

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF
SU648-05-AR

FAIRMOUNT UTILITIES THE 2ND, INC.

Exact Legal Name of Respondent

357-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2005

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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) 314-9402 Date Utility First Organized 10-14-91

Fax Number _____ E-mail Address _____

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

Check the business entity of the utility as filed with the Internal Revenue Service:

Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: 3625 Valerie Blvd
Sebring, FL 33870

Name of subdivisions where services are provided: Fairmount Mobile Estates

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Roger E. Miller</u>	<u>President</u>	<u>P.O. Box 488</u> <u>Avon Park, FL 33826-0488</u>	
Person who prepared this report: <u>The NCT Group CPA's, L.L.P.</u>	<u>CPA</u>	<u>435 S. Commerce Ave.</u> <u>Sebring, FL 33870</u>	
Officers and Managers: <u>Roger E. Miller</u>	<u>President</u>	<u>Same</u>	\$ <u>6,661</u>
<u>Karen J. Berry</u>	<u>Manager</u>	<u>Same</u>	\$ <u>15,654</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
<u>William J. Berry</u>	<u>21%</u>	<u>P.O. Box 488</u> <u>Avon Park, FL 33826-0488</u>	\$ <u>0</u>
<u>Karen J. Berry</u>	<u>79%</u>	<u>P.O. Box 488</u> <u>Avon Park, FL 33826-0488</u>	\$ <u>15,654</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT	
DECEMBER 31,	2005

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ _____	\$ 109,474	\$ _____	\$ 109,474
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue___		\$ _____	\$ 109,474	\$ _____	\$ 109,474
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ 92,473	\$ _____	\$ 92,473
Depreciation Expense_____	F-5	_____	5,185	_____	5,185
CIAC Amortization Expense_	F-8	_____	(92)	_____	(92)
Taxes Other Than Income__	F-7	_____	11,100	_____	11,100
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ _____	108,666	_____	\$ 108,666
Net Operating Income (Loss)		\$ _____	\$ 808	\$ _____	\$ 808
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	(24,186)	_____	(24,186)
Loss on Disposal_____		_____	0	_____	0
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ _____	\$ (23,378)	\$ _____	\$ (23,378)

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2005

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>221,460</u>	\$ <u>220,613</u>
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>(179,725)</u>	<u>(174,541)</u>
Net Utility Plant _____		\$ <u>41,735</u>	\$ <u>46,072</u>
Cash _____		<u>1,215</u>	<u>6,658</u>
Customer Accounts Receivable (141) _____		<u>9,309</u>	<u>8,539</u>
Other Assets (Specify): _____			
Other Receivables _____		<u>197</u>	
Loan Cost _____		<u>370</u>	<u>529</u>
Prepaid Expense _____		<u>-</u>	<u>-</u>
Total Assets _____		\$ <u><u>52,826</u></u>	\$ <u><u>61,798</u></u>
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	<u>1,000</u>	<u>1,000</u>
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____		<u>46,418</u>	<u>46,418</u>
Retained Earnings (215) _____	F-6	<u>(405,631)</u>	<u>(382,253)</u>
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		\$ <u>(358,213)</u>	\$ <u>(334,835)</u>
Long Term Debt (224) _____	F-6	\$ <u>44,569</u>	\$ <u>46,729</u>
Accounts Payable (231) _____		<u>86,652</u>	<u>77,714</u>
Notes Payable (232) _____			
Customer Deposits (235) _____			
Accrued Taxes (236) _____			
Other Liabilities (Specify) _____			
Accrued Payroll Taxes _____		<u>1,057</u>	<u>1,188</u>
Due to REM _____		<u>179,931</u>	<u>170,608</u>
Accrued Wages _____		<u>98,220</u>	<u>99,692</u>
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>610</u>	<u>702</u>
Total Liabilities and Capital _____		\$ <u><u>52,826</u></u>	\$ <u><u>61,798</u></u>

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 3 2005

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ _____	\$ 221,460	\$ _____	\$ 221,460
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
Total Utility Plant _____	\$ _____	\$ 221,460	\$ _____	\$ 221,460

