

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF
SU648-06-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, 2006

07/11/09 08:10:15
Public Service Commission
Tallahassee, Florida

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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, 2006

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ _____	\$ 110,047	\$ _____	\$ 110,047
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues__		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue___		\$ _____	\$ 110,047	\$ _____	\$ 110,047
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ 95,602	\$ _____	\$ 95,602
Depreciation Expense_____	F-5	_____	5,267	_____	5,267
CIAC Amortization Expense__	F-8	_____	(91)	_____	(91)
Taxes Other Than Income__	F-7	_____	13,022	_____	13,022
Income Taxes_____	F-7	_____	0	_____	_____
Total Operating Expense		\$ _____	113,800	_____	\$ 113,800
Net Operating Income (Loss)		\$ _____	(3,753)	\$ _____	\$ (3,753)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	(20,168)	_____	(20,168)
Loss on Disposal_____		_____	0	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ _____	(23,921)	\$ _____	\$ (23,921)

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2006

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 217,604	\$ 221,460
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	(180,177)	(179,725)
Net Utility Plant -----		\$ 37,427	\$ 41,735
Cash -----		989	1,215
Customer Accounts Receivable (141) -----		11,030	9,309
Other Assets (Specify): -----			
Other Receivables -----		197	197
Loan Cost -----		212	370
Total Assets -----		\$ 49,855	\$ 52,826
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	(429,552)	(405,631)
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ (382,134)	\$ (358,213)
Long Term Debt (224) -----	F-6	\$ 42,360	\$ 44,569
Accounts Payable (231) -----		114,837	86,652
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
Accrued Payroll Taxes -----		656	1,057
Due to REM -----		182,058	179,931
Accrued Wages -----		91,559	98,220
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	519	610
Total Liabilities and Capital -----		\$ 49,855	\$ 52,826

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT	
DECEMBER 3	2006

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ _____	\$ <u>217,604</u>	\$ _____	\$ <u>217,604</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
Total Utility Plant _____	\$ _____	\$ <u>217,604</u>	\$ _____	\$ <u>217,604</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ _____	\$ <u>179,725</u>	\$ _____	\$ <u>179,725</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ _____	\$ <u>5,267</u>	\$ _____	\$ <u>5,267</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ _____	\$ <u>5,267</u>	\$ _____	\$ <u>5,267</u>
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ <u>4,815</u>	\$ _____	\$ <u>4,815</u>
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ <u>4,815</u>	\$ _____	\$ <u>4,815</u>
Balance End of Year _____	\$ _____	\$ <u>180,177</u>	\$ _____	\$ <u>180,177</u>

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2006

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 _____	\$ _____	\$ (405,631)
Changes during the year (Specify):		
Net income (loss) for current year _____	_____	(23,921)
_____	_____	_____
Balance end of year _____	\$ _____	\$ (429,552)

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	\$ 42,360
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 42,360

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT	
DECEMBER 31,	2006

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 _____	_____	2,589	_____	2,589
Regulatory assessment fee _____	_____	4,926	_____	4,926
Other (Specify) _____	_____	_____	_____	_____
Licenses and other taxes _____	_____	2,813	_____	2,813
Payroll taxes _____	_____	2,694	_____	2,694
Total Tax Expense _____	\$ _____	\$ 13,022	\$ _____	\$ 13,022

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.	\$ _____	\$ 3,850	Sludge Hauling
Highlands Utility Co	\$ _____	\$ 5,073	Repairs and Maintenance
Pugh Utility Services, Inc.	\$ _____	\$ 6,057	Maintenance
The NCT Group CPA's, L.L.P.	\$ _____	\$ 2,645	Accounting and consulting
Short Environmental Labs	\$ _____	\$ 1,620	Water testing
Polston Engineering	\$ _____	\$ 1,316	Compliance and consulting
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2006

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_____	_____	(1,944)	(1,944)
7) Net CIAC_____	\$ _____	\$ 519	\$ 519

