

# CLASS "A" OR "B"

## WATER and/or WASTEWATER UTILITIES

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

# ANNUAL REPORT

OF

WS570-05-AR

**ROYAL UTILITY COMPANY**

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Exact Legal Name of Respondent

**259-W / 199-S**

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Certificate Numbers

Submitted To The

STATE OF FLORIDA



OFFICE OF  
ECONOMIC REGULATION

06 MAY -2 AM 10:26

COMMUNICATIONS SERVICE  
DIVISION

PUBLIC SERVICE COMMISSION

FOR THE

**YEAR ENDED DECEMBER 31, 2005**

***Cronin, Jackson, Nixon & Wilson***  
**CERTIFIED PUBLIC ACCOUNTANTS, P.A.**

*JAMES L. CARLSTEDT, C.P.A.*  
*JOHN H. CRONIN, JR., C.P.A.*  
*PAUL E. DECHARIO, C.P.A.*  
*KATHERINE U. JACKSON, C.P.A.*  
*ROBERT H. JACKSON, C.P.A.*  
*ROBERT C. NIXON, C.P.A.*  
*JEANETTE SUNG, C.P.A.*  
*HOLLY M. TOWNER, C.P.A.*  
*REBECCA G. VOITLAIN, C.P.A.*  
*JAMES L. WILSON, C.P.A.*

**2560 GULF-TO-BAY BOULEVARD**  
**SUITE 200**  
**CLEARWATER, FLORIDA 33765-4432**  
**(727) 791-4020**  
**FACSIMILE**  
**(727) 797-3602**  
**e-mail**  
**[cpas@cinw.net](mailto:cpas@cinw.net)**

April 28, 2006

Officers and Directors  
Royal Utility Company

We have compiled the 2005 Annual Report of Royal Utility Company in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Royal Utility Company. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

*Cronin, Jackson, Nixon & Wilson*

CRONIN, JACKSON, NIXON & WILSON

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**EXECUTIVE**

**SUMMARY**

**CERTIFICATION OF ANNUAL REPORT**

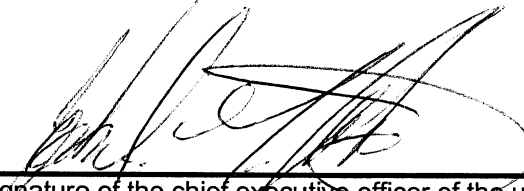
UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> <b>December 31, 2005</b>
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I HEREBY CERTIFY, to the best of my knowledge and belief:

- |              |           |  |
|--------------|-----------|--|
| YES<br>( X ) | NO<br>( ) | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 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<br>( X ) | NO<br>( ) | 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. |

<u>Items Certified</u>			
1.	2.	3.	4.
( X )	( X )	( X )	( X )
( )	( )	( )	( )

  
 \_\_\_\_\_  
 (signature of the chief executive officer of the utility) \*

\_\_\_\_\_  
 (signature of the 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.

ANNUAL REPORT OF

YEAR OF REPORT  
December 31, 2005

Royal Utility Company  
(Exact Name of Utility)

County: Broward

List below the exact mailing address of the utility for which normal correspondence should be sent:

Royal Utility Company  
8900 Northwest 44th Court  
Coral Springs, Florida 33065

Telephone: ( 954 ) 344-9106

e-Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

Name and address of person to whom correspondence concerning this report should be addressed:

Robert C. Nixon, CPA  
Cronin, Jackson, Nixon & Wilson, CPA's, PA  
2560 Gulf-to-Bay Blvd, Suite 200  
Clearwater, Florida 34625

Telephone: ( 727 ) 791-4020

List below the address of where the utility's books and records are located:

Royal Utility Company  
8900 Northwest 44th Court  
Coral Springs, Florida 33065

Telephone: ( 954 ) 344-9106

List below any groups auditing or reviewing the records and operations:

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: September 2, 1988

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

Individual      Partnership      Sub S Corporation      1120 Corporation  
                                                           

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

	Name	Percent Ownership	
1.	Herman I. Porten	40.76	%
2.	Richard A. Sullivan	40.76	%
3.	Steve Eckert	6.20	%
4.			%
5.			%
6.			%
7.			%
8.			%
9.			%
10.			%

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2005
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**DIRECTORY OF PERSONNEL WHO CONTACT  
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Jock McCartney	President/Consultant	Royal Utility Company	General Matters
Robert C. Nixon	CPA	Cronin, Jackson, Nixon & Wilson, CPA's, P.A.	Rates and accounting matters
F. Marshall Deterding	Attorney	Rose, Sundstrom & Bentley, P.A.	Legal matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.



**UTILITY NAME:** Royal Utility Company

**COMPANY PROFILE**

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

- (A) The Company was purchased by its current stockholders in 1988. The Company provides water and sewer services in Coral Springs, Florida.
- (B) Water and sewer service only.
- (C) To provide adequate service and a fair return to Company stockholders.
- (D) Water and sewer divisions only.
- (E) The Company is essentially at build-out.
- (F) None

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2005
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**PARENT / AFFILIATE ORGANIZATION CHART**  
Current as of 12/31/05

Complete below an organizational chart that shows all parents and subsidiaries of the utility. The chart must also show the relationship between the utility and the affiliates listed on E-7, E-10(a) and E-10(b).

Royal Utility Company is neither the parent nor the affiliate of any other Company.

