

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

Fairmount Utilities the 2nd, Inc.

Exact Legal Name of Respondent

357-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



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Florida Public Service Commission
Division of Water and Wastewater

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1999

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GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Water and Wastewater, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

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FINANCIAL SECTION

REPORT OF

Fairmount Utilities the 2nd, Inc.

(EXACT NAME OF UTILITY)

P.O. Box 448 Avon Park, FL 33826-0488	3625 Valerie Blvd. Sebring, FL 33870	Highlands County
Mailing Address	Street Address	
Telephone Number	(941)385-8542	Date Utility First Organized
		10-14-91

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 448</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 South Commerce Ave.</u> <u>Sebring, FL 33870</u>	
Officers and Managers: <u>Roger E. Miller</u>	<u>President</u>	<u>Same</u>	\$ <u>15,000</u>
<u>Karen J. Berry</u>	<u>Manager</u>	<u>Same</u>	\$ <u>13,843</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>51%</u>	<u>P.O. Box 448</u> <u>Avon Park, FL 33826-0488</u>	\$ <u>15,000</u>
<u>Karen J. Berry</u>	<u>49%</u>	<u>P.O. Box 448</u> <u>Avon Park, FL 33826-0488</u>	\$ <u>13,843</u>
			\$
			\$
			\$

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31 1999

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ _____	102,381	\$ _____	\$ 102,381
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue_____		\$ _____	\$ 102,381	\$ _____	\$ 102,381
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ 98,544	\$ _____	\$ 98,544
Depreciation Expense(Net) _	F-5	_____	7,798	_____	7,798
Amortization Expense_____	F-8	_____	(91)	_____	(91)
Taxes Other Than Income____	F-7	_____	11,506	_____	11,506
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ _____	117,757	_____	\$ 117,757
Net Operating Income (Loss)		\$ _____	\$ (15,376)	\$ _____	\$ (15,376)
Other Income:					
Nonutility Income - Rental		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	18,062	_____	18,062
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ _____	\$ (33,438)	\$ _____	\$ (33,438)

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 1999

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 208,640	\$ 208,640
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	<u>(143,443)</u>	<u>(135,645)</u>
Net Utility Plant -----		\$ 65,197	\$ 72,995
Cash -----		2,969	787
Customer Accounts Receivable (141) -----		9,512	9,316
Other Assets (Specify): -----			
Other Receivables -----		2,300	1,500
Non Utility Property Net -----			
Total Assets -----		\$ <u>79,978</u>	\$ <u>84,598</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	1,000	1,000
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		46,418	46,418
Retained Earnings (215) -----	F-6	(277,958)	(244,520)
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>230,540</u>	\$ <u>(197,102)</u>
Long Term Debt (224) -----	F-6	\$ 13,673	\$ 18,288
Accounts Payable (231) -----		22,533	
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) - Accrued Taxes -----		809	853
Due to Shareholders -----		187,447	186,971
Accrued Salaries -----		84,898	74,339
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>1,158</u>	<u>1,249</u>
Total Liabilities and Capital -----		\$ <u>79,978</u>	\$ <u>84,598</u>

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 1999

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101) _____	\$ _____	\$ <u>208,640</u>	\$ _____	\$ <u>208,640</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ _____	\$ <u>208,640</u>	\$ _____	\$ <u>208,640</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>135,645</u>	\$ _____	\$ <u>135,645</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ _____	\$ <u>7,798</u>	\$ _____	\$ <u>7,798</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ _____	\$ <u>7,798</u>	\$ _____	\$ <u>7,798</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ _____	\$ <u>143,443</u>	\$ _____	\$ <u>143,443</u>

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 1999

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 _____	1000	
Total par value of stock issued _____	1,000	
Dividends declared per share for year _____	0.00	

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ (244,520)
Changes during the year (Specify):		
Net Income (Loss) for current year _____	_____	(33,438)
_____	_____	_____
Balance end of year _____	\$ _____	\$ (277,958)

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 First Union National Bank	9.625	60	\$ 13,673

Total _____			\$ 13,673

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 1999

TAXES ACCRUED (236)

