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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

SU648-02-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
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DIVISION OF
ECONOMIC REGULATION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

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 488 Avon Park, FL 33826-0488	3625 Valerie Blvd. Sebring, FL 33870	Highlands
Mailing Address	Street Address	County
Telephone Number (863) 385-8542	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: Roger E. Miller	President	P.O. Box 488 Avon Park, FL 33826-0488	
Person who prepared this report: The NCT Group CPA's, L.L.P.	CPA	435 South Commerce Ave. Sebring, FL 33870	
Officers and Managers: Roger E. Miller	President	Same	\$ 8,881
Karen J. Berry	Manager	Same	\$ 14,455
			\$
			\$
			\$
			\$

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
Roger E. Miller	37%	P.O. Box 488 Avon Park, FL 33826-0488	\$ 8,881
Karen J. Berry	63%	P.O. Box 488 Avon Park, FL 33826-0488	\$ 14,455
			\$
			\$
			\$
			\$
			\$

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ _____	\$ 105,570	\$ _____	\$ 105,570
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ _____	\$ 105,570	\$ _____	\$ 105,570
Operation Expense (Must tie to pages W-3 and S-3)					
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ 73,741	\$ _____	\$ 73,741
Depreciation Expense _____	F-5	_____	6,944	_____	6,944
CIAC Amortization Expense _____	F-8	_____	(91)	_____	(91)
Taxes Other Than Income _____	F-7	_____	11,212	_____	11,212
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense _____		\$ _____	91,806	\$ _____	\$ 91,806
Net Operating Income (Loss) _____		\$ _____	\$ 13,764	\$ _____	\$ 13,764
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		_____	(20,989)	_____	(20,989)
_____		_____	_____	_____	0
_____		_____	_____	_____	_____
Net Income (Loss) _____		\$ _____	\$ (7,225)	\$ _____	\$ (7,225)

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2002

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ 216,076	\$ 208,640
Accumulated Depreciation and Amortization (108)_____	F-5,W-2,S-2	<u>(161,557)</u>	<u>(158,909)</u>
Net Utility Plant _____		\$ 54,519	\$ 49,731
Cash _____		2,446	
Customer Accounts Receivable (141)_____		11,134	10,548
Other Assets (Specify): _____			
Other Receivables _____			6,800
Loan Cost _____		80	114
Total Assets _____		\$ <u>68,179</u>	\$ <u>67,193</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	(336,031)	(322,006)
Proprietary Capital (Proprietary and partnership only) (218)_____	F-6		
Total Capital _____		\$ <u>(288,613)</u>	\$ <u>(274,588)</u>
Long Term Debt (224)_____	F-6	\$ 42,005	\$ 44,555
Accounts Payable (231)_____		40,234	26,814
Notes Payable (232)_____			
Customer Deposits (235)_____			
Accrued Taxes (236)_____			
Other Liabilities (Specify) _____			
Accrued Taxes _____		1,036	693
Due to Shareholders _____		182,914	183,845
Accrued Salaries _____		89,719	84,898
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>884</u>	<u>976</u>
Total Liabilities and Capital _____		\$ <u>68,179</u>	\$ <u>67,193</u>

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2002

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ _____	\$ 216,076	\$ _____	\$ 216,076
Construction Work in Progress (105)_____	_____	_____	_____	_____
Other (Specify) _____ _____ _____	_____	_____	_____	_____
Total Utility Plant_____	\$ _____	\$ 216,076	\$ _____	\$ 216,076

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year_____	\$ _____	\$ 158,909	\$ _____	\$ 158,909
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account____	\$ _____	\$ 6,944	\$ _____	\$ 6,944
Salvage_____	_____	_____	_____	_____
Other Credits (specify)____ _____	_____	_____	_____	_____
Total Credits_____	\$ _____	\$ 6,944	\$ _____	\$ 6,944
<u>Deduct Debits During Year:</u>				
Book cost of plant retired_____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal_____	_____	4,296	_____	4,296
Other debits (specify) _____	_____	_____	_____	_____
Total Debits_____	\$ _____	\$ 4,296	\$ _____	\$ 4,296
Balance End of Year_____	\$ _____	\$ 161,557	\$ _____	\$ 161,557

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2002

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 _____	\$ _____	\$ (322,006)
Changes during the year (Specify):		
Net income (loss) for current year _____		(7,225)
Non-dividend distribution to shareholders _____		(6,800)

Balance end of year _____	\$ _____	\$ (336,031)

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 Wachovia Bank, N.A. _____	8.5%	60	\$ 42,005

