State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE:

October 14, 2020

TO:

Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM:

Justin Sewards, Public Utility Analyst III, Division of Accounting & Finance

RE:

Docket No. 20190170-WS - Application for transfer of facilities and Certificate

Nos. 259-W and 199-S in Broward County from Royal Utility Company to Royal

Waterworks, Inc.

Please place Royal Utility Company's 2014-2018 tax return documents into the docket file.

Department of the Treasury Internal Revenue Service

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

OMB No. 1545-0123

2014

Fo		ndar year 2014 or	ta <u>x year begi</u>	nning	, ending					
Α		ction effective date		Name	ILITY COME	77 RTV			D Em	nployer identification number
_		/01/97	TYPE	ROIAL UT	ILITY COME	PANI			6	5-0051494
ь		ess activity code er (see instructions)		Noneth and advantage and an	If - D.O. I					
		1300	OR		om or suite no. If a P.O. b PHWEST 44t					te incorporated 5/10/1988
c		k if Sch. M-3	PRINT		rovince, country, and ZIP					tal assets (see instructions)
	attach	ned	1	CORAL SP		FL 3				, ,
			1						\$	1,845,898
G	Is th	e corporation elect	ing to be an S	S corporation beginni	ng with this tax yea	ır? Ye	s X N	o If "Yes," attach	Form 2	553 if not already filed
Н	Chec	k if: (1) Final	return (2)	Name change	(3) Address	change (4)	Amende	ed return (5)	S election	n termination or revocation
1				ho were shareholders	• • •					
Ca							e instructio	ns for more informat		
							1a	1,254,035		
	b	Returns and allow	, ,							
	c	Balance, Subtract		1c	1,254,035					
ne	2	Cost of goods so	ld (attach For		2	, - ,				
Income	3	Gross profit Subt	ract line 2 fro	m line 1c					3	1,254,035
<u></u>	4	Net gain (loss) fro	m Form 4797	7 line 17 (attach For					4	
	5	Other income (los	ss) (see instri	7, line 17 (attach Foructions—attach state	ment)		See	Stmt 1	5	1,323
	6	Total income (lo	ss) (300 ilion)	3 through 5					6	1,255,358
_	7								7	1/200/300
s)	8	•	`		8	204,775				
for limitations)	9								9	36,452
mita	10								10	30,432
ō	11								11	4,645
	12								12	117,382
rctio										47,775
instructions	13				13 14	33,877				
(see i	14	Depreciation not of	ciaimed on Fo	rm 1125-A or elsewl	nere on return (attac	cn Form 4562)			_	33,611
	15			and gas depletion.)					15 16	974
ns	16									9/4
ij	17	Pension, profit-sha	aring, etc., pla	ans					17	18,302
2	18	Employee benefit	programs				200	C+m+ 2	18	
Deductions	19	Other deductions	(attach stater	ment)			see	SUIIL Z	19	637,470
	20			through 19					20	1,101,652
_	21								21	153,706
	22a	Excess net passive in	ncome or LIFO	recapture tax (see instru	ictions)		22a		_	
S	b	Tax from Schedule	e D (Form 11	20S)		l	22b			
nts			*	ons for additional taxes)					22c	
Paymer	l		-	013 overpayment credite	d to 2014		23a		_	
a	l	Tax deposited with					23b		_	
	С		•	els (attach Form 413	86)		23c			
and	d	Add lines 23a thro							23d	
	24	·	• .	ructions). Check if Fo				▶ ∐	24	
Тах	25	Amount owed. If	line 23d is sr	maller than the total of	of lines 22c and 24,	enter amount of	owed		25	
	26	Overpayment. If	line 23d is lar	ger than the total of	lines 22c and 24, e	nter amount ov	erpaid		26	
_	27			dited to 2015 estim				Refunded >	27	
				t I have examined this retu elief, it is true, correct, and				May the IRS	3 discuss th	nis return with the preparer
	gn			parer has any knowledge.	complete. Decidation of p	property (outlot than	i i i i i i i i i i i i i i i i i i i	shown below	w (see inst	tructions)? X Yes No
H	ere							PRES	IDEN	r
_		Signature of office	cer JOC	K MCCARTNEY			Date	Title		
		Print/Type pre	parer's name		Preparer's signature			Date	Check	if PTIN
Pa			L Carlst	edt	James L C	arlstedt		07/21/15	self-emplo	•
Pr	epai	rer Firm's name		&W CPAs				Firm's E	IN 🕨	59-1680455
Us	se O	nly Firm's addre	ss ▶ 256	0 Gulf To	Bay Blvd,	Ste 200)			
_			Cle	arwater, F	'L	33765	-4432	Phone r	no. 72	7-791-4020