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_____	\$ _____	\$ (1,853)	\$ (1,853)
Add Debits During Year:_____	_____	(91)	(91)
Deduct Credits During Year:_____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ _____	\$ (1,944)	\$ (1,944)

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

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2006

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:	_____

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, 2006

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 _____	87,604	681	3,167	85,118
381	Plant Sewers _____				
382	Outfall Sewer Lines _____				
389	Other Plant and Miscellaneous Equipment _____				
390	Office Furniture and Equipment _____	2,215	278	1,648	845
391	Transportation Equipment _____				
392	Stores Equipment _____				
393	Tools, Shop and Garage Equipment _____				
394	Laboratory Equipment _____				
395	Power Operated Equipment _____				
396	Communication Equipment _____				
397	Miscellaneous Equipment _____				
398	Other Tangible Plant _____				
	Total Wastewater Plant _____	\$ 221,460	\$ 959	\$ 4,815	\$ 217,604 *

* This amount should tie to sheet F-5.

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 2006

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	\$ 26,385	\$	\$	\$
354	Structures and Improvements	Various	%	Various	26,385		177	26,562
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	44,353		1,358	45,711
362	Special Collecting Structures	27	%	3.70	23,045		122	23,167
363	Services to Customers	35	%	2.86	18,278		578	18,856
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	Various	%	Various	64,200	3,167	2,967	64,000
381	Plant Sewers	Various	%	Various				
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%					
391	Transportation Equipment	Various	%	Various	1,986	1,648	65	403
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				\$ 179,725	\$ 4,815	\$ 5,267	\$ 180,177 *

* This amount should tie to F-5

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2006

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 22,283
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	7,303
716	Fuel for Power Production	_____
718	Chemicals	11,215
720	Materials and Supplies	_____
730	Contractual Services:	_____
	Billing	_____
	Professional	2,645
	Testing	1,620
	Other (Operations and Management)	13,152
740	Rents	2,782
750	Transportation Expense	1,079
755	Insurance Expense	886
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
770	Bad Debt Expense	_____
775	Miscellaneous Expenses (Repairs & maintenance, office exp., & amort. loan exp.)	6,472
	Total Wastewater Operation And Maintenance Expense	\$ 95,602 *

* 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	_____	_____	2	2	2
Other (Specify)	_____	_____	1	1	1
Comm 5/8 x 3/4	_____	_____	_____	_____	_____
Comm 1"	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	428	428

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 200

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, 2

TREATMENT PLANT

Manufacturer _____	Extended Air		
Type _____			
"Steel" or "Concrete" _____	Concrete		
Total Permitted Capacity _____	40,000 GPD		
Average Daily Flow _____	22,000 GPD		
Method of Effluent Disposal _____	Evap. & Perk Pond		
Permitted Capacity of Disposal _____			
Total Gallons of Wastewater treated _____	12,305,000		

MASTER LIFT STATION PUMPS

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

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	620,000		620,000
February _____	560,000		560,000
March _____	620,000		620,000
April _____	570,000		570,000
May _____	558,000		558,000
June _____	540,000		540,000
July _____	527,000		527,000
August _____	527,000		527,000
September _____	510,000		510,000
October _____	620,000		620,000
November _____	540,000		540,000
December _____	589,000		589,000
Total for year _____	<u>6,781,000</u>		<u>6,781,000</u>

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 2006

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. 66 [(6,781,000 gallons treated/365 days) / 280 = 66.35]

2. Maximum number of ERCs* which can be served. 142 (40,000 / 280 = 142.85)

3. Present system connection capacity (in ERCs*) using existing lines. 142

4. Future connection capacity (in ERCs*) upon service area buildout. None

5. Estimated annual increase in ERCs*. None

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

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

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

If so, when? N/A

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

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

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

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

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

12. Department of Environmental Protection ID # D028187065

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

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

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

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

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

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31 2006

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"/>	<u>Roger E. Miller</u> *
				(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"/>	<u>Roger E. Miller</u> *
				(signature of chief financial officer of the utility)

Date: 03-27-07

* 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.