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2005
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**COMPENSATION OF OFFICERS**

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
Herman I. Porten	Vice President / Director	10 %	\$ None
Rick Sullivan	Vice President / Director	10 %	\$ None
Stephen Eckert	Secretary / Director	15 %	\$ None
Jock McCartney	President	65 %	\$ 43,022
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as an director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Herman I. Porten	Director	4	\$ 3,500
Rick Sullivan	Director	4	\$ 3,500
Stephen Eckert	Director	4	\$ 3,500
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Royal Utility Company

**YEAR OF REPORT**  
December 31, 2005

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

List all contracts, agreements, and other business arrangements\* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on Page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
None		\$	

\* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2005
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**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, list the principal occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

<b>NAME</b> (a)	<b>PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION</b> (b)	<b>AFFILIATION OR CONNECTION</b> (c)	<b>NAME AND ADDRESS OF AFFILIATION OR CONNECTION</b> (d)
Herman I. Porten	Chairman of the Board	Porten Companies, Inc.	5515 Security Lane Suite 550 Rockville, Md. 20852
Stephen Eckert	President	Classic Communities, Inc.	8120 Woodmont Avenue Suite 300 Bethesda, Md. 20814
Rick Sullivan	Vice-President	Classic Communities, Inc.	8120 Woodmont Avenue Suite 300 Bethesda, Md. 20814
Jock McCartney	President	Alston McCartney Co.	8900 N.W. 44th Court Coral Springs, Fl. 33065

UTILITY NAME: Royal Utility Company

**YEAR OF REPORT**  
December 31, 2005

**BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE**

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water and/or sewer service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2005
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**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6 identifying the parties, amounts, dates and product, asset, or service involved.

**Part I. Specific Instructions: Services and Products Received or Provided**

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
  - management, legal and accounting services
  - computer services
  - engineering & construction services
  - repairing and servicing of equipment
  - material and supplies furnished
  - leasing of structures, land and equipment
  - rental transactions
  - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Stephen Eckert	Financial & operations management consulting	1/02 - 12/02	P	\$ 6,500
Herman I. Porten	Financial & operations management consulting	1/02 - 12/02	P	\$ 6,500
Rick Sullivan	Financial & operations management consulting	1/02 - 12/02	P	\$ 6,500

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2005
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**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

**Part II. Specific Instructions: Sale, Purchase and Transfer of Assets**

- |  |   |
|--|---|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> <li>- purchase, sale or transfer of equipment.</li> <li>- purchase, sale or transfer of land and structures.</li> <li>- purchase, sale or transfer of securities.</li> <li>- noncash transfers of assets.</li> <li>- noncash dividends other than stock dividends.</li> <li>- writeoff of bad debts or loans.</li> </ul> | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> <li>(a) Enter name of related party or company.</li> <li>(b) Describe briefly the type of assets purchased, sold or transferred.</li> <li>(c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".</li> <li>(d) Enter the net book value for each item reported.</li> <li>(e) Enter the net profit or loss for each item (column (c) - column (d)).</li> <li>(f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.</li> </ul> |
|--|---|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$



# **FINANCIAL SECTION**

UTILITY NAME: Royal Utility Company

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 4,471,982	\$ 4,481,294
108-110	Less: Accumulated Depreciation and Amortization	F-8	(2,648,074)	(2,547,670)
Net Plant			1,823,908	1,933,624
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,823,908	1,933,624
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments				
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		20,661	52,909
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds		130,155	126,451
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	110,265	88,310
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments		45,160	36,119
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	85,777	78,702
Total Current and Accrued Assets			392,018	382,491

\* Not Applicable for Class B Utilities



**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 100	\$ 100
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital		800,000	800,000
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(269,205)	(241,105)
216	Reacquired Capital Stock		(75,000)	(75,000)
218	Proprietary Capital (Proprietorship and Partnership Only)			
<b>Total Equity Capital</b>			<b>455,895</b>	<b>483,995</b>
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	1,381,473	1,446,294
<b>Total Long Term Debt</b>			<b>1,381,473</b>	<b>1,446,294</b>
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		27,858	17,191
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18	81,000	40,663
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits		4,000	4,000
236	Accrued Taxes		27,616	26,871
237	Accrued Interest	F-19	10,600	11,075
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	36,605	
<b>Total Current and Accrued Liabilities</b>			<b>187,679</b>	<b>99,800</b>

\* Not Applicable for Class B Utilities

UTILITY NAME: Royal Utility Company

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits	F-21		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits				
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	810,564	810,564
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(525,708)	(500,184)
Total Net C.I.A.C.			284,856	310,380
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes				
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			<b>\$ 2,309,903</b>	<b>\$ 2,340,469</b>

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 1,123,423	\$ 1,104,655
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)	(345)	(156)
Net Operating Revenues			1,123,078	1,104,499
401	Operating Expenses	F-3(b)	777,420	826,538
403	Depreciation Expense	F-3(b)	104,085	100,403
	Less: Amortization of CIAC	F-22	(25,524)	(25,524)
Net Depreciation Expense			78,561	74,879
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	114,879	114,087
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			970,860	1,015,504
Net Utility Operating Income			152,218	88,995
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	345	156
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			152,563	89,151

\* For each account, column e should agree with columns f, g + h on F-3(b)

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 610,257	\$ 494,398	N/A
N/A	(156)	
<u>610,257</u>	<u>494,242</u>	-
452,763	373,775	
62,456	37,947	
<u>(18,763)</u>	<u>(6,761)</u>	
<u>43,693</u>	<u>31,186</u>	-
<u>71,855</u>	<u>42,232</u>	
<u>568,311</u>	<u>447,193</u>	
<u>41,946</u>	<u>47,049</u>	
	156	
<u>41,946</u>	<u>47,205</u>	N/A

\* Total of Schedules W-3/S-3 for all rate groups

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ 152,563	\$ 89,151
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		16,090	17,854
421	Miscellaneous Nonutility Revenue		1,082	324
426	Miscellaneous Nonutility Expenses			
Total Other Income and Deductions			17,172	18,178
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income			
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable to Other Income				
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	128,274	122,535
428	Amortization of Debt Discount & Expense	F-13	1,895	1,895
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			130,169	124,430
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income (Expense)			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
<b>NET INCOME</b>			<b>39,566</b>	<b>(17,100)</b>

