

CLASS "A" OR "B"

WATER and/or WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WU538-05-AR

O & S Water Company, Inc

Exact Legal Name of Respondent

510W

Certificate Numbers

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2005

REVISED

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EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT
December 31, 2005

UTILITY NAME: O & S Water Company, Inc

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

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

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

1. (X)	2. (X)	3. (X)	4. (X)
-----------	-----------	-----------	-----------

(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

O & S Water Company, Inc
 (Exact Name of Utility)

County: Osceola

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

501 East Oak Street, Suite A
 Kissimmee, FL 34744

Telephone: (407) 846-2650

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:

501 East Oak Street
 Kissimmee, FL 34744

Telephone: (407) 846-2650

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: 1984

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.	Ruth Stewart	41.0 %
2.	Ron & Ardith Clark	12.0 %
3.	Scott & Silvia Stewart	10.0 %
4.	Jack & Bonnie Olsen	10.0 %
5.	Walter Pyne Trustee	6.0 %
6.	Roy F Woodruff	7.0 %
7.		%
8.		%
9.		%
10.		%

Jack Echelson

UTILITY NAME: O & S Water Company, Inc

YEAR OF REPORT 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
Jack Olsen	President	O&S Water Company	All matters
Roy Woodruff (305) 269-2055	Treasurer	O&S Water Company Computer Tax & Accounting	Financial matters
Robert Nixon (727) 791-4020	CPA	Cronin, Jackson, Nixon & Wilson, CPAs	Regulatory matters
Martin Freidman (407) 830-6331	Attorney	Rose, Sundstrom, & Bentley	Legal & Regulatory 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: O & S Water Company, Inc

YEAR OF REPORT
December 31, 2005

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 organized in 1984 to provide service to the Pleasant Hill Lakes subdivision. Recent development activity in its certificated area has increased the customer base.
- B. The utility provides water services only.
- C. The Company's goal is to provide quality water service while earning a fair return on investment for its shareholders
- D. Rapid growth is expected through buildout.
- F. None

UTILITY NAME: O & S Water Company, Inc

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).

The Utility does not have any parent, subsidiary, or affiliated operations

UTILITY NAME: O & S Water Company, Inc

YEAR OF REPORT 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)
Jack Olsen	President	100	%	\$ 72,000
Roy Woodruff	Treasurer	10	%	\$ 0
Scott Stewart	Vice President	10	%	\$ 0
Ruth Stewart	Secretary	50	%	\$ 30,000
			%	\$
			%	\$
			%	\$
			%	\$
			%	\$
			%	\$

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Scott Stewart	Vice President	4	\$ 6,000
Ruth Stewart	Secretary	4	\$ 6,000
Bonnie Olsen	Secretary	4	\$ 6,000
Roy Woodruff	Treasurer	4	\$ 6,000
Jack Olsen	President	4	\$ 6,000
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: O & S Water Company, Inc

YEAR OF REPORT December 31, 2005
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BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

<p>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.</p>			
NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
Roy Woodruff	Computer Tax and Accounting Services, Inc	\$ 16,717	1900 SW 57th Avenue Suite 2 Miami, FL 33155

* 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: O & S Water Company, Inc

YEAR OF REPORT
December 31, 2005

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.

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Roy Woodruff	Accountant	Officer	Computer Tax & Accounting Service 1900 SW 57th Avenue Suite 2 Miami, FL 33155

UTILITY NAME: O & S Water Company, Inc

YEAR OF REPORT December 31, 2005
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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	\$		\$		\$	

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)
Roy Woodruff	Accounting and Tax services	Open	S	\$ 16,717

UTILITY NAME: O & S Water Company, Inc

YEAR OF REPORT December 31, 2005
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.

2. Below are examples of some types of transactions to include:

- purchase, sale or transfer of equipment.
- purchase, sale or transfer of land and structures.
- purchase, sale or transfer of securities.
- noncash transfers of assets.
- noncash dividends other than stock dividends.
- writeoff of bad debts or loans.

3. The columnar instructions follow:

- (a) Enter name of related party or company.
- (b) Describe briefly the type of assets purchased, sold or transferred.
- (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
- (d) Enter the net book value for each item reported.
- (e) Enter the net profit or loss for each item (column (c) - column (d)).
- (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.

