

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

SU648
Fairmount Utilities, the 2nd. Inc.
3625 Valeria Blvd.
Sebring, FL 33870-1048

28

357-5

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1997

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Water Customers	W-4
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Other Water System Information	W-6
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Wastewater Customers	S-4
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Other Wastewater System Information	S-5
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

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

<u>P. O. Box 548</u> <u>Sebring, FL 33871-0548</u>	<u>3625 Valerie Blvd.</u> <u>Sebring, FL 33870</u>
Mailing Address	Street Address County
Telephone Number <u>(941) 385-8542</u>	Date Utility First Organized <u>10/14/91</u>

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 Miller</u>	<u>President</u>	<u>P.O. Box 548</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 S. Commerce Ave.</u> <u>Sebring, FL 33870</u>	
Officers and Managers: <u>Roger E. Miller</u>	<u>President</u>	<u>Same</u>	<u>\$ 25,000.</u>
<u>Karen J. Berry</u>	<u>Manager</u>	<u>Same</u>	<u>\$ 13,229.</u>
			<u>\$</u>
			<u>\$</u>
			<u>\$</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>Roger E. Miller</u>	<u>65%</u>	<u>P. O. Box 548</u> <u>Sebring, FL 33871</u>	<u>\$ 25,000.</u>
			<u>\$</u>
			<u>\$</u>
<u>Karen J. Berry</u>	<u>35%</u>	<u>P. O. Box 548</u> <u>Sebring, FL 33871</u>	<u>\$ 13,229.</u>
			<u>\$</u>
			<u>\$</u>
			<u>\$</u>

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ _____	\$ 104,499.	\$ _____	\$ _____
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ _____	\$ 104,499.	\$ _____	\$ _____
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ 87,117.	\$ _____	\$ _____
Depreciation Expense _____	F-5	_____	8,696.	_____	_____
CIAC Amortization Expense _____	F-8	_____	(91.)	_____	_____
Taxes Other Than Income _____	F-7	_____	7,366.	_____	_____
Income Taxes _____	F-7	_____	- 0 -	_____	_____
Total Operating Expense		\$ _____	\$ 103,088.	\$ _____	\$ _____
Net Operating Income (Loss)		\$ _____	\$ 1,411.	\$ _____	\$ _____
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
Rental Income _____		_____	- 0 -	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ 12,208.	\$ _____	\$ _____
Interest Expense _____		_____	544.	_____	_____
Rental Expenses _____		_____	1,921.	_____	_____
Depreciation - Rental _____		_____	25.	_____	_____
Charitable Donations _____		_____	_____	_____	_____
Net Income (Loss)		\$ _____	\$ (13,287.)	\$ _____	\$ _____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 208,433.	\$ 201,262.
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	(127,362.)	(118,666.)
Net Utility Plant -----		\$ 81,071.	\$ 82,596.
Cash -----		1,097.	1,366.
Customer Accounts Receivable (141) -----		8,480.	8,338.
Other Assets (Specify): -----		56,161.	42,082.
Non-Utility Property - Net		- 0 -	1,250.
Deposits		400.	400.
Other Receivables		-----	-----
Total Assets -----		\$ 147,209.	\$ 136,032.
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	1,000.	1,000.
Preferred Stock Issued (204) -----	F-6	46,418.	46,418.
Other Paid in Capital (211) -----		(209,776.)	(196,489.)
Retained Earnings (215) -----	F-6	-----	-----
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6	-----	-----
Total Capital -----		\$ (162,358.)	\$ (149,071.)
Long Term Debt (224) -----	F-6	\$ 27,555.	\$ 34,660.
Accounts Payable (231) -----		-----	-----
Notes Payable (232) -----		- 0 -	1,250.
Customer Deposits (235) -----		924.	1,107.
Accrued Taxes (236) -----		-----	-----
Other Liabilities (Specify) -----		213,748.	200,104.
Due to Shareholders		66,000.	46,551.
Accrued Salaries		-----	-----
Advances for Construction -----		-----	-----
Contributions in Aid of Construction - Net (271-272) -----	F-8	1,340.	1,431.
Total Liabilities and Capital -----		\$ 147,209.	\$ 136,032.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101) _____	\$ _____	\$ 208,433.	\$ _____	\$ 208,433.
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ _____	\$ 208,433.	\$ _____	\$ 208,433.

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

Account 108	Water	Wastewater	A/D & CIAC AM Other Than Reporting Systems	Total
Balance First of Year _____	\$ _____	\$ 118,666.	\$ _____	\$ 118,666.
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ _____	\$ 8,696.	\$ _____	\$ 8,696.
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ _____	\$ 8,696.	\$ _____	\$ 8,696.
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ _____	\$ 127,362.	\$ _____	\$ 127,362.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1.00	N/A
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 _____	\$ _____	\$ (196,489)
Changes during the year (Specify):		(13,287)
<u>Net Income (Loss) - FYE 12/31/97</u>		

Balance end of year _____	\$ _____	\$ (209,776)

PROPRIETARY CAPITAL (218)

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

Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
<u>Note Payable to Fairmount Mobile Estates</u>	10%	120	\$ 5,074.
<u>Note Payable to First Union National Bank</u>	9.625%	60	22,481.