Sch	edule B Other Information (see instruct	ions)					
1	Check accounting method: a Cash b	X Accrual				Yes	No
	c Other (specif	fy) ▶					l
2	See the instructions and enter the:						l
	a Business activity ▶ UTILITY COMPAN		*	R & WASTE WT	!R		l
3	At any time during the tax year, was any shareholder of						
	nominee or similar person? If "Yes," attach Schedule B	-1, Information on (Certain Shareholders of an	S Corporation			Х
4	At the end of the tax year, did the corporation:						l
а	Own directly 20% or more, or own, directly or indirectly,			•			l
	foreign or domestic corporation? For rules of construction	• •	•	(, 0 (,			v
	below					\Box	X
	(i) Name of Corporation	(ii) Employer Identification	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in Enter the Date		
	,	Number (if any)	·		a Qualified Sul Subsidiary Election	ochapter	S
					Subsidiary Election	- Was IV	laue
	Own directly an interest of 20% or more, or own, directly	or indirectly, an in	torast of 50% or more in the	nrofit loss or			
b	capital in any foreign or domestic partnership (including	,					
	trust? For rules of constructive ownership, see instruction	•	,				х
	trust: 1 of fules of constructive ownership, see instruction		ctc (i) tillough (v) below				
	(i) Name of Entity	(ii) Employer Identification	(iii) Type of Entity	(iv) Country of Organization	(v) Maxin	num Perc ed in Pro	-
	Number (if any) Loss, or Ca						
5a	At the end of the tax year, did the corporation have any	outstanding shares	s of restricted stock?		•		Х
	If "Yes," complete lines (i) and (ii) below.	ŭ					
				•			l
	(ii) Total shares of non-restricted stock						
b	At the end of the tax year, did the corporation have any	outstanding stock	options, warrants, or similar	instruments?			X
	If "Yes," complete lines (i) and (ii) below.						
	(i) Total shares of stock outstanding at the end of the	tax year					l
	(ii) Total shares of stock outstanding if all instruments			.			
6	Has this corporation filed, or is it required to file, Form	8918, Material Advi	sor Disclosure Statement, t	o provide			
	information on any reportable transaction?					\square	X
7	Check this box if the corporation issued publicly offered	debt instruments v	vith original issue discount		▶ 🔲		l
	If checked, the corporation may have to file Form 8281	, Information Retur	n for Publicly Offered Origin	al Issue Discount			l
	Instruments.						l
8	If the corporation: (a) was a C corporation before it elec			•			
	asset with a basis determined by reference to the basis						
	the hands of a C corporation and (b) has net unrealized	-	_	_			
	from prior years, enter the net unrealized built-in gain re						
0	Enter the accumulated earnings and profits of the corpo	ration at the and =	the tay year	\$			
9	Does the corporation satisfy both of the following cond		uie tax year.	\$			
10	The corporation's total receipts (see instructions) for the		than \$250,000				
a b		•					х
Ŋ	If "Yes," the corporation is not required to complete Sch		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
11	During the tax year, did the corporation have any non-s		it was canceled was forgive	en or had the			
• •	terms modified so as to reduce the principal amount of		•				х
	If "Yes," enter the amount of principal reduction						
12	During the tax year, was a qualified subchapter S subsi						х
						Х	
	b If "Yes," did the corporation make any payments in 2014 that would require it to file Form(s) 1099? X X						
		_			_		