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

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 5,411,662	\$ 2,664,901
108-110	Less: Accumulated Depreciation and Amortization	F-8	(353,249)	(274,810)
Net Plant			<u>5,058,413</u>	<u>2,390,091</u>
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			<u>5,058,413</u>	<u>2,390,091</u>
OTHER PROPERTY AND INVESTMENTS				
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				
CURRENT AND ACCRUED ASSETS				
131	Cash		<u>47,281</u>	<u>6,455</u>
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	<u>26,254</u>	<u>2,413</u>
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			
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			<u>73,535</u>	<u>8,868</u>

* 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)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 173,202	\$ 173,202
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			
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(1,892,961)	(1,413,939)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital (Deficit)			(1,719,759)	(1,240,737)
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	347,080	841,997
Total Long Term Debt			347,080	841,997
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		51,546	558,616
232	Notes Payable	F-18	1,409,525	
233	Accounts Payable to Associated Co.	F-18		
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits			
236	Accrued Taxes		51,483	38,888
237	Accrued Interest	F-19	28	1,945
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	11,628	
Total Current and Accrued Liabilities			1,524,210	599,449

* Not Applicable for Class B Utilities

UTILITY NAME: O & S Water Company, Inc

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits	F-21	441,876	1,126,480
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			441,876	1,126,480
OPERATING RESERVES				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	4,708,394	1,169,464
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(163,062)	(91,680)
Total Net C.I.A.C.			4,545,332	1,077,784
ACCUMULATED DEFERRED INCOME TAXES				
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				
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 5,138,739	\$ 2,404,973

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 357,505	\$ 737,286
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)	(123,595)	(77,458)
Net Operating Revenues			<u>233,910</u>	<u>659,828</u>
401	Operating Expenses	F-3(b)	562,586	714,919
403	Depreciation Expense	F-3(b)	41,706	74,902
	Less: Amortization of CIAC	F-22	(35,084)	(60,291)
Net Depreciation Expense			<u>6,622</u>	<u>14,611</u>
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	58,985	95,255
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			<u>628,193</u>	<u>824,785</u>
Net Utility Operating Income			<u>(394,283)</u>	<u>(164,957)</u>
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	123,595	77,458
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)]			<u>(270,688)</u>	<u>(87,499)</u>

* 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)
\$ 737,286 (77,458)		N/A
659,828	-	-
714,919		
74,902 (60,291)		
14,611	-	-
95,255		
824,785		
(164,957)	N/A	
77,458		
(87,499)		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)]			\$ (270,688)	\$ (87,499)
OTHER INCOME AND DEDUCTIONS				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		1,227	17
421	Miscellaneous Nonutility Revenue			63,160
426	Miscellaneous Nonutility Expenses			(346,562)
Total Other Income and Deductions			1,227	(283,385)
TAXES APPLICABLE TO OTHER INCOME				
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				
INTEREST EXPENSE				
427	Interest Expense	F-19	211,526	108,138
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			211,526	108,138
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(480,987)	(479,022)

Explain Extraordinary Income:

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	\$ 5,401,257	N/A
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(353,249)	
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(4,708,394)	
252	Advances for Construction	F-20		
Subtotal			339,614	
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	163,062	
Subtotal			502,676	
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		89,365	
	Other (Specify):		-	-
RATE BASE			\$ 592,041	\$ -
NET UTILITY OPERATING INCOME			\$ (164,957)	\$ -
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	-- %

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.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ -	_____ %	_____ - %	_____ %
Preferred Stock	_____	_____ %	_____ - %	_____ %
Long Term Debt	1,756,605	100.00 %	9.36 %	9.3600 %
Customer Deposits	_____	_____ %	_____ - %	_____ %
Tax Credits - Zero Cost	_____	_____ %	_____ - %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ - %	_____ %
Deferred Income Taxes	_____	_____ %	_____ - %	_____ %
Other (Explain)	_____	_____ %	_____ - %	_____ %
Notes Payable - Assoc Co	_____	_____ %	_____ %	_____ %
Total	\$ 1,756,605	100.00 %		9.36 %

(1) If the Utility's capital structure is not used, explain which capital structure is used.