(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 _____	_____	3,345	_____	3,345
Regulatory assessment fee _____	_____	4,557	_____	4,557
Other (Specify) Fla. Int. _____	_____	393	_____	393
Licenses and other taxes _____	_____	240	_____	240
Payroll Taxes _____	_____	2,971	_____	2,971
Total Taxes Accrued _____	\$ _____	\$ <u>11,506</u>	\$ _____	\$ <u>11,506</u>

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
The NCT Group CPA's, L.L.P.	\$ _____	\$ 2,280	Accounting and Consulting
Short Environmental	\$ _____	\$ 1,613	Testing
Thomas Devane	\$ _____	\$ 3,600	Operations and Management
Christopher Miller	\$ _____	\$ 960	Maintenance
Highlands Utility Const.	\$ _____	\$ 17,055	Operations and Management
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ _____	\$ <u>2,463</u>	\$ <u>2,463</u>
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	_____	<u>2,463</u>	<u>2,463</u>
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	_____	<u>2,463</u>	<u>2,463</u>
6) Less Accumulated Amortization _____	_____	<u>1,305</u>	<u>1,305</u>
7) Net CIAC _____	\$ _____	\$ <u>1,158</u>	\$ <u>1,158</u>

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
None _____ _____ _____ _____	_____ _____ _____ _____	_____ _____ _____ _____	_____ _____ _____ _____
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	
None _____ _____ _____	_____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Credits During Year (Must agree with line # 2 above.) _____		\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Balance First of Year _____	\$ _____	\$ <u>1,214</u>	\$ <u>1,214</u>
Add Credits During Year: _____	_____	<u>91</u>	<u>91</u>
Deduct Debits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ _____	\$ <u>1,305</u>	\$ <u>1,305</u>

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 1999

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	\$ _____	100.00 %		_____ %

(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.

YEAR OF REPORT DECEMBER 31, 1999

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**

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 1999

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 _____	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 1999

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.

YEAR OF REPORT DECEMBER 31, 1999

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:	
	Operator and Management_____	_____
	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_____ Bank Charges, Office Expenses, Postage)	_____
	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)	
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	_____	_____	_____
4"	D,C	25.0	_____	_____	_____
4"	T	30.0	_____	_____	_____
6"	D,C	50.0	_____	_____	_____
6"	T	62.5	_____	_____	_____
Other (Specify) _____ _____	_____ _____	_____ _____	_____ _____	_____ _____	_____ _____
Unmetered Customers			_____	_____	_____
Total			_____	_____	_____

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 1999

SYSTEM NAME: N/A

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)]	(i) Water Sold To Customers (Omit 000's)
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, 1999

SYSTEM NAME: N/A

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

(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)
Motors Manufacturer _____ Type _____ Rated Horsepower _____	_____	_____	_____	_____
Pumps Manufacturer _____ Type _____ Capacity in GPM _____ Average Number of Hours Operated Per Day _____ Auxiliary Power _____	_____	_____	_____	_____

UTILITY NAME:
N/A

Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
December 31, 1999

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Gals. per day of source _____	_____	_____	_____
Type of Source _____	_____	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	_____	_____	_____
Make _____	_____	_____	_____
Gals. per day capacity _____	_____	_____	_____
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 _____	_____	_____	_____

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 _____
- Maximum ERCs ** that system can efficiently serve _____
- 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 * _____
- 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) _____
- What is the current need for system upgrading and/or expansion? _____

- What are plans for future system upgrading and/or expansion? _____

- Have questions 8 and 9 been discussed with an engineer? (if so, state name and address) _____
- 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

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 1999

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_____	28,891			28,891
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_____	74,493			74,493
381	Plant Sewers_____				
382	Outfall Sewer Lines_____				
389	Other Plant and Miscellaneous Equipment_____				
390	Office Furniture and Equipment_____	3,178			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_____	\$ 208,640	\$ _____	\$ _____	\$ 208,640 *