Sched	lule	K Shareholders' Pro Rata Share Items		Total amount
	1	Ordinary business income (loss) (page 1, line 21)	1	153,706
	2	Net rental real estate income (loss) (attach Form 8825)	2	•
	3a	Other gross rental income (loss) 3a		
	b	Expenses from other rental activities (attach statement) 3b		
<u> </u>	c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
.0S	4	Interest income		5,870
7	5	Dividends: a Ordinary dividends	5a	
Income (Loss)	•	b Qualified dividends 5b		
20	6	Develties	6	
_	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))		
	8a			
	b	Collectibles (28%) gain (loss)		
	C	Unrecaptured section 1250 gain (attach statement) 8c		
	9	Net section 1231 gain (loss) (attach Form 4797)	9	
	10	Other income (loss) (see instructions) Type ▶	10	
	11	Section 179 deduction (attach Form 4562)	11	
ns	1	Charitable contributions	12a	
cţio	h	Charitable contributions Investment interest expense	12b	
Deductions	1		12C(2)	
ã		Section 59(e)(2) expenditures (1) Type ► (2) Amount ►	12C(2)	
		Other deductions (see instructions) Type	13a	
	l Ja	Low-income housing credit (section 42(j)(5))	13b	
	"	Low-income housing credit (other) Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
dits			13d	
Credits		Other rental real estate credits (see instructions) Type	13u	
	e	Other rental credits (see instructions) Type	13e	
	'	Biofuel producer credit (attach Form 6478)		
		Other credits (see instructions) Type	13g	
		Name of country or U.S. possession ▶ Gross income from all sources	446	
	1	Gross income sourced at shareholder level	14b	
	'	Foreign gross income sourced at corporate level	140	
	ا ا		444	
S	l u	Passive category	14d	
Transactions	1	General category Other (attack atatement)	14e	
sac	'	Other (attach statement)	14f	
ans		Deductions allocated and apportioned at shareholder level	440	
-	9	Interest expense	14g	
Foreign	n	Other	14h	
ore	١.	Deductions allocated and apportioned at corporate level to foreign source income	44:	
ш.		Passive category	14i	
	J	General category	14j	
	K	Other (attach statement)	14k	
	Ι.	Other information	441	
		Total foreign taxes (check one): Paid Accrued	141	
	m	Reduction in taxes available for credit (attach statement)	14m	
		Other foreign tax information (attach statement)	450	-32,906
s ax	158	Post-1986 depreciation adjustment	15a 15b	-32,900
rtiv ter	0	Adjusted gain or loss		
Alternative Minimum Tax (AMT) Items	د	Depletion (other than oil and gas)	15c	
Alte	a	Oil, gas, and geothermal properties – gross income	15d	
`∑`	e	Oil, gas, and geothermal properties – deductions	15e	
<u>6</u>		Other AMT items (attach statement)	15f	
ctir	10a	Tax-exempt interest income	16a	
Affe hol sis	6	Other tax-exempt income	16b	8,921
s ∤ are Ba		Nondeductible expenses Distributions (attach statement if required) (see instructions)	16c	0,921
Items Affecting Shareholder Basis	4	Distributions (attach statement if required) (see instructions) Repayment of loans from shareholders	16d 16e	
_		Nopayment of loans from shareholders	100	

Schedule K

Shareholders' Pro Rata Share Items (continued)

Total amount

Other	17a Investment income	,		17a	5,870
ē.	b Investment expenses				·
돨	c Dividend distributions paid from accum	ulated earnings and profits		17c	
	d Other items and amounts (attach state				
		,			
Recon-	18 Income/loss reconciliation. Combine	the amounts on lines 1 thr	ough 10 in the far right		
	column. From the result, subtract the s	um of the amounts on lines	11 through 12d and 14l	18	159,576
Sch	edule L Balance Sheets per Books	Beginning o	f tax year	End of t	ax year
	Assets	(a)	(b)	(c)	(d)
1	Cash		107,733		145,772
2a	Trade notes and accounts receivable	135,140		140,537	
b	Less allowance for bad debts	(135,140		140,537
3	Inventories		18,975		18,975
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) Stmt 3		128,061		124,543
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	4,750,421		4,819,988	
b	Less accumulated depreciation	(3,452,278)	1,298,143	3,557,245	1,262,743
11a	Depletable assets				
b	Less accumulated depletion		145.005		4.47.005
12	Land (net of any amortization)		147,925		147,925
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization		(F 400
14	Other assets (attach statement) Stmt 4		7,890		5,403
15	Total assets		1,843,867		1,845,898
	Liabilities and Shareholders' Equity		02.044		00 110
16	Accounts payable		23,944		22,112
17	Mortgages, notes, bonds payable in less than 1 year		04 427		00 500
18	Other current liabilities (attach statement) Stmt 5		84,437		99,590
19	Loans from shareholders		022 220		740 402
20	Mortgages, notes, bonds payable in 1 year or more		833,339		742,483
21	Other liabilities (attach statement) Stmt 6		90,860		77,974
22	Capital stock		800,000		100 800,000
23	Additional paid-in capital		86,187		·
24 25	Retained earnings Adjustments to shareholders'		00,107		178,639
20	equity (attach statement)		(75,000		(75,000)
26	Less cost of treasury stock		1,843,867		
27	Total liabilities and shareholders' equity		1,045,80/		1,845,898

Form **1120S** (2014)

come (Loss) per Book	s With Income (Loss) per Return	
be required to file Schedule	M-3 (see instructions)	
92,452	5 Income recorded on books this year not included	
	a Tax-exempt interest \$	
	6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
67,124	a Depreciation \$ 7 Add lines 5 and 6	
159,576	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	159,576
	be required to file Schedule 92,452 67,124	on Schedule K, lines 1 through 10 (itemize): a Tax-exempt interest \$ 6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): a Depreciation \$ 67,124 7 Add lines 5 and 6