Note: Per F-18, the Clark note was in litigation due to the high interest rate being charged, among other issues. That litigation was settled in March, 2006. The 18% cost rate on F-18 was not used to avoid skewing cost of capital. Instead, the settlement interest rate of 10% was used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	_____ %
Commission order approving Return on Equity:	_____ None _____

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate:	_____ None _____ %
Commission order approving AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

**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	\$ 5,401,257		N/A	\$ 5,401,257
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	10,405			10,405
106	Completed Construction Not Classified				
Total Utility Plant		\$ 5,411,662		N/A	\$ 5,411,662

**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	\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Plant Acquisition Adjustment		\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization			\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Accumulated Amortization		\$ -	\$ -	\$ -	\$ -
Total Acquisition Adjustments		\$ -	\$ -	\$ -	\$ -

**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: O & S Water Company, Inc

YEAR OF REPORT December 31, 2005

**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	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
Total Utility Investments		\$ -
OTHER INVESTMENTS (Account 125): N/A	\$ -	\$ -
Total Other Investments		\$ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
Total Special Funds		\$ -

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	\$ 27,546	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 27,546
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
Rents receivable (prepaid)	\$ (1,292)	
Total Other Accounts Receivable		\$ (1,292)
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		<u>26,254</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>26,254</u>

UTILITY NAME: O & S Water Company, Inc

**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)
None	\$ -
_____	_____
_____	_____
_____	_____
Total	\$ -

UTILITY NAME: O & S Water Company, Inc

YEAR OF REPORT December 31, 2005

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)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
N/A	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	_____	_____
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ -	\$ -

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

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

UTILITY NAME: O & S Water Company, Inc

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share	\$ 1,732.02	\$ 1,732.02
Shares authorized		100
Shares issued and outstanding		100
Total par value of stock issued	\$ -	\$ 173,202
Dividends declared per share for year	None	None
PREFERRED STOCK		
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)

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)	\$ (1,413,939)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	_____

	Total Credits	
	Debits: _____	_____

	Total Debits	
435	Balance transferred from Income	(479,022)
436	Appropriations of Retained Earnings: _____	_____

	Total appropriations of Retained Earnings	
437	Dividends declared: Preferred stock dividends declared _____	_____
438	Common stock dividends declared _____	_____

	Total Dividends Declared	
	Year end Balance	<u>(1,892,961)</u>
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____

214	Total Appropriated Retained Earnings	
	Total Retained Earnings (Deficit)	\$ <u>(1,892,961)</u>

Notes to Statement of Retained Earnings:

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):			
Turnock Trustee <i>Turnock - 1805</i>	10 %	F	\$ 500,000
Pyne Note - <i>Pyne - 705</i>	7 %	F	300,000
Clark note (In litigation due to interest rate, settled 3/2006)	18 %	F	603,171
Ford Motor Credit	9.1 %	F	6,354
	%		
	%		
Total Account 232			\$ 1,409,525
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)
N/A	\$ -
Total	

**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)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Chernau Mortgage	\$ 1,945	427.2	\$ 21,468	\$ 23,385	\$ 28
Chernau Mortgage	-	427.2	13,066	13,066	
Total Account No. 237.1	<u>1,945</u>		<u>34,534</u>	<u>36,451</u>	<u>28</u>
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
Clark		427.3	108	108	-
Turnock		427.3	48,337	48,337	
Olsen		427.3	2,000	2,000	
Pyne		427.3	22,350	22,350	
Other			809	809	
Total Account 237.2	<u>-</u>		<u>73,604</u>	<u>73,604</u>	
Total Account 237 (1)	<u>\$ 1,945</u>		<u>\$ 108,138</u>	<u>\$ 110,055</u>	<u>\$ 28</u>
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 108,138		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			<u>\$ 108,138</u>		

(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

**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	\$ 1,169,464	N/A	N/A	\$ 1,169,464
Add credits during year:	3,538,930			3,538,930
Less debits charged during				-
Total Contributions In Aid of Construction	\$ 4,708,394	\$ -	\$ -	\$ 4,708,394

**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	\$ 91,680	N/A	N/A	\$ 91,680
Debits during year:	60,291			60,291
Note (1)	11,091			11,091
Credits during year (specify):(1)				
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 163,062			\$ 163,062

Note (1): Adjustment to record prior years amortization taken but not reported.

**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>(479,022)</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>(479,022)</u>
Computation of tax:		
The tax return has not been prepared; however, the Company expects to experience a tax loss.		