Total _____			\$ 27,555.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
1. Balance first of year	\$ _____	\$ <u>1,107.</u>	\$ _____	\$ <u>1,107.</u>
Add Accruals charged:				
State ad valorem tax	\$ _____	\$ _____	\$ _____	\$ _____
Local property tax	_____	896.	_____	896.
Federal income tax	_____	_____	_____	_____
State income tax	_____	_____	_____	3,269.
Regulatory assessment fee	_____	3,269.	_____	_____
Other (Specify)	_____	2,946.	_____	2,946.
Payroll taxes	_____	255.	_____	255.
Licenses & permits	_____	7,366.	_____	7,366.
2. Total Taxes Accrued	\$ _____	\$ _____	\$ _____	\$ _____
Deduct Taxes Paid:				
State ad valorem tax	\$ _____	\$ _____	\$ _____	\$ _____
Local property tax	_____	896.	_____	896.
Federal income tax	_____	_____	_____	_____
State income tax	_____	3,269.	_____	3,269.
Regulatory assessment fee	_____	_____	_____	3,129.
Other (Specify)	_____	3,129.	_____	3,129.
Payroll taxes	_____	255.	_____	255.
Licenses & permits	_____	7,549.	_____	7,549.
3. Total Taxes Paid	\$ _____	\$ _____	\$ _____	\$ _____
4. Balance end of year	\$ _____	\$ <u>924.</u>	\$ _____	\$ <u>924.</u>
(1 + 2 - 3 = 4)				

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
Devane Environmental	\$ _____	\$ 3,600.	Operations & Maintenance
Roto-Rooter	\$ _____	\$ 589.	Operations & Maintenance
The NCT Group CPA's L.L.P.	\$ _____	\$ 2,731.	Accounting & Consulting
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	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_____	_____	_____	_____
6) Less Accumulated Amortization_____	_____	(1,123.)	(1,123.)
7) Net CIAC_____	\$ _____	\$ 1,340.	\$ 1,340.

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

	Water	Wastewater	Total
Balance First of Year_____	\$ _____	\$ 1,032.	\$ 1,032.
Add Credits During Year_____	_____	91	91
Deduct Debits During Year_____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)_____	\$ _____	\$ 1,123.	\$ 1,123.

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

**YEAR OF REPORT
DECEMBER 31, 1997**

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)	_____	_____ %	_____ %	_____ %
Total	\$ _____	<u>100.00 %</u>		_____ %

(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 approving AFUDC rate:	_____

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

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):

WATER OPERATING SECTION

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

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises_____	_____	_____	_____	1,750.
353	Land and Land Rights_____	1,750.	_____	_____	28,891.
354	Structures and Improvements_____	28,891.	_____	_____	1,478.
360	Collection Sewers - Force_____	1,478.	_____	_____	54,339.
361	Collection Sewers - Gravity_____	54,339.	_____	_____	24,260.
362	Special Collecting Structures_____	24,260.	_____	_____	20,251.
363	Services to Customers_____	20,251.	_____	_____	_____
364	Flow Measuring Devices_____	_____	_____	_____	_____
365	Flow Measuring Installations_____	_____	_____	_____	_____
370	Receiving Wells_____	_____	_____	_____	_____
371	Pumping Equipment_____	_____	_____	_____	_____
380	Treatment and Disposal Equipment_____	45,182.	29,104.	_____	74,286.
381	Plant Sewers_____	_____	_____	_____	_____
382	Outfall Sewer Lines_____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
390	Office Furniture and Equipment_____	2,611.	567.	_____	3,178.
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_____	\$ 178,762.	\$ 29,671.	\$ - 0 -	\$ 208,433.*

* This amount should tie to sheet F-5.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

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)	Debit's (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements	Various	%	Various %	\$ 27,726.	\$	\$ 369.	\$ 28,095.
360	Collection Sewers - Force	27	%	3.7 %	1,100.		55.	1,155.
361	Collection Sewers - Gravity	40	%	2.5 %	32,127.		1,358.	33,485.
362	Special Collecting Structures	27	%	3.7 %	16,948.		898.	17,846.
363	Services to Customers	35	%	2.9 %	13,070.		579.	13,649.
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	Various	%	Various %	27,359.		5,066.	32,425.
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment	Various	%	Various %	336.		371.	707.
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				\$ 118,666.	\$	\$ 8,696.	\$ 127,362.

* This amount should tie to Sheet F-5.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
		\$ 30,633.
701	Salaries and Wages - Employees	25,000.
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	2,450.
711	Sludge Removal Expense	5,953.
715	Purchased Power	
716	Fuel for Power Production	600.
718	Chemicals	
720	Materials and Supplies	
730	Contractual Services:	4,373.
	Operator and Management	450.
	Testing	2,731.
	Other	2,996.
740	Rents	148.
750	Transportation Expense	991.
755	Insurance Expense	
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	10,792.
775	Miscellaneous Expenses - Repairs & Maint., Office Exp. & Penalties	
	Total Wastewater Operation And Maintenance Expense	\$ 87,117.