Explain Extraordinary Income:

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**SCHEDULE OF YEAR END RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 2,725,484	\$ 1,746,498
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	<u>(1,643,619)</u>	<u>(1,004,455)</u>
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	<u>(571,643)</u>	<u>(238,921)</u>
252	Advances for Construction	F-20		
Subtotal			<u>510,222</u>	<u>503,122</u>
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	<u>396,538</u>	<u>129,170</u>
Subtotal			<u>906,760</u>	<u>632,292</u>
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		<u>56,595</u>	<u>46,722</u>
	Other (Specify):		<u>-</u>	<u>-</u>
RATE BASE			<u>\$ 963,355</u>	<u>\$ 679,014</u>
NET UTILITY OPERATING INCOME			<u>\$ 41,946</u>	<u>\$ 47,049</u>
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			<u>4.35 %</u>	<u>6.93 %</u>

NOTES:

- (1) Estimated if not known.
  - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
  - (3) Calculation consistent with last rate proceeding.
- In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.





UTILITY NAME: Royal Utility Company

**YEAR OF REPORT**  
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**UTILITY PLANT  
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 2,725,484	\$ 1,746,498	N/A	\$ 4,471,982
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
<b>Total Utility Plant</b>		<b>\$ 2,725,484</b>	<b>\$ 1,746,498</b>	<b>N/A</b>	<b>\$ 4,471,982</b>

**UTILITY PLANT ACQUISITION ADJUSTMENTS  
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	N/A	N/A	\$ -	\$ -
<b>Total Plant Acquisition Adjustment</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
115	Accumulated Amortization			\$ -	\$ -
<b>Total Accumulated Amortization</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Acquisition Adjustments</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)**

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 1,581,162	\$ 966,508	N/A	\$ 2,547,670
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	62,456	37,947		100,403
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
_____				
_____				
Salvage				
Other Credits (specify) :				
_____				
_____				
Total credits	62,456	37,947		100,403
Debits during year:				
Book cost of plant retired				
Cost of removal				
Other debits (specify) (rounding)	1			1
_____				
_____				
Total debits	1			1
Balance end of year	\$ 1,643,619	\$ 1,004,455	N/A	\$ 2,648,074

ACCUMULATED AMORTIZATION Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				
_____				
to Account 110.2 (2)				
Other Accounts (specify):				
_____				
_____				
Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
_____				
_____				
Total debits				
Balance end of year	N/A	N/A	N/A	N/A

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

**REGULATORY COMMISSION EXPENSE  
AMORTIZATION OF RATE CASE EXPENSE (ACCTS. 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

**NONUTILITY PROPERTY (ACCOUNT 121)**

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.  
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

**SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)**

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

UTILITY NAME: Royal Utility Company

**INVESTMENTS AND SPECIAL FUNDS  
ACCOUNTS 123-127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): N/A	\$ -	\$ -
<b>Total Investment In Associated Companies</b>		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
<b>Total Utility Investments</b>		\$ -
OTHER INVESTMENTS (Account 125): N/A	\$ -	\$ -
<b>Total Other Investments</b>		\$ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
<b>Total Special Funds</b>		\$ -

**ACCOUNTS AND NOTES RECEIVABLE - NET**  
**ACCOUNTS 141 - 144**

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 103,189	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 103,189
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
A/R - Co-Bank	\$ 7,076	
Total Other Accounts Receivable		\$ 7,076
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		<u>110,265</u>
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year		
Collections of accounts previously written off		
Utility accounts		
Others		
Total Additions		
Deduct accounts written off during year:		
Utility accounts		
Others		
Total accounts written off		
Balance end of year		
Total Accounts and Notes Receivable - Net		\$ <u>110,265</u>



UTILITY NAME: Royal Utility Company

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**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ -
Total	\$ -

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS  
ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
Equity shares receivable - CoBank	\$ 85,777
Total	\$ 85,777

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> <b>December 31, 2005</b>
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**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT**  
 Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
<b>UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):</b>		
Deferred loan costs - CoBank	\$ 1,895	\$ 22,243
Total Unamortized Debt Discount and Expense	\$ 1,895	\$ 22,243
<b>UNAMORTIZED PREMIUM ON DEBT (Account 251):</b>		
N/A	\$ -	\$ -
Total Unamortized Premium on Debt	\$ -	\$ -

**EXTRAORDINARY PROPERTY LOSSES**  
**ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
<b>EXTRAORDINARY PROPERTY LOSSES (Acct. 182):</b>	
N/A	\$ -
Total Extraordinary Property Losses	\$ -

UTILITY NAME: Royal Utility Company

**MISCELLANEOUS DEFERRED DEBITS**  
**ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	\$ -
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
Deferred Permit Fees - DEP		\$ 216
Deferred Maintenance - sand filter overhaul	7,946	71,518
Total Other Deferred Debits	\$ 7,946	\$ 71,734
REGULATORY ASSETS (Class A Utilities: Account 186.3):		
None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ 7,946	\$ 71,734

UTILITY NAME: Royal Utility Company

**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
<b>COMMON STOCK</b>		
Par or stated value per share	\$ 1.00	\$ 1.00
Shares authorized		1,000
Shares issued and outstanding		100
Total par value of stock issued	\$ 100	100
Dividends declared per share for year		
<b>PREFERRED STOCK</b>		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

\* Account 204 not applicable for Class B utilities

**BONDS  
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

\* For variable rate obligations, provide the basis for the rate. (i.e.. Prime + 2%, etc)

