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Public Service Commission  
The Florida Department of Regulation

**CLASS "C"**

**WATER AND/OR WASTEWATER UTILITIES**

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

**ANNUAL REPORT**

OF

SU648-09-AR  
Fairmount Utilities, the 2nd, Inc.  
P. O. Box 488  
Avon Park, FL 33826-0488

Submitted To The

**STATE OF FLORIDA**



**PUBLIC SERVICE COMMISSION**

FOR THE

**YEAR ENDED DECEMBER 31, 2009**

11 JUN 10 AM 8:50  
ECONOMIC REGULATION  
PUBLIC SERVICE

## 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 the 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 Economic Regulation  
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 Economic Regulation, 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". (Rule 25-30.116, Florida Administrative Code)

**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 2<sup>ND</sup> INC.  
(EXACT NAME OF UTILITY)

P.O. Box 488 3625 VALERIE BLVD.  
AVON PARK, FLORIDA 33826-0488 SEARING, FLORIDA 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.  
SEARING, FLORIDA 33870

Name of subdivisions where services are provided: FAIRMOUNT MOBILE ESTATES

CONTACTS

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>ROGER MILLER</u>	<u>PRESIDENT</u>	<u>3625 VALERIE BLVD.</u>	<u>-0-</u>
Person who prepared this report: <u>STEVE PRESENT</u>	<u>CPA</u>	<u>TAMPA, FL</u>	<u>-0-</u>
Officers and Managers: <u>ROGER MILLER</u>	<u>PRESIDENT</u>	<u>3625 VALERIE BLVD.</u>	\$ <u>-0-</u>
<u>KAREN BERRY</u>	<u>MANAGER</u>	<u>3625 VALERIE BLVD.</u>	\$ <u>23,976</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	Principal Business Address	Salary Charged Utility
<u>KAREN BERRY</u>	<u>79</u>	<u>3625 VALERIE BLVD.</u>	\$ <u>23,976</u>
<u>WILLIAM BERRY</u>	<u>21</u>	<u>3625 VALERIE BLVD.</u>	\$ <u>-0-</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: FAIRMOUNT UTILITIES THE 2<sup>ND</sup>, INC.

YEAR OF REPORT  
DECEMBER 31, 2009

**INCOME STATEMENT**

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ _____	\$ <u>105,338</u>	\$ _____	\$ <u>105,338</u>
Commercial -----		_____	<u>7,695</u>	_____	<u>7,695</u>
Industrial -----		_____	_____	_____	_____
Multiple Family -----		_____	_____	_____	_____
Guaranteed Revenues -----		_____	_____	_____	_____
Other (Specify) -----		_____	_____	_____	_____
Total Gross Revenue -----		\$ _____	\$ <u>113,033</u>	\$ _____	\$ <u>113,033</u>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ <u>105,363</u>	\$ _____	\$ <u>105,363</u>
Depreciation Expense -----	F-5	_____	<u>9,239</u>	_____	<u>9,239</u>
CIAC Amortization Expense -----	F-8	_____	<u>&lt;107&gt;</u>	_____	<u>&lt;107&gt;</u>
Taxes Other Than Income -----	F-7	_____	<u>11,654</u>	_____	<u>11,654</u>
Income Taxes -----	F-7	_____	<u>-0-</u>	_____	<u>-0-</u>
Total Operating Expense		\$ _____	<u>126,149</u>	_____	\$ <u>126,149</u>
Net Operating Income (Loss)		\$ _____	\$ <u>&lt;13,116&gt;</u>	\$ _____	\$ <u>&lt;13,116&gt;</u>
Other Income:					
Nonutility Income -----		\$ _____	\$ _____	\$ _____	\$ _____
<u>INTEREST INCOME</u>		_____	_____	<u>9</u>	<u>9</u>
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense -----		_____	_____	<u>2,663</u>	<u>2,663</u>
Net Income (Loss)		\$ _____	\$ <u>&lt;13,116&gt;</u>	\$ <u>&lt;2,654&gt;</u>	\$ <u>&lt;15,770&gt;</u>

UTILITY NAME: Fairmount Utilities The 2<sup>nd</sup>, Inc.

