Total Water Operation And Maintenance Expense_____	\$ _____*

\* 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)	
<b>Residential Service</b>					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
<b>General Service</b>					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			<b>Total</b>	_____	_____



UTILITY NAME: Fairmount Utilities the 2nd, Inc.

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SYSTEM NAME: \_\_\_\_\_

N/A 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_____	_____	_____	_____	_____	_____

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
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**N/A          WELLS AND WELL PUMPS**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____ Types of Well Construction and Casing _____ _____ _____ _____ Depth of Wells _____ Diameters of Wells _____ Pump - GPM _____ Motor - HP _____ Motor Type * _____ Yields of Wells in GPD _____ Auxiliary Power _____  * Submersible, centrifugal, etc.	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____

**RESERVOIRS**

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

**HIGH SERVICE PUMPING**

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31 2004
------------------------------------

N/A

**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Permitted Gals. per day__	_____	_____	_____
Type of Source_____	_____	_____	_____

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type_____	_____	_____	_____
Make_____	_____	_____	_____
Permitted Capacity (GPD)__	_____	_____	_____
High service pumping	_____	_____	_____
Gallons per minute__	_____	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	_____	_____	_____
Ozone_____	_____	_____	_____
Other_____	_____	_____	_____
Auxiliary Power_____	_____	_____	_____

UTILITY NAME: Fairmount Utilities the 2nd, Inc. \_\_\_\_\_

YEAR OF REPORT  
DECEMBER 3 2004

SYSTEM NAME: N/A \_\_\_\_\_

**GENERAL WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's \* the system can efficiently serve. \_\_\_\_\_

number of ERCs \* which can be served. \_\_\_\_\_

3. Present system connection capacity (in ERCs \*) using existing lines. \_\_\_\_\_

4. Future connection capacity (in ERCs \*) upon service area buildout. \_\_\_\_\_

5. Estimated annual increase in ERCs \*. \_\_\_\_\_

6. Is the utility required to have fire flow capacity? \_\_\_\_\_  
If so, how much capacity is required? \_\_\_\_\_

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.

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

9. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_

10. If the present system does not meet the requirements of DEP rules, submit the following:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? \_\_\_\_\_

c. When will construction begin? \_\_\_\_\_

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? \_\_\_\_\_

11. Department of Environmental Protection ID # \_\_\_\_\_

12. Water Management District Consumptive Use Permit # \_\_\_\_\_

a. Is the system in compliance with the requirements of the CUP? \_\_\_\_\_

b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_

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

\* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:

ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

**WASTEWATER  
OPERATING  
SECTION**

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

**WASTEWATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises_____	_____	_____	_____	_____
353	Land and Land Rights_____	1,750	_____	_____	1,750
354	Structures and Improvements_____	29,563	_____	_____	29,563
355	Power Generation Equipment_____	_____	_____	_____	_____
360	Collection Sewers - Force_____	1,478	_____	_____	1,478
361	Collection Sewers - Gravity_____	54,339	_____	_____	54,339
362	Special Collecting Structures_____	24,260	_____	_____	24,260
363	Services to Customers_____	20,251	_____	_____	20,251
364	Flow Measuring Devices_____	_____	_____	_____	_____
365	Flow Measuring Installations_____	_____	_____	_____	_____
370	Receiving Wells_____	_____	_____	_____	_____
371	Pumping Equipment_____	_____	_____	_____	_____
380	Treatment and Disposal Equipment_____	86,757	_____	_____	86,757
381	Plant Sewers_____	_____	_____	_____	_____
382	Outfall Sewer Lines_____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
390	Office Furniture and Equipment_____	3,178	_____	963	2,215
391	Transportation Equipment_____	_____	_____	_____	_____
392	Stores Equipment_____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
394	Laboratory Equipment_____	_____	_____	_____	_____
395	Power Operated Equipment_____	_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____	_____
397	Miscellaneous Equipment_____	_____	_____	_____	_____
398	Other Tangible Plant_____	_____	_____	_____	_____
	Total Wastewater Plant_____	\$ 221,576	\$ 0	\$ 963	\$ 220,613 *