* 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)
354	Structures and Improvements	Various	%	Various %	\$ 28,241	\$	\$ 146	\$ 28,387
355	Power Generation Equipment	27	%	3.70 %	1,210		54	1,264
360	Collection Sewers - Force	40	%	2.50 %	34,843		1,359	36,202
361	Collection Sewers - Gravity	27	%	3.70 %	18,744		899	19,643
362	Special Collecting Structures	35	%	2.86 %	14,228		578	14,806
363	Services to Customers		%					
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	Various	%	Various %	37,298		4,389	41,687
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment	Various	%	Various %	1,081		373	1,454
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				\$ 135,645	\$	\$ 7,798	\$ 143,443 *

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees_____	\$ 32,131
703	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	15,000
704	Employee Pensions and Benefits_____	
710	Purchased Wastewater Treatment_____	
711	Sludge Removal Expense_____	1,698
715	Purchased Power_____	4,138
716	Fuel for Power Production_____	
718	Chemicals_____	5,901
720	Materials and Supplies_____	
730	Contractual Services:	
	Professional_____	2,280
	Testing_____	
	Other (Operations and maintenance)_____	23,743
740	Rents_____	4,494
750	Transportation Expense_____	1,110
755	Insurance Expense_____	727
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	
770	Bad Debt Expense_____	466
775	Misc. Expenses Repairs & maintenance, office expense, misc.)_____	6,856
	Total Wastewater Operation And Maintenance Expense_____	\$ 98,544 *

* 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	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			
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			2	2	2
Comm 1"			1	1	1
Unmetered Customers					
** D = Displacement C = Compound T = Turbine			Total		
			428	428	428

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
December 31, 1999

PUMPING EQUIPMENT

Lift Station Number _____	Main St.	_____	_____	_____	_____	_____
Make or Type and nameplate data on pump _____		_____	_____	_____	_____	_____
Gorman Rupp 13a 25	2	_____	_____	_____	_____	_____
Year installed _____	1969	_____	_____	_____	_____	_____
Rated capacity _____	200GPM	_____	_____	_____	_____	_____
Size _____	3"	_____	_____	_____	_____	_____
Power:		_____	_____	_____	_____	_____
Electric _____	3HP	_____	_____	_____	_____	_____
Mechanical _____		_____	_____	_____	_____	_____
Nameplate data of motor - U.S. Electric _____	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	1200	_____	_____	_____	_____
Added during year _____	0	0	0	_____	_____	_____	_____
Retired during year _____	0	0	0	_____	_____	_____	_____
End of year _____	610	3200	1200	_____	_____	_____	_____

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: _____

YEAR OF REPORT DECEMBER 31, 1999

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 Wastewater treated_____	<u>Perk Pond</u>	_____	_____
	<u>261,000</u>	_____	_____

MASTER LIFT STATION PUMPS

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

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	<u>868,000</u>	_____	<u>868,000</u>
February_____	<u>756,000</u>	_____	<u>756,000</u>
March_____	<u>744,000</u>	_____	<u>744,000</u>
April_____	<u>600,000</u>	_____	<u>600,000</u>
May_____	<u>465,000</u>	_____	<u>465,000</u>
June_____	<u>570,000</u>	_____	<u>570,000</u>
July_____	<u>465,000</u>	_____	<u>465,000</u>
August_____	<u>589,000</u>	_____	<u>589,000</u>
September_____	<u>690,000</u>	_____	<u>690,000</u>
October_____	<u>713,000</u>	_____	<u>713,000</u>
November_____	<u>630,000</u>	_____	<u>630,000</u>
December_____	<u>930,000</u>	_____	<u>930,000</u>
Total for year_____	<u>8,020,000</u>	_____	<u>8,020,000</u>

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
December 31, 1999

SYSTEM NAME: Fairmount Mobile Estates

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 | 78 | [(8,020,000 / 365) / 280 = 78] |
| 2. Maximum ERCs ** that system can efficiently serve | 143 | (40,000 / 280 = 143) |
| 3. Present system connection capacity (in ERC's) using existing lines | 143 | (40,000 / 280 = 143) |
| 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. 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. | |
| 9. Has the utility been required by the DEP or water management district to implement reuse. | No. | |
| 10. When did the company last file a capacity analysis report with the DEP? | | |
| 11. Department of Environmental Protection ID # | D028187065 | |

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

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

** $\text{Total Plant Capacity} / 280 \text{ gallons}$

CERTIFICATION OF ANNUAL REPORT

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

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



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