UTILITY NAME: Royal Utility Company

**STATEMENT OF RETAINED EARNINGS**

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year (Deficit)	\$ (241,105)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	_____
		_____
	Total Credits	
	Debits: _____	
	Dividends paid	11,000
		_____
	Total Debits	11,000
435	Balance transferred from Income	(17,100)
436	Appropriations of Retained Earnings: Rounding _____	_____
		_____
	Total appropriations of Retained Earnings	
437	Dividends declared: Preferred stock dividends declared _____	_____
438	Common stock dividends declared _____	_____
		_____
	Total Dividends Declared	-
	Year end Balance	(269,205)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
		_____
		_____
214	Total Appropriated Retained Earnings	
	Total Retained Earnings (Deficit)	\$ (269,205)

Notes to Statement of Retained Earnings:



UTILITY NAME: Royal Utility Company

**YEAR OF REPORT**  
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**NOTES PAYABLE (ACCTS. 232 AND 234)**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232): N/A			\$ -
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): N/A			\$ -
Total Account 234			

\* For variable rate obligations, provide the basis for the rate. (i.e.. Prime +2%, etc)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES  
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
A/P-H Porten (Management fees)	\$ 27,000
A/P-R Sullivan (Management fees)	27,000
A/P-S Eckert (Management fees)	27,000
Total	\$ 81,000

**ACCRUED INTEREST AND EXPENSE  
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
<b>ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt</b>					
N/P CoBank	\$ 10,661	427	\$ 122,535	\$ 122,596	\$ 10,600
	-				
<b>Total Account No. 237.1</b>	<b>10,661</b>		<b>122,535</b>	<b>122,596</b>	<b>10,600</b>
<b>ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities</b>					
Customer Deposits	414	427.00		414	-
<b>Total Account 237.2</b>	<b>414</b>			<b>414</b>	
<b>Total Account 237 (1)</b>	<b>\$ 11,075</b>		<b>\$ 122,535</b>	<b>\$ 123,010</b>	<b>\$ 10,600</b>
<b>INTEREST EXPENSED:</b>					
Total accrual Account 237		237	\$ 122,535		
Less Capitalized Interest Portion of AFUDC:					
None					
<b>Net Interest Expensed to Account No. 427 (2)</b>			<b>\$ 122,535</b>		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest  
(2) Must agree to F-3(c), Current Year Interest Expense





UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> <b>December 31, 2005</b>
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**OTHER DEFERRED CREDITS  
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1)		
N/A	\$ -	\$ -
<b>Total Regulatory Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
N/A	\$ -	\$ -
<b>Total Deferred Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL OTHER DEFERRED CREDITS</b>	<u>\$ -</u>	<u>\$ -</u>

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 571,643	\$ 238,921	N/A	\$ 810,564
Add credits during year:				-
Less debits charged during				-
Total Contributions In Aid of Construction	\$ 571,643	\$ 238,921	\$ -	\$ 810,564

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	\$ 377,775	\$ 122,409	N/A	\$ 500,184
Debits during year:	18,763	6,761		25,524
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 396,538	\$ 129,170		\$ 525,708

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES  
(UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year (loss)	<u>F-3 (c)</u>	\$ <u>(17,100)</u>
Reconciling items for the year:		
Taxable income not reported on the books:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deductions recorded on books not deducted for return:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Income recorded on books not included in return:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal tax net income (loss)		\$ <u>(17,100)</u>
Computation of tax:		
The Company is a Subchapter S corporation; therefore, this Schedule is not applicable.		

**WATER  
OPERATION  
SECTION**



UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

**YEAR OF REPORT**  
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**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 2,725,484
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(1,643,619)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(571,643)
252	Advances for Construction	F-20	
	Subtotal		510,222
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	396,538
	Subtotal		906,760
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		56,595
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		\$ 963,355
	UTILITY OPERATING INCOME	W-3	\$ 41,946
AVERAGE RATE OF RETURN (Water Operating Income/Water Rate Base)			4.35 %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.  
 (2) Include only those Acquisition Adjustments that have been approved by the Commission.  
 (3) Calculation consistent with last rate proceeding.  
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	W-9	610,257
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		610,257
401	Operating Expenses	W-10(a)	452,763
403	Depreciation Expense	W-6(a)	62,456
	Less: Amortization of CIAC	W-8(a)	(18,763)
	Net Depreciation Expense		43,693
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		27,077
408.11	Property Taxes		26,758
408.12	Payroll Taxes		14,400
408.13	Other Taxes & Licenses		3,620
408	Total Taxes Other Than Income		71,855
409.1	Income Taxes	F-16	
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		568,311
	Utility Operating Income		41,946
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	-
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 41,946



UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT  
 December 31, 2005

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises	713			713
303	Land and Land Rights	76,123			76,123
304	Structure and Improvements	410,447			410,447
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	23,683			23,683
308	Infiltration Galleries and Tunnels				
309	Supply Mains	46,014			46,014
310	Power Generation Equipment				
311	Pumping Equipment	685,457			685,457
320	Water Treatment Equipment	15,698			15,698
330	Distribution Reservoirs and Standpipes	9,100			9,100
331	Transmission and Distribution Mains	763,399			763,399
333	Services	168,098			168,098
334	Meters and Meter Installations	317,997			317,997
335	Hydrants	68,439			68,439
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	58,047			58,047
340	Office Furniture and Equipment	7,184			7,184
341	Transportation Equipment	1,750			1,750
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	8,774			8,774
344	Laboratory Equipment	3,212			3,212
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	17,466			17,466
348	Other Tangible Plant	43,883			43,883
	TOTAL WATER PLANT	\$ 2,725,484	\$ -	\$ -	\$ 2,725,484