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ _____	\$ 174,541	\$ _____	\$ 174,541
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ _____	\$ 5,184	\$ _____	\$ 5,184
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ _____	\$ 5,184	\$ _____	\$ 5,184
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ 0	\$ _____	\$ 0
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ 0	\$ _____	\$ 0
Balance End of Year _____	\$ _____	\$ 179,725	\$ _____	\$ 179,725

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT	
DECEMBER 31,	2005

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 _____	\$ _____	\$ (382,253)
Changes during the year (Specify):		
Net income (loss) for current year _____	_____	(23,378)
_____	_____	_____
Balance end of year _____	\$ _____	\$ (405,631)

PROPRIETARY CAPITAL (218)

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

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Note payable to Heartland National Bank _____	7.25%	60	\$ 44,569
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 44,569

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2005

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	_____	2,302	_____	2,302
Regulatory assessment fee _____	_____	4,742	_____	4,742
Other (Specify) _____	_____	_____	_____	_____
Licenses and other taxes _____	_____	577	_____	577
Payroll taxes _____	_____	3,479	_____	3,479
Total Tax Expense _____	\$ _____	\$ <u>11,100</u>	\$ _____	\$ <u>11,100</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.	\$ _____	\$ <u>3,850</u>	Sludge Hauling
Highlands Utility Co	\$ _____	\$ <u>7,022</u>	Repairs and Maintenance
Pugh Utility Services, Inc.	\$ _____	\$ <u>5,689</u>	Maintenance
The NCT Group CPA's, L.L.P.	\$ _____	\$ <u>3,160</u>	Accounting and consulting
Short Environmental Labs	\$ _____	\$ <u>1,725</u>	Water testing
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

<p>YEAR OF REPORT DECEMBER 31, 2005</p>

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>(1,853)</u>	<u>(1,853)</u>
7) Net CIAC _____	\$ _____	\$ <u>610</u>	\$ <u>610</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
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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 _____	\$ _____	\$ <u>(1,761)</u>	\$ <u>(1,761)</u>
Add Debits During Year: _____	_____	<u>(92)</u>	<u>(92)</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ _____	\$ <u>(1,853)</u>	\$ <u>(1,853)</u>

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

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2005

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, 2005

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-7 have been omitted from this report.

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2005

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises_____	_____	_____	_____	_____
353	Land and Land Rights_____	1,750	_____	_____	1,750
354	Structures and Improvements_____	29,563	_____	_____	29,563
355	Power Generation Equipment_____	_____	_____	_____	_____
360	Collection Sewers - Force_____	1,478	_____	_____	1,478
361	Collection Sewers - Gravity_____	54,339	_____	_____	54,339
362	Special Collecting Structures_____	24,260	_____	_____	24,260
363	Services to Customers_____	20,251	_____	_____	20,251
364	Flow Measuring Devices_____	_____	_____	_____	_____
365	Flow Measuring Installations_____	_____	_____	_____	_____
370	Receiving Wells_____	_____	_____	_____	_____
371	Pumping Equipment_____	_____	_____	_____	_____
380	Treatment and Disposal Equipment_____	86,757	847	_____	87,604
381	Plant Sewers_____	_____	_____	_____	_____
382	Outfall Sewer Lines_____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
390	Office Furniture and Equipment_____	2,215	_____	_____	2,215
391	Transportation Equipment_____	_____	_____	_____	_____
392	Stores Equipment_____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment_____	_____	_____	_____	_____
394	Laboratory Equipment_____	_____	_____	_____	_____
395	Power Operated Equipment_____	_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____	_____
397	Miscellaneous Equipment_____	_____	_____	_____	_____
398	Other Tangible Plant_____	_____	_____	_____	_____
	Total Wastewater Plant_____	\$ 220,613	\$ 847	\$ 0	\$ 221,460 *

* This amount should tie to sheet F-5.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 2005

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
303	Organization	Various	%	Various	\$ 26,209	\$	\$	\$
354	Structures and Improvements	Various	%	Various	26,209		176	26,385
355	Power Generation Equipment	Various	%	Various				
360	Collection Sewers - Force	27	%	3.70	1,478		0	1,478
361	Collection Sewers - Gravity	40	%	2.50	42,995		1,358	44,353
362	Special Collecting Structures	27	%	3.70	22,924		121	23,045
363	Services to Customers	35	%	2.86	17,699		579	18,278
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment		%					
381	Plant Sewers	Various	%	Various	61,288		2,912	64,200
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%					
391	Transportation Equipment	Various	%	Various	1,948		38	1,986
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				\$ 174,541	\$ 0	\$ 5,184	\$ 179,725 *