**WATER
OPERATION
SECTION**

UTILITY NAME: O & S Water Company, Inc
 SYSTEM NAME / COUNTY: O & S Water Comp / Osceola

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)	\$ 5,401,257
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(353,249)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(4,708,394)
252	Advances for Construction	F-20	
	Subtotal		<u>339,614</u>
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	163,062
	Subtotal		<u>502,676</u>
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		89,365
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		<u>\$ 592,041</u>
	UTILITY OPERATING INCOME	W-3	<u>\$ (164,957)</u>
CHIEVED RATE OF RETURN (Water Operating Income/Water Rate Base)			<u>-- %</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.

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	737,286
469	Less: Guaranteed Revenue and AFPI	W-9	(77,458)
	Net Operating Revenues		659,828
401	Operating Expenses	W-10(a)	714,919
403	Depreciation Expense	W-6(a)	74,902
	Less: Amortization of CIAC	W-8(a)	(60,291)
	Net Depreciation Expense		14,611
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		31,107
408.11	Property Taxes		43,458
408.12	Payroll Taxes		20,568
408.13	Other Taxes & Licenses		122
408	Total Taxes Other Than Income		95,255
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		824,785
	Utility Operating Income (Loss)		(164,957)
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	77,458
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 (Loss)		\$ (87,499)

UTILITY NAME: O & S Water Company, Inc
 SYSTEM NAME / COUNTY: O & S Water Comp / Osceola

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WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises		62,644		62,644
303	Land and Land Rights	6,014		3,914	2,100
304	Structure and Improvements	733,316	(73,801)	(377,185)	282,330
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs		-	26,495	26,495
308	Infiltration Galleries and Tunnels				
309	Supply Mains	12,826	73,005	(12,826)	73,005
310	Power Generation Equipment	40,685	35,977	8,029	84,691
311	Pumping Equipment	42,920	(15,108)	76,444	104,256
320	Water Treatment Equipment	27,982	44,498	16,504	88,984
330	Distribution Reservoirs and Standpipes		-	94,006	94,006
331	Transmission and Distribution Mains	1,259,876	1,511,124	117,576	2,888,576
333	Services	107,509	449,921	8,915	566,345
334	Meters and Meter Installations	152,810	285,844	22,115	460,769
335	Hydrants	267,851	319,807	14,000	601,658
336	Backflow Prevention Devices		774		774
339	Other Plant / Miscellaneous Equipment		310		310
340	Office Furniture and Equipment	10,216	16,099		26,315
341	Transportation Equipment		11,690		11,690
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	2,896	21,400		24,296
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment		-	2,013	2,013
348	Other Tangible Plant				
	TOTAL WATER PLANT	\$ 2,664,901	\$ 2,744,184	\$ -	\$ 5,401,257

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.
 Note: Adjustments in the "Retirements" account and are to reclassify plant to proper accounts. There are no retirements.

UTILITY NAME: O & S Water Company, Inc
 SYSTEM NAME / COUNTY: O & S Water Comp / Osceola

YEAR OF REPORT
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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	62,644	62,644				
303	Land and Land Rights	2,100		\$ -	2,100		\$ -
304	Structure and Improvements	282,330		262,821	13,108		6,401
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	26,495		26,495			
308	Infiltration Galleries and Tunnels						
309	Supply Mai O & S Water Comp / Os	73,005		73,005			
310	Power Generation Equipment	84,691		84,691			
311	Pumping Equipment	104,256		6,465	97,791		
320	Water Treatment Equipment	88,984			88,984		
330	Distribution Reservoirs and Standpipes	94,006				94,006	
331	Transmission and Distribution Mains	2,888,576				2,888,576	
333	Services	566,345				566,345	
334	Meters and Meter Installations	460,769				460,769	
335	Hydrants	601,658				601,658	
336	Backflow Prevention Devices	774				774	
339	Other Plant / Miscellaneous Equipment	310			310		
340	Office Furniture and Equipment	26,315					26,315
341	Transportation Equipment	11,690					11,690
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	24,296					24,296
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment	2,013					2,013
348	Other Tangible Plant						
	TOTAL WATER PLANT	\$ 5,401,257	\$ 62,644	\$ 453,477	\$ 202,293	\$ 4,612,128	\$ 70,715