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

**UTILITY NAME:** Royal Utility Company  
**SYSTEM NAME / COUNTY:** Royal Utility Co / Broward

**YEAR OF REPORT**  
**December 31, 2005**

**WATER UTILITY PLANT MATRIX**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization		\$ -				
302	Franchises	713	713				
303	Land and Land Rights	76,123			\$ 76,123		\$ -
304	Structure and Improvements	410,447			307,301		103,146
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	23,683		23,683			
308	Infiltration Galleries and Tunnels						
309	Supply Mai Royal Utility Co / Broward	46,014		46,014			
310	Power Generation Equipment						
311	Pumping Equipment	685,457		685,457			
320	Water Treatment Equipment	15,698			15,698		
330	Distribution Reservoirs and Standpipes	9,100				9,100	
331	Transmission and Distribution Mains	763,399				763,399	
333	Services	168,098				168,098	
334	Meters and Meter Installations	317,997				317,997	
335	Hydrants	68,439				68,439	
336	Backflow Prevention Devices						
339	Other Plant / Miscellaneous Equipment	58,047				58,047	
340	Office Furniture and Equipment	7,184					7,184
341	Transportation Equipment	1,750					1,750
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	8,774					8,774
344	Laboratory Equipment	3,212					3,212
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment	17,466					17,466
348	Other Tangible Plant	43,883					43,883
	TOTAL WATER PLANT	\$ 2,725,484	\$ 713	\$ 755,154	\$ 399,122	\$ 1,385,080	\$ 185,415

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

**YEAR OF REPORT**  
**December 31, 2005**

**BASIS FOR WATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
301	Organization		%	%
302	Franchises	33	%	3.03 %
304	Structure and Improvements	33	%	3.03 %
305	Collecting and Impounding Reservoirs		%	%
306	Lake, River and Other Intakes		%	%
307	Wells and Springs	20	%	5.00 %
308	Infiltration Galleries and Tunnels		%	%
309	Supply Mains	35	%	2.86 %
310	Power Generation Equipment		%	%
311	Pumping Equipment	20	%	5.00 %
320	Water Treatment Equipment	22	%	4.55 %
330	Distribution Reservoirs and Standpipes	37	%	2.70 %
331	Transmission and Distribution Mains	45	%	2.22 %
333	Services	40	%	2.50 %
334	Meters and Meter Installations	20	%	5.00 %
335	Hydrants	45	%	2.22 %
336	Backflow Prevention Devices		%	%
339	Other Plant / Miscellaneous Equipment	25	%	4.00 %
340	Office Furniture and Equipment	15	%	6.67 %
341	Transportation Equipment	6	%	16.67 %
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment	16	%	6.25 %
344	Laboratory Equipment	15	%	6.67 %
345	Power Operated Equipment		%	%
346	Communication Equipment		%	%
347	Miscellaneous Equipment	10	%	10.00 %
348	Other Tangible Plant	15	%	6.67 %
Water Plant Composite Depreciation Rate *			%	%

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT  
 December 31, 2005

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCURUALS (d)	OTHER CREDITS * (e) (note 1)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ -	\$ -		\$ -
302	Franchises	236	17		17
304	Structure and Improvements	200,201	11,890		11,890
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	22,620	1,063		1,063
308	Infiltration Galleries and Tunnels				
309	Supply Mains	38,059	1,316		1,316
310	Power Generation Equipment				
311	Pumping Equipment	685,457	0		
320	Water Treatment Equipment	12,418	713	1	714
330	Distribution Reservoirs and Standpipes	7,036	246		246
331	Transmission and Distribution Services	298,321	16,948		16,948
334	Meters and Meter Installations	70,153	4,203		4,203
335	Hydrants	172,168	15,345		15,345
336	Backflow Prevention Devices	25,218	1,520		1,520
339	Other Plant / Miscellaneous Equipment	12,119	2,322		2,322
340	Office Furniture and Equipment	4,267	479		479
341	Transportation Equipment	618	292		292
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	5,392	549		549
344	Laboratory Equipment	3,212	0		
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	8,061	1,165		1,165
348	Other Tangible Plant	15,606	4,388		4,388
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,581,162	\$ 62,456	\$ 1	\$ 62,457

\* Specify nature of transaction.  
 Use ( ) to denote reversal entries.  
 Note (1): Miscellaneous rounding adjustment.

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT  
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ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i+j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	-
302	Franchises					253
304	Structure and Improvements					212,091
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					23,683
308	Infiltration Galleries and Tunnels					
309	Supply Mains					39,375
310	Power Generation Equipment					
311	Pumping Equipment					685,457
320	Water Treatment Equipment					13,132
330	Distribution Reservoirs and Standpipes					7,282
331	Transmission and Distribution					315,269
333	Services					74,356
334	Meters and Meter Installations					187,513
335	Hydrants					26,738
336	Backflow Prevention Devices					
339	Other Plant / Miscellaneous Equipment					14,441
340	Office Furniture and Equipment					4,746
341	Transportation Equipment					910
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					5,941
344	Laboratory Equipment					3,212
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					9,226
348	Other Tangible Plant					19,994
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	1,643,619









UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

**YEAR OF REPORT**  
**December 31, 2005**

**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
460	Water Sales: Unmetered Water Revenue			
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	424	424	\$ 144,838
461.2	Metered Sales to Commercial Customers	76	76	62,820
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings	1,020	1,020	265,388
	<b>Total Metered Sales</b>	<b>1,520</b>	<b>1,520</b>	<b>473,046</b>
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
	<b>Total Fire Protection Revenue</b>			
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers	406	406	137,211
466	Sales for Resale			
467	Interdepartmental Sales			
	<b>Total Water Sales</b>	<b>1,926</b>	<b>1,926</b>	<b>610,257</b>
469	Other Water Revenues: Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	<b>Total Other Water Revenues</b>			
	<b>Total Water Operating Revenues</b>			<b>\$ 610,257</b>