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

_	<u> </u>			miceine i retricuety rusteu	(000 1110110110110)	
				(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax y	ear		-23,594		
2				153,706		
3	Other additions	Stmt	8	5,870		
4	Loss from page 1, line 21			(
5	Other reductions	Stmt	9	(67,124)(
6	Combine lines 1 through 5			68,858		
7	Distributions other than divid	end distribu	itions			
8	Balance at end of tax year. Subtra	ct line 7 from	line 6	68,858		

Form **1120S** (2014)

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

OMB No. 1545-0123 2015

Department of the Treasury Internal Revenue Service

			ear 2015 or ta	ax year begir		, enair	1g							
Α			ctive date		Name ROYAL UTI	тттт	COMPANY	7				D En	nployer i	dentification number
_		/01/		TYPE	KOIAL UII	ттт	COMPANI	L						051404
В		ess activ	•									6	5-0	051494
		,	nstructions)	OR	Number, street, and roo								ate incorp	
		1300			8900 NORT							0	$\frac{5}{1}$	0/1988
С	Check	if Sch. I	M-3	PRINT	City or town, state or pro							F To	tal asset	s (see instructions)
	attach	ed			CORAL SPE	RINGS		FL 3	3065					
												\$		1,807,448
G	Is th	e corpo	oration electin	id to be an S	corporation beginning	na with this	tax vear?	Ye	es X 1	lo If "Ye	s." attach	Form 2	2553 if	not already filed
		kif: (1		_			Address change							nation or revocation
ï		•	· 🗀	, ,		• • □	•	٠, ۲		aca iciaiii (o,	O CICCLIO	ni (Cilliii	_
<u>'</u>					no were shareholders		•							<u></u> ▶ 6
<u>Ca</u>					income and expense	es on lines	1a through 2	1. See the	e instructi					
	1a	Gross	receipts or	sales					1a	1,23	1,498	3		
	b	Retur	ns and allow	ances				l	1b					
-	С	Balan	ice. Subtract	line 1b from	line 1a							1c		1,231,498
ne	2	Cost	of goods sold	l (attach For	m 1125-A)							2		
Income	3	Gross	s profit. Subtra	oct line 2 fro	1: 4 -							3		1,231,498
<u>=</u>	1											4		
	4	ivet g	am (loss) nor	11 FOIII 4/9/	7, line 17 (attach Forn	11 4/9/)					1	<u> </u>		1 710
	5	Other	income (loss	s) (see instru	uctions—attach stater	nent)			see	SUIIC	<u>+</u>	5	-	1,719
_	6				3 through 5							6		1,233,217
(suc	7	Comp	ensation of o	fficers (see	instructions–attach Fo	orm 1125-E	≣)					7		
	8	Salarie	es and wages	s (less emplo	oyment credits)							8		214,355
tatic	9	Repair	rs and mainte	enance								9		62,624
Ξ	10											10		
(see instructions for limitations)	11											11		2,004
	12											12		115,049
Jotic														35,445
ıstrı	13											13		
.= .e	14	, , , , , , , , , , , , , , , , , , , ,									14	-	33,768	
(se	15	Deplet	tion (Do not	deduct oil a	and gas depletion.)							15		
3	16	Adver	L: _ :									16		3,362
Deductions	17	Pension	on, profit-shai	ring, etc., pla	ans							17		
ct	18		yee benefit p									18		11,392
ð	19	Other	deductions (attach staten	nent)				See	Stmt	2	19		636,564
De	20	Total	deductions	Add lines 7	through 19						•	20		1,114,563
_	21				oss). Subtract line 20							21		118,654
_									22a					110,001
					recapture tax (see instruc							-		
Ŋ			om Schedule	•				l	22b					
nts					ons for additional taxes) .							22c		
Tax and Payme	23a	2015 e	stimated tax pa	yments and 20	114 overpayment credited	to 2015			23a					
Ž	b	Tax d	eposited with	Form 7004					23b					
ď	С	Credit	for federal ta	x paid on fu	els (attach Form 413	٥١			23c					
Þ	d	Add lii	nes 23a throu	igh 23c								23d		
ਰ	24				uctions). Check if Fo	rm 2220 is	attached					24		
ă	25			• (naller than the total o			amount o	d			25		
Ë														
	26		-		ger than the total of li		nd 24, enter a	mount ov	erpaid			26		
_	27				lited to 2016 estima					Refu		27		
					I have examined this return lief, it is true, correct, and co						May the IRS	discuss t	his return	with the preparer
					arer has any knowledge.			,	, , ,		shown belov	w (see ins	tructions)?	Yes No
Si	gn	A .									PRES	IDEN'	T	
He	Here Signature of officer													
_			Print/Type prepa		_	Preparer's s	ignature			Date	I	Check	if	PTIN
Pa	id		1	Carlst	edt	l '	L Carls	stedt			.8/16	self-empl	loved	P00118459
	Dunney Control Con							,	1680455					
	•		Firm's name			Barr D'	1 0	200	<u> </u>		Fillis		J J	1000400
US	e O	ıııy	Firm's address		0 Gulf To	_						70	7 7	01 4000
_				Сте	arwater, F		•	33765	-4432		Phone r	10. 12	2/-/	91-4020
Ec	. Dan		r Dadmatian	A of Motion	and congrete instru	4:								- 44200