Total _____			\$ 42,005

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 _____	_____	2,564	_____	2,564
Regulatory assessment fee _____	_____	4,776	_____	4,776
Other (Specify) _____	_____	_____	_____	_____
Florida Intangible _____	_____	185	_____	185
Florida Tangible _____	_____	408	_____	408
Licenses and other taxes _____	_____	240	_____	240
Payroll taxes _____	_____	3,039	_____	3,039
Total Taxes Accrued _____	\$ _____	\$ <u>11,212</u>	\$ _____	\$ <u>11,212</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
H & H Sludge Disposal Inc.	\$ _____	\$ 2,205	Maintenance
Highlands Utility Co	\$ _____	\$ 705	Maintenance
Pugh Utility Services, Inc.	\$ _____	\$ 3,991	Maintenance
The NCT Group CPA's, L.L.P.	\$ _____	\$ 3,090	Accounting and consulting
C & C Plumbing Inc.	\$ _____	\$ 2,310	Maintenance
Short Environmental Labs	\$ _____	\$ 1,368	Water testing
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

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 _____	_____	2,463	2,463
6) Less Accumulated Amortization _____	_____	(1,579)	(1,579)
7) Net CIAC _____	\$ _____	\$ 884	\$ 884

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 _____	\$ _____	\$ 1,488	\$ 1,488
Add Credits During Year: _____	_____	91	91
Deduct Debits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ _____	\$ 1,579	\$ 1,579

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

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2002

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: _____
--

N/A

WATER

OPERATING

SECTION

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2002

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	3,884	(3,212)	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_____	74,493	8,383	(1,619)	81,257
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	\$ 12,267	\$ (4,831)	\$ 216,076 *

* This amount should tie to sheet F-5.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

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 %	\$ 28,679	\$ 3,000	\$ 177	\$ 25,856
355	Power Generation Equipment		%					
360	Collection Sewers - Force	27	%	3.70 %	1,374		55	1,429
361	Collection Sewers - Gravity	40	%	2.50 %	38,918		1,359	40,277
362	Special Collecting Structures	27	%	3.70 %	21,441		898	22,339
363	Services to Customers	35	%	2.86 %	15,964		578	16,542
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment		%					
381	Plant Sewers	Various	%	Various %	50,333	1,296	3,839	52,876
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%					
391	Transportation Equipment	Various	%	Various %	2,200		38	2,238
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				\$ 158,909	\$ 4,296	\$ 6,944	\$ 161,557 *

* This amount should tie to Sheet F-5.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2002

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 18,787
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	23,336
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	2,205
715	Purchased Power	5,004
716	Fuel for Power Production	
718	Chemicals	6,483
720	Materials and Supplies	
730	Contractual Services:	
	Billing	
	Professional	3,090
	Testing	1,368
	Other	2,107
740	Rents	2,354
750	Transportation Expense	846
755	Insurance Expense	397
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	
775	Miscellaneous Expenses (Repairs & maintenance, office exp., & loss on asset disposal)	7,764
	Total Wastewater Operation And Maintenance Expense	\$ 73,741 *

* 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					
Total			428	428	428

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2002

PUMPING EQUIPMENT

Lift Station Number _____	Main St.	_____	_____	_____	_____	_____
Make or Type and nameplate data on pump _____ Gorman Rupp 13a 25	_____	_____	_____	_____	_____	_____
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, 2002
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TREATMENT PLANT

Manufacturer _____ Type _____ "Steel" or "Concrete" _____ Total Permitted Capacity _____ Average Daily Flow _____ Method of Effluent Disposal _____ Permitted Capacity of Disposal _____ Total Gallons of Wastewater treated _____	Extended Air _____ Concrete _____ 40,000 GPD _____ 22,000 GPD _____ Evap. & Perk Pond _____ 11,006,000 _____		
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MASTER LIFT STATION PUMPS

Manufacturer _____ Capacity (GPM's) _____ Motor: Manufacturer _____ Horsepower _____ Power (Electric or Mechanical) _____	Gorman/ Rupp 200GPM _____ US Elec 3 HP _____ Electric _____					
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PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	961,000		961,000
February _____	952,000		952,000
March _____	1,054,000		1,054,000
April _____	780,000		780,000
May _____	558,000		558,000
June _____	600,000		600,000
July _____	1,085,000		1,085,000
August _____	899,000		899,000
September _____	1,080,000		1,080,000
October _____	868,000		868,000
November _____	960,000		960,000
December _____	1,209,000		1,209,000
Total for year _____	11,006,000		11,006,000

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

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. 108 [(11,006,000 / 365) / 280 = 107.69]
2. Maximum number of ERCs* which can be served. 143 (40,000 / 280 = 143)
3. Present system connection capacity (in ERCs*) using existing lines. 143 (40,000 / 280 = 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).

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"/> |
|---|---|---|---|

 *
(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"/> |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|

_____*
(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.