UTILITY NAME: O & S Water Company, Inc
 SYSTEM NAME / COUNTY: O & S Water Comp / Osceola

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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	40	%	2.50 %
304	Structure and Improvements	33	%	3.03 %
305	Collecting and Impounding Reservoirs		%	%
306	Lake, River and Other Intakes		%	%
307	Wells and Springs	30	%	3.33 %
308	Infiltration Galleries and Tunnels		%	%
309	Supply Mains	35	%	2.86 %
310	Power Generation Equipment	20	%	5.00 %
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	10	%	10.00 %
339	Other Plant / Miscellaneous Equipment		%	%
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		%	%
345	Power Operated Equipment		%	%
346	Communication Equipment		%	%
347	Miscellaneous Equipment	15	%	6.67 %
348	Other Tangible Plant		%	%
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.

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises		783		783
304	Structure and Improvements	253,126	4,277		4,277
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs		442		442
308	Infiltration Galleries and Tunnels				
309	Supply Mains		1,044		1,044
310	Power Generation Equipment	5,034	2,117		2,117
311	Pumping Equipment	5,671	2,606		2,606
320	Water Treatment Equipment	875	2,024		2,024
330	Distribution Reservoirs and Standpipes		1,269		1,269
331	Transmission and Distribution	5,964	32,057		32,057
333	Services		7,080		7,080
334	Meters and Meter Installations		11,520		11,520
335	Hydrants		6,678		6,678
336	Backflow Prevention Devices		39		39
339	Other Plant / Miscellaneous Equipment		7		7
340	Office Furniture and Equipment		1,160		1,160
341	Transportation Equipment		974		974
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	4,140	758		
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment		67		67
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 274,810	\$ 74,902	\$ -	\$ 74,144

* Specify nature of transaction.
 Use () to denote reversal entries.
 Note: "Other Credits" are to adjust for misclassified and unrecorded depreciation in prior periods.

UTILITY NAME: O & S Water Company, Inc
 SYSTEM NAME / COUNTY: O & S Water Comp / Osceola

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			1,966	1,966	2,749
304	Structure and Improvements			(245,036)	(245,036)	12,367
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs			12,467	12,467	12,909
308	Infiltration Galleries and Tunnels					
309	Supply Mains			1,556	1,556	2,600
310	Power Generation Equipment			6,996	6,996	14,147
311	Pumping Equipment			53,560	53,560	61,837
320	Water Treatment Equipment			17,378	17,378	20,277
330	Distribution Reservoirs and Standpipes			36,948	36,948	38,217
331	Transmission and Distribution			75,645	75,645	113,666
333	Services			10,041	10,041	17,121
334	Meters and Meter Installations			21,967	21,967	33,487
335	Hydrants			11,612	11,612	18,290
336	Backflow Prevention Devices			69	69	108
339	Other Plant / Miscellaneous Equipment			4	4	11
340	Office Furniture and Equipment			282	282	1,442
341	Transportation Equipment					974
342	Stores Equipment					
343	Tools, Shop and Garage Equipment			(3,203)	(3,203)	1,695
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment			1,285	1,285	1,352
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ 3,537	\$ 3,537	\$ 353,249

UTILITY NAME: O & S Water Company, Inc
 SYSTEM NAME / COUNTY: O & S Water Comp / Osceola

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WATER CIAC SCHEDULE "A"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY, MAIN
EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Meter Fees	807	\$ 300	\$ 242,100
Irrig meter fees	612	300	183,600
Capacity Charges	407	574	233,618
Main Extension	407	152	61,864
Total Credits			\$ <u>721,182</u>

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 91,680
Debits during year:	
Accruals charged to Account	60,291
Other Debits (specify):	
Unrecorded prior amortization	11,091
Total debits	71,382
Credits during year (specify):	
Total credits	
Balance end of year	\$ <u>163,062</u>

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	1,025	1,373	\$ 513,518
461.2	Metered Sales to Commercial Customers	14	18	105,521
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings			
	Total Metered Sales	1,039	1,391	619,039
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
	Total Fire Protection Revenue			
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers			
466	Sales for Resale			
467	Interdepartmental Sales			
	Total Water Sales	1,039	1,391	619,039
469	Other Water Revenues: Guaranteed Revenues			77,458
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			36,808
473	Interdepartmental Rents			
474	Other Water Revenues			3,981
	Total Other Water Revenues			\$ 118,247
	Total Water Operating Revenues			\$ 737,286