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

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)
303	Organization		%		\$			\$
354	Structures and Improvements	Various	%	Various	26,032		177	26,209
355	Power Generation Equipment		%					
360	Collection Sewers - Force	27	%	3.70	1,478		0	1,478
361	Collection Sewers - Gravity	40	%	2.50	41,636		1,359	42,995
362	Special Collecting Structures	27	%	3.70	22,803		121	22,924
363	Services to Customers	35	%	2.86	17,121		578	17,699
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	Various	%	Various	56,985		4,303	61,288
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment	Various	%	Various	2,276	366	38	1,948
391	Transportation Equipment		%					
392	Stores Equipment		%					
393	Tools, Shop and Garage Equipment		%					
394	Laboratory Equipment		%					
395	Power Operated Equipment		%					
396	Communication Equipment		%					
397	Miscellaneous Equipment		%					
398	Other Tangible Plant		%					
	Totals				\$ 168,331	\$ 366	\$ 6,576	\$ 174,541 *

\* This amount should tie to F-5

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

**WASTEWATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees_____	\$ 17,659
703	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	27,980
704	Employee Pensions and Benefits_____	_____
710	Purchased Wastewater Treatment_____	_____
711	Sludge Removal Expense_____	2,765
715	Purchased Power_____	4,308
716	Fuel for Power Production_____	_____
718	Chemicals_____	6,027
720	Materials and Supplies_____	_____
730	Contractual Services:	_____
	Billing_____	_____
	Professional_____	3,530
	Testing_____	1,727
	Other (Operations and Management)_____	10,302
740	Rents_____	2,568
750	Transportation Expense_____	1,034
755	Insurance Expense_____	_____
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
770	Bad Debt Expense_____	_____
775	Miscellaneous Expenses (Repairs & maintenance, office exp., & amort. loan exp.)_____	18,454
	Total Wastewater Operation And Maintenance Expense_____	\$ 96,354 *

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

**WASTEWATER 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)	
Residential Service					
All meter sizes	D	1.0	_____	_____	_____
General Service					
5/8"	D	1.0	425	425	425
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers					
Other (Specify)	_____	_____	_____	_____	_____
Comm 5/8 x 3/4	_____	_____	2	2	2
Comm 1"	_____	_____	1	1	1
** D = Displacement C = Compound T = Turbine			<b>Total</b>	<b>428</b>	<b>428</b>



UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

**PUMPING EQUIPMENT**

Lift Station Number _____	Main St.	_____	_____	_____	_____	_____
Make or Type and nameplate data on pump _____		_____	_____	_____	_____	_____
Gorman Rupp 13a 25	2	_____	_____	_____	_____	_____
Year installed _____	2002	_____	_____	_____	_____	_____
Rated capacity _____	200GPM	_____	_____	_____	_____	_____
Size _____	3"	_____	_____	_____	_____	_____
Power:		_____	_____	_____	_____	_____
Electric _____	3HP	_____	_____	_____	_____	_____
Mechanical _____		_____	_____	_____	_____	_____
Nameplate data of motor _____	3HP	_____	_____	_____	_____	_____

**SERVICE CONNECTIONS**

Size (inches) _____	4"	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	VCP	_____	_____	_____	_____	_____
Average length _____	50'	_____	_____	_____	_____	_____
Number of active service connections _____	428	_____	_____	_____	_____	_____
Beginning of year _____	428	_____	_____	_____	_____	_____
Added during year _____	0	_____	_____	_____	_____	_____
Retired during year _____	0	_____	_____	_____	_____	_____
End of year _____	428	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	N/A	_____	_____	_____	_____	_____

**COLLECTING AND FORCE MAINS**

	Collecting Mains			Force Mains			
Size (inches) _____	8"	6"	4"	_____	_____	_____	_____
Type of main _____	_____	_____	PVC	_____	_____	_____	_____
Length of main (nearest foot) _____	_____	_____	_____	_____	_____	_____	_____
Beginning of year _____	610	3,200	1,200	_____	_____	_____	_____
Added during year _____	0	0	0	_____	_____	_____	_____
Retired during year _____	0	0	0	_____	_____	_____	_____
End of year _____	610	3,200	1,200	_____	_____	_____	_____