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 103,184	\$ -	\$ 103,184
603	Salaries and Wages - Officers, Directors and Majority Stockholders	41,000		
604	Employee Pensions and Benefits	10,061		2,147
610	Purchased Water	32,335	32,335	
615	Purchased Power	39,358		
616	Fuel for Power Production			
618	Chemicals	21,677		
620	Materials and Supplies	5,113		600
631	Contractual Services - Engineering	5,479		
632	Contractual Services - Accounting	8,911		
633	Contractual Services - Legal	300		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	29,224	5,231	
636	Contractual Services - Other	68,364		4,894
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	1,900		
656	Insurance - Vehicle	1,688		
657	Insurance - General Liability	7,897		
658	Insurance - Workmens Comp.	4,843		
659	Insurance - Other	13,103		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	58,326		
Total Water Utility Expenses		\$ 452,763	\$ 37,566	\$ 110,825

**WATER EXPENSE ACCOUNT MATRIX**

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					41,000
					7,914
38,158					1,200
21,677					
281	4,232				5,479
					8,911
					300
20,903					3,090
47,604	15,866				
					1,900
					1,688
					7,897
					4,843
					13,103
7,946	1,468		12,735		36,177
\$ 136,569	\$ 21,566		\$ 12,735		\$ 133,502

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		12,675	800	11,875	11,557
February	375	9,620	750	9,245	11,619
March	1,035	-	250	785	8,931
April	710	5,935	500	6,145	14,473
May		13,221	850	12,371	10,764
June		10,187	750	9,437	9,631
July		11,384	750	10,634	10,689
August		12,016	800	11,216	11,785
September		10,354	750	9,604	6,153
October		10,526	500	10,026	17,678
November		11,277	850	10,427	8,874
December		11,275	800	10,475	9,839
Total for year	2,120	118,470	8,350	112,240	131,993

If water is purchased for resale, indicate the following:

Vendor N/A  
 Point of deliver N/A

If Water is sold to other water utilities for redistribution, list names of such utilities below:

**Note: 720,000 gallons were sold to the City of Coral Springs in the month of October due to hurricane Wilma.**

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well No. 1	357gpm	.500mgd	Wells
Well No. 2	371gpm	.500mgd	
Well No. 3	366gpm	.500mgd	

UTILITY NAME: Royal Utility Company  
SYSTEM NAME / COUNTY: Royal Utility Co / Broward

**YEAR OF REPORT**  
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**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>1.0.mgd</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc):	<u>Aeration, chlorination, floridation, lime softening &amp; coagulation</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u> Manufacturer <u>Infilco</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet):	<u>N/A</u> Manufacturer <u>N/A</u>
Gravity (in GPM/square feet):	<u>2.43</u> Manufacturer <u>Unknown</u>

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

**YEAR OF REPORT**  
**December 31, 2005**

**CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	424	424
3/4"	Displacement	1.5	42	63
1"	Displacement	2.5	435	1,088
1 1/2"	Displacement or Turbine	5.0	2	10
2"	Displacement, Compound or Turbine	8.0	47	376
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				1,976

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use 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 residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:

$$ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$$

ERC Calculation:

$$\begin{array}{r}
 ERC = \quad 131,993 \text{ gallons, divided by} \\
 \quad \quad \quad 350 \text{ gallons per day} \\
 \quad \quad \quad \underline{\quad 365 \text{ days}} \\
 \quad \quad \quad \underline{\quad 1,033.2 \text{ ERC's}}
 \end{array}$$

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

<b>YEAR OF REPORT</b> December 31, 2005
--

**OTHER WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.	
1. Present ERC's * that system can efficiently serve.	<u>1976</u>
2. Maximum number of ERC's * which can be served.	<u>1976</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>1976</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>Service area is Built Out</u>
5. Estimated annual increase in ERC's * .	<u>None</u>
6. Is the utility required to have fire flow capacity? If so, how much capacity is required?	<u>No</u> <u>N/A</u>
7. Attach a description of the fire fighting facilities.	<u>Approximatly 69 hydrants</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>None</u>
9. When did the company last file a capacity analysis report with the DEP?	<u>None</u>
10. If the present system does not meet the requirements of DEP rules:	
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	<u>N/A</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction be	<u>N/A</u>
d. Attach plans for funding the required upgrading.	
e. Is this system under any Consent Order of the DEP?	<u>No</u>
11. Department of Environmental Protection ID #	<u>4061517</u>
12. Water Management District Consumptive Use Permit #	<u>3</u>
a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

\* An ERC is determined based on the calculation on the bottom of Page W-13

**WASTEWATER  
OPERATION  
SECTION**





**SCHEDULE OF YEAR END WASTEWATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 1,746,498
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	<u>(1,004,455)</u>
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	<u>(238,921)</u>
252	Advances for Construction	F-20	
	Subtotal		<u>503,122</u>
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	129,170
	Subtotal		<u>632,292</u>
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		<u>46,722</u>
	Other (Specify): Completed Construction not Classified		<u>-</u>
	WASTEWATER RATE BASE		<u>\$ 679,014</u>
	UTILITY OPERATING INCOME	S-3	<u>\$ 47,049</u>
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		<u>6.93 %</u>

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.  
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

**WASTEWATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	S-9	\$ 494,398
530	Less: Guaranteed Revenue and AFPI	S-9	(156)
	Net Operating Revenues		<u>494,242</u>
401	Operating Expenses	S-10(a)	373,775
403	Depreciation Expense	S-6(a)	37,947
	Less: Amortization of CIAC	S-8(a)	(6,761)
	Net Depreciation Expense		31,186
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		22,202
408.11	Property Taxes		19,135
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		895
408	Total Taxes Other Than Income		42,232
409.1	Income Taxes	F-16	
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		<u>447,193</u>
	Utility Operating Income		<u>47,049</u>
530	Add Back: Guaranteed Revenue (and AFPI)		156
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		<u>\$ 47,205</u>

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

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	71,802			71,802
354	Structure and Improvements	109,295			109,295
355	Power Generation Equipment				
360	Collection Sewers - Force	120,328			120,328
361	Collection Sewers - Gravity	990,004			990,004
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices	76,260			76,260
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	198,973			198,973
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	121,758			121,758
390	Office Furniture & Equipment	6,767			6,767
391	Transportation Equipment	1,750			1,750
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,351			21,351
394	Laboratory Equipment	89			89
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	16,924			16,924
398	Other Tangible Plant	11,197			11,197
	Total Wastewater Plant	\$ 1,746,498	\$ -	\$ -	\$ 1,746,498

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

Note (1): Rounding

S-4(a)  
 GROUP 1

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT  
 December 31, 2005

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ -						
352	Franchises							
353	Land and Land Rights		\$ 71,802					
354	Structure and Improvements							
355	Power Generation Equipment			93,007		11,943		4,345
360	Collection Sewers - Force		120,328					
361	Collection Sewers - Gravity		990,004					
362	Special Collecting Structures							
363	Services to Customers							
364	Flow Measuring Devices		76,260					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells							
371	Pumping Equipment			198,973				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment & Disposal Equipment							
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant / Miscellaneous Equipme				121,758			6,767
390	Office Furniture & Equipment							1,750
391	Transportation Equipment							
392	Stores Equipment							21,351
393	Tools, Shop and Garage Equipment							89
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							16,924
398	Other Tangible Plant							11,197
	Total Wastewater Plant	\$ -	\$ 1,258,394	\$ 291,980	\$ 121,758	\$ 11,943	\$ -	\$ 62,423

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

**BASIS FOR WASTEWATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
351	Organization		%	%
352	Franchises		%	%
354	Structure and Improvements	35	%	2.86 %
355	Power Generation Equipment		%	%
360	Collection Sewers - Force	30	%	3.33 %
361	Collection Sewers - Gravity	45	%	2.22 %
362	Special Collecting Structures		%	%
363	Services to Customers		%	%
364	Flow Measuring Devices	5	%	20.00 %
365	Flow Measuring Installations		%	%
366	Reuse Services		%	%
367	Reuse Meters and Meter Installations		%	%
370	Receiving Wells		%	%
371	Pumping Equipment	18	%	5.56 %
374	Reuse Distribution Reservoirs		%	%
375	Reuse Transmission and Distribution System		%	%
380	Treatment & Disposal Equipment		%	%
381	Plant Sewers		%	%
382	Outfall Sewer Lines		%	%
389	Other Plant / Miscellaneous Equipment	18	%	5.56 %
390	Office Furniture & Equipment	15	%	6.67 %
391	Transportation Equipment	6	%	16.67 %
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment	16	%	6.25 %
394	Laboratory Equipment	15	%	6.67 %
395	Power Operated Equipment		%	%
396	Communication Equipment		%	%
397	Miscellaneous Equipment	15	%	6.67 %
398	Other Tangible Plant	10	%	10.00 %
Wastewater Plant Composite Depreciation Rate *			%	%

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT  
December 31, 2005

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e) (Note 1)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ -	\$ -		\$ -
352	Franchises				
354	Structure and Improvements	51,988	3,067		3,067
355	Power Generation Equipment				
360	Collection Sewers - Force	72,961	4,007		4,007
361	Collection Sewers - Gravity	408,802	21,978		21,978
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices	76,260	-		
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	191,956	7,017		7,017
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	121,758	-		
390	Office Furniture & Equipment	3,623	451		451
391	Transportation Equipment	618	292		292
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,011	-		
394	Laboratory Equipment	56	6		6
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	6,278	1,129		1,129
398	Other Tangible Plant	11,197	-		
Total Depreciable Wastewater Plant in Service		\$ 966,508	\$ 37,947	\$ -	\$ 37,947

\* Specify nature of transaction.

Use ( ) to denote reversal entries.

Note (1): Miscellaneous rounding adjustment

**ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION (CONT'D)**

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	
352	Franchises					55,055
354	Structure and Improvements					76,968
355	Power Generation Equipment					430,780
360	Collection Sewers - Force					
361	Collection Sewers - Gravity					
362	Special Collecting Structures					
363	Services to Customers					
364	Flow Measuring Devices					76,260
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					198,973
374	Reuse Distribution Reservoirs					
375	Reuse Transmission and Distribution System					
380	Treatment & Disposal Equipment					
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant / Miscellaneous Equipment					121,758
390	Office Furniture & Equipment					4,074
391	Transportation Equipment					910
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					21,011
394	Laboratory Equipment					62
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					7,407
398	Other Tangible Plant					11,197
Total Depreciable Wastewater Plant in Service		\$ -	\$ -	\$ -	\$ -	\$ 1,004,455









**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
<b>WASTEWATER SALES</b>				
Flat Rate Revenues:				
521.1	Residential Revenues			\$ -
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues			
521.6	Other Revenues			
521	Total Flat Rate Revenues			-
Measured Revenues:				
522.1	Residential Revenues	424	424	\$ 140,856
522.2	Commercial Revenues	76	76	68,032
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	1,020	1,020	285,354
522	Total Measured Revenues	1,520	1,520	494,242
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	1,520	1,520	\$ 494,242
<b>OTHER WASTEWATER REVENUES</b>				
530	Guaranteed Revenues			\$ 156
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			
	Total Other Wastewater Revenues			\$ 156