* This amount should tie to F-5

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2005

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees_____	\$ 20,000
703	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	22,315
704	Employee Pensions and Benefits_____	_____
710	Purchased Wastewater Treatment_____	_____
711	Sludge Removal Expense_____	3,850
715	Purchased Power_____	4,946
716	Fuel for Power Production_____	_____
718	Chemicals_____	9,798
720	Materials and Supplies_____	_____
730	Contractual Services:	_____
	Billing_____	_____
	Professional_____	3,160
	Testing_____	2,025
	Other (Operations and Management)_____	5,689
740	Rents_____	2,568
750	Transportation Expense_____	1,128
755	Insurance Expense_____	_____
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
770	Bad Debt Expense_____	_____
775	Miscellaneous Expenses (Repairs & maintenance, office exp., & amort. loan exp.)_____	16,994
	Total Wastewater Operation And Maintenance Expense_____	\$ 92,473 *

* 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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2005

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>2002</u>	_____	_____	_____	_____	_____
Rated capacity _____	<u>200GPM</u>	_____	_____	_____	_____	_____
Size _____	<u>3"</u>	_____	_____	_____	_____	_____
Power:						
Electric _____	<u>3HP</u>	_____	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	<u>3HP</u>	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	<u>4"</u>	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	<u>VCP</u>	_____	_____	_____	_____	_____
Average length _____	<u>50'</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.

SYSTEM NAME: Fairmount Mobile Estates

YEAR OF REPORT DECEMBER 31, 2005

TREATMENT PLANT

Manufacturer_____	<u>Extended Air</u>	_____	_____
Type_____	_____	_____	_____
"Steel" or "Concrete"_____	<u>Concrete</u>	_____	_____
Total Permitted Capacity_____	<u>40,000 GPD</u>	_____	_____
Average Daily Flow_____	<u>22,000 GPD</u>	_____	_____
Method of Effluent Disposal_____	<u>Evap. & Perk Pond</u>	_____	_____
Permitted Capacity of Disposal_____	_____	_____	_____
Total Gallons of Wastewater treated_____	<u>12,305,000</u>	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer_____	<u>Gorman/ Rupp</u>	_____	_____	_____	_____	_____
Capacity (GPM's)_____	<u>200 GPM</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>1,178,000</u>	_____	<u>1,178,000</u>
February_____	<u>1,008,000</u>	_____	<u>1,008,000</u>
March_____	<u>1,147,000</u>	_____	<u>1,147,000</u>
April_____	<u>1,050,000</u>	_____	<u>1,050,000</u>
May_____	<u>1,023,000</u>	_____	<u>1,023,000</u>
June_____	<u>1,200,000</u>	_____	<u>1,200,000</u>
July_____	<u>682,000</u>	_____	<u>682,000</u>
August_____	<u>589,000</u>	_____	<u>589,000</u>
September_____	<u>600,000</u>	_____	<u>600,000</u>
October_____	<u>713,000</u>	_____	<u>713,000</u>
November_____	<u>660,000</u>	_____	<u>660,000</u>
December_____	<u>650,000</u>	_____	<u>650,000</u>
Total for year_____	<u>10,500,000</u>	_____	<u>10,500,000</u>

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 2005

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. 102 [(10,500,000 gallons treated/365 days) / 280 = 102.740]

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

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

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

5. Estimated annual increase in ERCs*. None

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

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

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

If so, when? N/A

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

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

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

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

- a. Attach a description of the plant upgrade necessary to meet the DEP rules. N/A
- b. Have these plans been approved by DEP? N/A
- c. When will construction begin? N/A
- d. Attach plans for funding the required upgrading. N/A
- e. Is this system under any Consent Order with DEP? N/A

12. Department of Environmental Protection ID # D028187065

- * An ERC is determined based on one of the following methods:
- (a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
 - (b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

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 *

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

Date: _____

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

Karen M. Berry *

(signature of chief financial officer of the utility)

Date: 03-29-2006

* 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.