**MANHOLES**

Size (inches) _____	8"	_____	_____	_____
Type of Manhole _____	Brick	_____	_____	_____
Number of Manholes:		_____	_____	_____
Beginning of year _____	46	_____	_____	_____
Added during year _____	0	_____	_____	_____
Retired during year _____	0	_____	_____	_____
End of Year _____	46	_____	_____	_____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

SYSTEM NAME: Fairmount Mobile Estates

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

**TREATMENT PLANT**

Manufacturer_____	Extended Air_____	_____	_____
Type_____	Concrete_____	_____	_____
"Steel" or "Concrete"_____	40,000 GPD_____	_____	_____
Total Permitted Capacity_____	22,000 GPD_____	_____	_____
Average Daily Flow_____	Evap. & Perk Pond_____	_____	_____
Method of Effluent Disposal_____	_____	_____	_____
Permitted Capacity of Disposal_____	_____	_____	_____
Total Gallons of Wastewater treated_____	12,305,000_____	_____	_____

**MASTER LIFT STATION PUMPS**

Manufacturer_____	Gorman/Rupp_____	_____	_____	_____	_____	_____
Capacity (GPM's)_____	200 GPM_____	_____	_____	_____	_____	_____
Motor: Manufacturer_____	US Elec_____	_____	_____	_____	_____	_____
Horsepower_____	3 HP_____	_____	_____	_____	_____	_____
Power (Electric or Mechanical)_____	Electric_____	_____	_____	_____	_____	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	1,209,000_____	_____	1,209,000_____
February_____	1,092,000_____	_____	1,092,000_____
March_____	1,178,000_____	_____	1,178,000_____
April_____	870,000_____	_____	870,000_____
May_____	558,000_____	_____	558,000_____
June_____	450,000_____	_____	450,000_____
July_____	558,000_____	_____	558,000_____
August_____	1,116,000_____	_____	1,116,000_____
September_____	1,560,000_____	_____	1,560,000_____
October_____	1,488,000_____	_____	1,488,000_____
November_____	1,110,000_____	_____	1,110,000_____
December_____	1,116,000_____	_____	1,116,000_____
Total for year_____	12,305,000_____	_____	12,305,000_____

If Wastewater Treatment is purchased, indicate the vendor: N/A

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT  
DECEMBER 31, 2004

SYSTEM NAME: Fairmount Mobile Estates

**GENERAL WASTEWATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present number of ERCs\* now being served. 121 [(12,305,000 gallons treated/365 days) / 280 = 120.40]

2. Maximum number of ERCs\* which can be served. 134 (40,000 / 280 = 143)

3. Present system connection capacity (in ERCs\*) using existing lines. 143

4. Future connection capacity (in ERCs\*) upon service area buildout. No additional service.

5. Estimated annual increase in ERCs\*. None

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
None

7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known. N/A

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No

If so, when? N/A

9. Has the utility been required by the DEP or water management district to implement reuse? No

If so, what are the utility's plans to comply with this requirement? N/A

10. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_

11. If the present system does not meet the requirements of DEP rules, submit the following:

a. Attach a description of the plant upgrade necessary to meet the DEP rules. N/A

b. Have these plans been approved by DEP? N/A

c. When will construction begin? N/A

d. Attach plans for funding the required upgrading. N/A

e. Is this system under any Consent Order with DEP? N/A

12. Department of Environmental Protection ID # D028187065

\* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:

ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT  
DECEMBER 31 2004

# 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.<br><input checked="" type="checkbox"/> | 2.<br><input checked="" type="checkbox"/> | 3.<br><input checked="" type="checkbox"/> | 4.<br><input checked="" type="checkbox"/> |
|---|---|---|---|

Roger E. Miller \*

(signature of chief executive officer of the utility)  
Roger E. Miller, President

Date:

3-30-05

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

Roger E. Miller \*

(signature of chief financial officer of the utility)

Date:

3-30-05

\* 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.