* 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	\$ 124,766	\$ -	\$ -
603	Salaries and Wages - Officers, Directors and Majority Stockholders	168,821		
604	Employee Pensions and Benefits	7,822		
610	Purchased Water	90,164	90,164	
615	Purchased Power	15,730		
616	Fuel for Power Production	416	416	
618	Chemicals	15,018		
620	Materials and Supplies	12,133		
631	Contractual Services - Engineering	3,500		
632	Contractual Services - Accounting	16,717		
633	Contractual Services - Legal	15,236		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	8,354		
636	Contractual Services - Other	132,021		
641	Rental of Building/Real Property	17,701		
642	Rental of Equipment			
650	Transportation Expense	7,973		
656	Insurance - Vehicle			
657	Insurance - General Liability	14,565		
658	Insurance - Workmens Comp.			
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	1,114		
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense	1,613		
675	Miscellaneous Expenses	61,255		
Total Water Utility Expenses		\$ 714,919	\$ 90,580	

UTILITY NAME: O & S Water Company, Inc
 SYSTEM NAME / COUNTY: O & S Water Comp / Osceola

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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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,766
					168,821
					7,822
13,903					1,827
15,018					
					12,133
					3,500
					16,717
					15,236
8,126	228				
28,200	2,502	2,224	23,825	72,270	3,000
					17,701
				6,893	1,080
					14,565
					1,114
				1,613	
	7,350	2,749			51,156
\$ 65,247	\$ 10,080	\$ 4,973	\$ 23,825	\$ 80,776	\$ 439,438

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	10,406	1,975	1,500	10,881	3,526
February	7,573	1,983	1,100	8,456	3,722
March	9,251	1,941	1,800	9,392	3,438
April	7,395	1,813	2,300	6,908	3,799
May	921	1,730		2,651	5,168
June	9,046	2,745	3,200	8,591	6,163
July	10,051	1,504	2,100	9,455	4,214
August	9,829	1,262	1,800	9,291	4,969
September	9,731	3,455	143	13,043	12,670
October	642	7,208	2,300	5,550	13,564
November	8,696	6,950	38	15,608	16,702
December	10,918	6,083	64	16,937	17,313
Total for year	94,459	38,649	16,345	116,763	95,248

If water is purchased for resale, indicate the following:

Vendor Florida Governmental Utility Authority

Point of deliver Eagle Lakes entrance

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

The Company is experiencing significant lost water due to theft. The Company has taken steps to mitigate the theft by installing locking lids on the meter boxes, but the service line is cut before entering the meter box by subcontractors in the development areas. Lost water has been estimated where possible.

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well #1	1,152	105	Aquifer

UTILITY NAME: O & S Water Company, Inc
SYSTEM NAME / COUNTY: O & S Water Comp / Osceola

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WATER TREATMENT PLANT INFORMATION
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>630,000</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Well head</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc):	<u>Chlorination</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u> Manufacturer <u>N/A</u>
FILTRATION	
Type and size of area:	
Pressure (in square feet):	<u>N/A</u> Manufacturer <u>N/A</u>
Gravity (in GPM/square feet):	<u>N/A</u> Manufacturer <u>N/A</u>

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	1,373	1,373
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5	2	5
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	7	56
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	8	200
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	1	115
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				<u>1,749</u>

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:
ERC = 95,248 gallons, divided by
350 gallons per day
<u>365</u> days
<u>745.6</u> ERC's

WASTEWATER OPERATION SECTION

The Utility provides water services only, therefore, Pages S-1 through S-13 have been omitted from this report

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

Company: O & S Water Company, Inc

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)	\$ -	\$ 4,633	\$ (4,633)
Total Metered Sales ((461.1 - 461.5)	619,039	755,978	(136,939)
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	-	-	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	118,247	80,556	37,691
Total Water Operating Revenue	\$ 737,286	\$ 841,167	\$ (103,881)
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 737,286	\$ 841,167	\$ (103,881)

Explanations:

Meter fees (CIAC) were included in revenues. An amended return will be filed.

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).