YEAR OF REPORT  
DECEMBER 31, 2009

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ <u>217,227</u>	\$ <u>217,604</u>
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>197,715</u>	<u>190,743</u>
Net Utility Plant -----		\$ <u>19,512</u>	\$ <u>26,861</u>
Cash -----		<u>4,277</u>	<u>12,340</u>
Customer Accounts Receivable (141) -----		<u>15,014</u>	<u>13,659</u>
Other Assets (Specify): -----			
<u>OTHER RECEIVABLES</u> -----		<u>997</u>	<u>737</u>
-----			
-----			
Total Assets -----		\$ <u>39,800</u>	\$ <u>53,597</u>
<b>Liabilities and Capital:</b>			
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>&lt;464,778&gt;</u>	<u>&lt;450,373&gt;</u>
Proprietary Capital (Proprietary and Partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>&lt;417,360&gt;</u>	\$ <u>&lt;402,955&gt;</u>
Long Term Debt (224) -----	F-6	\$ <u>34,633</u>	\$ <u>37,540</u>
Accounts Payable (231) -----		<u>118,919</u>	<u>114,587</u>
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----		<u>5,130</u>	<u>4,905</u>
Other Liabilities (Specify) -----			
<u>PAYROLL TAXES PAYABLE</u> -----		<u>773</u>	<u>707</u>
<u>DUE TO ROGER MILLER</u> -----		<u>187,758</u>	<u>188,758</u>
<u>ACCRUED WAGES</u> -----		<u>109,656</u>	<u>109,656</u>
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>291</u>	<u>399</u>
Total Liabilities and Capital -----		\$ <u>39,800</u>	\$ <u>53,597</u>



UTILITY NAME: FAIRMOUNT UTILITIES THE 2<sup>ND</sup>, INC.

YEAR OF REPORT  
DECEMBER 31, 2009

**GROSS UTILITY PLANT**

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>-0-</u>	\$ <u>217,227</u>	\$ _____	\$ <u>217,227</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>-0-</u>	\$ <u>217,227</u>	\$ _____	\$ <u>217,227</u>

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

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ _____	\$ <u>190,743</u>	\$ _____	\$ <u>190,743</u>
<b>Add Credits During Year:</b>				
Accruals charged to depreciation account _____	\$ _____	\$ <u>9,239</u>	\$ _____	\$ <u>9,239</u>
<u>MISC. ADT.</u> _____	_____	<u>274</u>	_____	<u>274</u>
Other Credits (specify) _____	_____	_____	_____	_____
<u>STAFF ASSISTED RATE CASE ADT.</u>	_____	<u>832</u>	_____	<u>832</u>
Total Credits _____	\$ _____	\$ <u>10,345</u>	\$ _____	\$ <u>10,345</u>
<b>Deduct Debits During Year:</b>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
<u>STAFF ASSISTED RATE CASE ADT.</u>	_____	<u>3,373</u>	_____	<u>3,373</u>
Total Debits _____	\$ _____	\$ <u>3,373</u>	\$ _____	\$ <u>3,373</u>
Balance End of Year _____	\$ _____	\$ <u>197,715</u>	\$ _____	\$ <u>197,715</u>

UTILITY NAME: FAIRMOUNT UTILITIES THE 2<sup>ND</sup>, INC.

YEAR OF REPORT  
DECEMBER 31, 2009

**CAPITAL STOCK ( 201 - 204 )**

	Common Stock	Preferred Stock
Par or stated value per share -----	<u>\$1.00</u>	_____
Shares authorized -----	<u>1,000</u>	_____
Shares issued and outstanding -----	<u>1,000</u>	_____
Total par value of stock issued -----	<u>\$1,000</u>	_____
Dividends declared per share for year -----	_____	_____

**RETAINED EARNINGS ( 215 )**

	Appropriated	Un-Appropriated
Balance first of year -----	\$ _____	\$ <u>&lt;450,373&gt;</u>
Changes during the year (Specify):		
<u>CURRENT YEAR NET LOSS</u>		<u>&lt;15,770&gt;</u>
<u>STAFF ASSISTED RATE CASE AMT.</u>		<u>1,365</u>
Balance end of year -----	\$ _____	\$ <u>&lt;464,779&gt;</u>

**PROPRIETARY CAPITAL ( 218 )**

	Proprietor Or Partner	Partner
Balance first of year -----	\$ _____	\$ _____
Changes during the year (Specify): <u>N/A</u>		
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	
<u>HEARTLAND NATIONAL BANK LOAN FOR OPERATING CAPITAL</u>	<u>7.25%</u>	<u>180</u>	\$ <u>346,33</u>
Total -----			\$ <u>346,33</u>

UTILITY NAME: FAIRMOUNT UTILITIES THE 2<sup>ND</sup> INC.