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
	Flat Rate Reuse Revenues:			
540.1	Residential Reuse Revenues			\$ -
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
	Measured Reuse Revenues:			
541.1	Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 494,398

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT  
 December 31, 2009

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 71,805	\$ -	\$ -	\$ -	\$ -	\$ 71,805	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	32,022						
704	Employee Pensions and Benefits	10,084					2,170	
710	Purchased Sewage Treatment	155,264					155,264	
711	Sludge Removal Expense							
715	Purchased Power	6,083			4,983			
716	Fuel for Power Production							
718	Chemicals							
720	Materials and Supplies	2,368				2,368		
731	Contractual Services - Engineering							
732	Contractual Services - Accounting	8,910						
733	Contractual Services - Legal	300						
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing	15,907	1,665	6,420	4,732			
736	Contractual Services - Other	28,064		10,892		17,172		
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	1,900						
756	Insurance - Vehicle	909						
757	Insurance - General Liability	4,252						
758	Insurance - Workmens Comp.	2,762						
759	Insurance - Other	6,471						
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	26,674				1,089		
	Total Wastewater Utility Expenses	\$ 373,775	\$ 1,665	\$ 17,312	\$ 9,715	\$ 20,629	\$ 229,239	\$ -

S-10(a)  
 GROUP 1

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT  
 December 31, 2005

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES - OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salaries and Wages - Employees	\$ -	\$ -	\$ -		\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders		32,022				
704	Employee Pensions and Benefits		7,914				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power		1,100				
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services - Engineering						
732	Contractual Services - Accounting		8,910				
733	Contractual Services - Legal		300				
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing		3,090				
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense		1,900				
756	Insurance - Vehicle		909				
757	Insurance - General Liability		4,252				
758	Insurance - Workmens Comp.		2,762				
759	Insurance - Other		6,471				
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		25,585				
	Total Wastewater Utility Expenses	\$ -	\$ 95,215	\$ -	\$ -	\$ -	\$ -

S-10(b)  
 GROUP 1

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

**YEAR OF REPORT**  
**December 31, 2005**

**CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	424	424
5/8"	Displacement	1.0		
3/4"	Displacement	1.5	50	75
1"	Displacement	2.5	20	50
1 1/2"	Displacement or Turbine	5.0	1	5
2"	Displacement, Compound or Turbine	8.0	47	376
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				945

**CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use 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 residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:

$$ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day} )$$

For wastewater only utilities:

Subtract all general use and other non-residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

**NOTE:** Total gallons treated includes both treated and purchased treatment

ERC Calculation:	(	<u>79,200,000</u>	/ 365 days ) / 280 gpd =	<u>775</u>
		(total gallons treated)		



UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

<b>YEAR OF REPORT</b> <b>December 31, 2005</b>
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**WASTEWATER TREATMENT PLANT INFORMATION**  
 Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	N/A(3)		
Basis of Permit Capacity (1)	N/A(3)		
Manufacturer	N/A(3)		
Type (2)	N/A(3)		
Hydraulic Capacity	N/A(3)		
Average Daily Flow	216,986		
Total Gallons of Wastewater Treated	79,200,000		
Method of Effluent Disposal	Purchased Sewage Broward County		

- (1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc)
- (2) Contact stabilization, advanced treatment, etc.
- (3) All sewage is transmitted for treatment to the Broward County "201" treatment plant: therefore, permitted capacity, basis, manufacturer, type and hydraulic capacity questions are not applicable.

UTILITY NAME: Royal Utility Company  
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

**YEAR OF REPORT**  
**December 31, 2005**

**OTHER WASTEWATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * that system can efficiently serve.	<u>945</u>
2. Maximum number of ERC's * which can be served.	<u>945</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>945</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>Service area is built out</u>
5. Estimated annual increase in ERC's * .	<u>None</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>None</u>
7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.	
8. If the utility does not engage in reuse, has a reuse feasibility study been completed?	<u>No</u>
If so, when? <u>N/A</u>	
9. Has the utility been required by the DEP or water management district to implement reuse?	<u>No</u>
If so, what are the utility's plans to comply with the DEP? <u>N/A</u>	
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:	
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction begin?	<u>N/A</u>
d. Attach plans for funding the required upgrading.	<u>N/A</u>
e. Is this system under any Consent Order of the DEP?	<u>N/A</u>
11. Department of Environmental Protection ID #	<u>N/A</u>

\* An ERC is determined based on the calculation on the bottom of Page S-11

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Water Operations  
Class A & B**

**Company: ROYAL UTILITY COMPANY**

**For the Year Ended December 31, 2005**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	-	-	\$ -
Total Metered Sales ((461.1 - 461.5))	\$ 473,046	\$ 473,046	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	137,211	137,211	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	-	-	-
<b>Total Water Operating Revenue</b>	<b>\$ 610,257</b>	<b>\$ 610,257</b>	<b>\$ -</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Water Operating Revenues</b>	<b>\$ 610,257</b>	<b>\$ 610,257</b>	<b>\$ -</b>

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations  
Class A & B**

**Company: ROYAL UTILITY COMPANY**

**For the Year Ended December 31, 2005**

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate revenues (521.1 - 521.6)	-	-	\$ -
Total Measured Revenues (522.1 - 522.5)	\$ 494,242	\$ 494,242	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	156	156	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
<b>Total Wastewater Operating Revenue</b>	<b>\$ 494,398</b>	<b>\$ 494,398</b>	<b>\$ -</b>
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
<b>Net Wastewater Operating Revenues</b>	<b>\$ 494,398</b>	<b>\$ 494,398</b>	<b>\$ -</b>

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).