* 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)	
5/8"	D	1.0	426	426	426
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			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Comm 5/8 X 3/4			1	1	1
Comm 1"			1	1	1
Unmetered Customers					
** D = Displacement C = Compound T = Turbine			Total	428	428
				428	428

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

PUMPING EQUIPMENT

Lift Station Number _____	Main St.	_____	_____	_____	_____	_____
Make or Type and nameplate data on pump _____	_____	_____	_____	_____	_____	_____
<u>Gorman Rupp 13a 25</u>	<u>2</u>	_____	_____	_____	_____	_____
Year installed _____	<u>1969</u>	_____	_____	_____	_____	_____
Rated capacity _____	<u>200 GPM</u>	_____	_____	_____	_____	_____
Size _____	<u>3"</u>	_____	_____	_____	_____	_____
Power:						
Electric _____	<u>3 HP</u>	_____	_____	_____	_____	_____
Mechanical _____	<u>3 HP</u>	_____	_____	_____	_____	_____
Nameplate data of motor <u>US Electric</u>	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

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

COLLECTING AND FORCE MAINS

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

MANHOLES

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

SYSTEM NAME: N/A

TREATMENT PLANT

Manufacturer _____	<u>Extended Air</u>	_____	_____
Type _____	_____	_____	_____
"Steel" or "Concrete" _____	<u>Concrete</u>	_____	_____
Total Capacity _____	<u>40,000 GPD</u>	_____	_____
Average Daily Flow _____	<u>22,000 GPD</u>	_____	_____
Effluent Disposal _____	<u>Evaporation &</u>	_____	_____
Total Gallons of _____	<u>Perk Pond</u>	_____	_____
Wastewater treated _____	<u>6,903,000</u>	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>Gorman</u>	_____	_____	_____	_____	_____
Capacity (GPM's) _____	<u>Rupp</u>	_____	_____	_____	_____	_____
Motor: _____	<u>200 GPM</u>	_____	_____	_____	_____	_____
Manufacturer _____	<u>US Electric</u>	_____	_____	_____	_____	_____
Horsepower _____	<u>3 HP</u>	_____	_____	_____	_____	_____
Power (Electric or _____	<u>Electric</u>	_____	_____	_____	_____	_____
Mechanical) _____	_____	_____	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	<u>837,000</u>	<u>-0-</u>	<u>837,000</u>
February _____	<u>728,000</u>	<u>-0-</u>	<u>728,000</u>
March _____	<u>620,000</u>	<u>-0-</u>	<u>620,000</u>
April _____	<u>540,000</u>	<u>-0-</u>	<u>540,000</u>
May _____	<u>465,000</u>	<u>-0-</u>	<u>465,000</u>
June _____	<u>420,000</u>	<u>-0-</u>	<u>420,000</u>
July _____	<u>403,000</u>	<u>-0-</u>	<u>403,000</u>
August _____	<u>420,000</u>	<u>-0-</u>	<u>420,000</u>
September _____	<u>480,000</u>	<u>-0-</u>	<u>480,000</u>
October _____	<u>527,000</u>	<u>-0-</u>	<u>527,000</u>
November _____	<u>750,000</u>	<u>-0-</u>	<u>750,000</u>
December _____	<u>713,000</u>	<u>-0-</u>	<u>713,000</u>
Total for year _____	<u>6,903,000</u>	<u>-0-</u>	<u>6,903,000</u>

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

SYSTEM NAME: N/A

OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

1. Present ERCs * now being served 68 (1)
2. Maximum ERCs ** that system can efficiently serve 143 (2)
3. Present system connection capacity (in ERC's) using existing lines 143 (2)
4. Future connection capacity (in ERC's) upon service area buildout No Additional Service
5. Estimated annual increase in ERCs * None
6. State any plans and estimated completion dates for any enlargements of this system. None

7. List percent of certificated area where service connections are installed (total for each county)
100%

8. If present systems do not meet the requirements of DEP Rule 62-4, Florida Administrative Code, submit the following:
 - a. Evaluation of the present plant or plants in regard to meeting the DEP's rules.
 - b. Plans for funding and construction of the required upgrading.
 - c. Have these plans been coordinated with the DEP? N/A
 - d. Do they concur? N/A
 - e. When will construction begin? N/A
9. Do you discharge effluent to surface waters? No
10. Department of Environmental Protection ID # 00-28-187065
Water Management District ID # N/A

* $ERC = (Total\ Gallons\ Treated / 365\ days) / 280\ Gallons\ Per\ Day$

Note: Total Gallons Treated includes both Wastewater treated and Purchased Wastewater Treatment.

** Total Plant Capacity / 280 gallons

$$(1) \quad \frac{6,903,000}{365} \div 280 = 68$$

$$(2) \quad \frac{40,000}{280} = 143$$

CERTIFICATION OF ANNUAL REPORT

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

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<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
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<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
<input checked="" type="checkbox"/> | NO
<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.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|

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

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

Roger E. Miller President
 (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 officer. 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.