YEAR OF REPORT  
DECEMBER 31, 2009

**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	_____	<u>2406</u>	_____	<u>2406</u>
Regulatory assessment fee	_____	<u>5160</u>	_____	<u>5160</u>
Other (Specify)	_____	_____	_____	_____
<u>PAYROLL TAXES</u>	_____	<u>4088</u>	_____	<u>4088</u>
Total Tax Expense	\$ _____	\$ <u>11654</u>	\$ _____	\$ <u>11654</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
<u>LEDGERPLUS ACCOUNTING</u>	\$ _____	\$ <u>2960</u>	<u>ACCOUNTING &amp; TAX SERVICES</u>
<u>SHORT ENVIRONMENTAL LAB</u>	\$ _____	\$ <u>1750</u>	<u>LAB TESTING</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: FAIRMOUNT UTILITIES THE 2<sup>ND</sup>, INC.

YEAR OF REPORT  
DECEMBER 31, 2009

CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year	\$ _____	\$ <u>2463</u>	\$ <u>2463</u>
2) Add credits during year <u>STAFF ASSISTED RATE CASE ADJT.</u>	\$ _____	\$ <u>45</u>	\$ <u>45</u>
3) Total	_____	<u>2508</u>	<u>2508</u>
4) Deduct charges during the year	_____	_____	_____
5) Balance end of year	_____	<u>2508</u>	<u>2508</u>
6) Less Accumulated Amortization	_____	<u>2217</u>	<u>2217</u>
7) Net CIAC	\$ _____	\$ <u>291</u>	\$ <u>291</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
<u>N/A</u>	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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>2064</u>	\$ <u>2064</u>
Add Debits During Year: <u>AMORTIZATION</u>	_____	<u>107</u>	<u>107</u>
<u>STAFF ASSISTED RATE CASE ADJT.</u>	_____	<u>46</u>	<u>46</u>
Deduct Credits During Year:	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ _____	\$ <u>2217</u>	\$ <u>2217</u>

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

UTILITY NAME: FAIRMOUNT UTILITIES THE 2<sup>ND</sup> INC.

YEAR OF REPORT  
DECEMBER 31, 2009

SCHEDULE "A" N/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 2<sup>ND</sup>, Inc.

YEAR OF REPORT  
DECEMBER 31, 2009

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	_____	_____	_____	_____
354	Structures and Improvements	<u>3,663</u>	_____	_____	<u>3,663</u>
355	Power Generation Equipment	_____	_____	_____	_____
360	Collection Sewers - Force	<u>9,508</u>	_____	_____	<u>9,508</u>
361	Collection Sewers - Gravity	<u>54,339</u>	_____	_____	<u>54,339</u>
362	Special Collecting Structures	<u>24,260</u>	_____	_____	<u>24,260</u>
363	Services to Customers	<u>20,251</u>	_____	_____	<u>20,251</u>
364	Flow Measuring Devices	_____	_____	_____	_____
365	Flow Measuring Installations	_____	_____	_____	_____
370	Receiving Wells	_____	_____	_____	_____
371	Pumping Equipment	_____	_____	_____	_____
380	Treatment and Disposal Equipment	<u>75,918</u>	<u>800</u>	_____	<u>76,718</u>
381	Plant Sewers	_____	_____	_____	_____
382	Outfall Sewer Lines	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment	_____	_____	_____	_____
390	Office Furniture and Equipment	<u>488</u>	_____	_____	<u>488</u>
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	\$ <u>216,427</u>	\$ <u>800</u>	\$ <u>-0-</u>	\$ <u>217,227*</u>

\* This amount should tie to sheet F-5.

UTILITY NAME: FALMOUNT UTILITIES THE 2<sup>ND</sup> INC.

YEAR OF REPORT  
DECEMBER 31, 2009

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	27	%	3.70	\$ 25,457	\$	\$ 1,172	\$ 26,629
355	Power Generation Equipment		%					
360	Collection Sewers - Force	27	%	3.70	429		352	781
361	Collection Sewers - Gravity	40	%	2.50	48,204		1,358	49,562
362	Special Collecting Structures	37	%	2.70	24,172		655	24,827
363	Services to Customers	35	%	2.86	19,931		579	20,510
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	15	%	6.67	70,218		5,090	75,308
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%					
391	Transportation Equipment	15	%	6.67	65		33	98
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				\$ 188,476	\$	\$ 9,239	\$ 197,715 *

\* This amount should tie to Sheet F-5.

⊗ -- PREVIOUS YEAR BALANCE HAS BEEN ADJUSTED IN ACCORDANCE WITH THE ADJUSTMENTS PROPOSED BY THE STAFF ASSISTED RATE CASE AS OF SEPTEMBER 30, 2008.

UTILITY NAME: Fairmount Utilities the 2<sup>nd</sup>

YEAR OF REPORT  
DECEMBER 31, 2009

**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	23,976
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	3,625
715	Purchased Power	6,133
716	Fuel for Power Production	
718	Chemicals	6,245
720	Materials and Supplies	19,390
730	Contractual Services:	
	Billing	
	Professional	3,552
	Testing	1,750
	Other	
740	Rents	2,996
750	Transportation Expense	2,030
755	Insurance Expense	1,877
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	500
770	Bad Debt Expense	1,606
775	Miscellaneous Expenses	8,900
	Total Wastewater Operation And Maintenance Expense	\$ 105,363*

\* 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	427	427	427
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)	<u>Commercial</u>		15	15	15
Total			442	442	442

\*\* D = Displacement  
C = Compound  
T = Turbine

UTILITY NAME: FAIRMOUNT UTILITIES THE 2<sup>ND</sup>

YEAR OF REPORT  
DECEMBER 31, 2009

**PUMPING EQUIPMENT**

Lift Station Number	<u>Main St</u>					
Make or Type and nameplate data on pump						
1) <u>Goulds</u>	<u>1</u>					
2) <u>Hydromatic - Grinder</u>	<u>1</u>					
Year installed	<u>2008</u>					
Rated capacity	<u>100 GPM</u>					
Size	<u>2"</u>					
Power:						
Electric	<u>1) 2HP</u>					
Mechanical	<u>2) 3HP</u>					
Nameplate data of motor	<u>1) 2HP</u>					
	<u>2) 3HP</u>					
	<u>3Ø</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>442</u>					
Beginning of year	<u>442</u>					
Added during year	<u>0</u>					
Retired during year	<u>0</u>					
End of year	<u>442</u>					
Give full particulars concerning inactive connections	<u>N/A</u>					

**COLLECTING AND FORCE MAINS**

	Collecting Mains			Force Mains			
	8"	6"	4"				
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>3200</u>	<u>1200</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>3200</u>	<u>1200</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 2<sup>nd</sup>

SYSTEM NAME: \_\_\_\_\_

YEAR OF REPORT  
DECEMBER 31, 2009

**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>24,855 GPD</u>	_____	_____
Method of Effluent Disposal _____	<u>Evap &amp; Perk Pond</u>	_____	_____
Permitted Capacity of Disposal _____	_____	_____	_____
Total Gallons of Wastewater treated _____	<u>9,072,000</u>	_____	_____

**MASTER LIFT STATION PUMPS**

Manufacturer _____	<u>1) Goulds</u>	_____	_____	_____	_____
Capacity (GPM's) _____	<u>2) Hydramatic - Grinder</u>	_____	_____	_____	_____
Motor: _____	<u>100 GPM</u>	_____	_____	_____	_____
Manufacturer _____	<u>US Elec</u>	_____	_____	_____	_____
Horsepower _____	<u>1) 2HP</u>	_____	_____	_____	_____
Power (Electric or Mechanical) _____	<u>2) 3HP</u>	_____	_____	_____	_____
	<u>Electric</u>	_____	_____	_____	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	<u>.893</u>	/	/
February _____	<u>.882</u>		
March _____	<u>1,098</u>		
April _____	<u>.877</u>		
May _____	<u>.620</u>		
June _____	<u>.599</u>		
July _____	<u>.653</u>		
August _____	<u>.654</u>		
September _____	<u>.685</u>		
October _____	<u>.673</u>		
November _____	<u>.721</u>		
December _____	<u>.717</u>		
Total for year _____	<u>9,072,000</u>	_____	_____

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

UTILITY NAME: Fairmount Utilities The 2<sup>nd</sup>

YEAR OF REPORT  
DECEMBER 31, 2009

SYSTEM NAME: \_\_\_\_\_

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. 89 (9,072,000 gallons treated / 365 days) / 280 = 88.77
2. Maximum number of ERCs\* which can be served. 143 (40,000 / 280 = 142.85)
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 # D028181065

\* 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 SFR 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 2<sup>ND</sup>

YEAR OF REPORT  
DECEMBER 31, 2009

# CERTIFICATION OF ANNUAL REPORT

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

YES  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  NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES  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  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.

Ray E. Nille  
(signature of Chief Executive Officer of the utility)

Date: 8-25-10

1.  2.  3.  4.

Ray E. Nille  
(signature of Chief Financial Officer of the utility)

Date: 8-25-10

\* 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.