Sch	edule B Other Information (see instruct	ions)					
1	Check accounting method: a Cash b	X Accrual				Yes	No
	c Other (specif	·y) ▶					
2	See the instructions and enter the:						l
	a Business activity ▶ UTILITY COMPANY	b Prod	duct or service WATER	& WASTE WTR			l
3	At any time during the tax year, was any shareholder of	•	•				
	nominee or similar person? If "Yes," attach Schedule B-	-1, Information on (Certain Shareholders of an S	S Corporation			Х
4	At the end of the tax year, did the corporation:						
а	Own directly 20% or more, or own, directly or indirectly,			0 ,			l
	foreign or domestic corporation? For rules of constructive	• •	•	()			37
	below						X
	(i) Name of Corporation	(ii) Employer Identification	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in Enter the Date		
	V	Number (if any)	'		a Qualified Sul Subsidiary Election	bchapter	S
					Subsidiary Election	n was w	naue
	Our directly an interest of 200/ or more or our directly	, ar indirectly, an in	target of EOO/ or mare in the	nrafit lage or			
a	Own directly an interest of 20% or more, or own, directly capital in any foreign or domestic partnership (including	,					
		•					х
	trust? For rules of constructive ownership, see instruction		ete (i) tillough (v) below		· · · · · · · · · · · · · · · · · · ·		
	(i) Name of Entity	(ii) Employer Identification	(iii) Type of Entity	(iv) Country of Organization	(v) Maxin	num Perc ed in Pro	-
	Number (if any)						
5a	At the end of the tax year, did the corporation have any	outstanding shares	s of restricted stock?				Х
	If "Yes," complete lines (i) and (ii) below.	g					
				•			1
	(ii) Total shares of non-restricted stock						l
b	At the end of the tax year, did the corporation have any	outstanding stock	options, warrants, or similar	instruments?			Х
	If "Yes," complete lines (i) and (ii) below.	ŭ	•				
	(i) Total shares of stock outstanding at the end of the t	ax year		>			l
	(ii) Total shares of stock outstanding if all instruments			>			
6	Has this corporation filed, or is it required to file, Form	8918, Material Advi	sor Disclosure Statement, to	provide			
	information on any reportable transaction?						Х
7	Check this box if the corporation issued publicly offered	debt instruments v	with original issue discount .		▶ 🔲		
	If checked, the corporation may have to file Form 8281	, Information Retur	n for Publicly Offered Origin	al Issue Discount			
	Instruments.						l
8	If the corporation: (a) was a C corporation before it elec		•				
	asset with a basis determined by reference to the basis	of the asset (or the	basis of any other property) in			l
	the hands of a C corporation $\mbox{and (b)}$ has net unrealized	-					
	from prior years, enter the net unrealized built-in gain re-	educed by net reco	gnized built-in gain from prio				
	instructions)			\$			
9	Enter the accumulated earnings and profits of the corpo		f the tax year.	\$			
10	Does the corporation satisfy both of the following cond						
a	The corporation's total receipts (see instructions) for the	•					х
b			00,000				^
4.4	If "Yes," the corporation is not required to complete Sch						
11	During the tax year, did the corporation have any non-s		•				x
	terms modified so as to reduce the principal amount of						^
40	If "Yes," enter the amount of principal reduction						Х
12	During the tax year, was a qualified subchapter S subsi					х	
	Did the corporation make any payments in 2015 that wo					X	
b If "Yes," did the corporation file or will it file required Forms 1099?							

Sched	lule	K Shareholders' Pro Rata Share Items	Total amount		
	1	Ordinary business income (loss) (page 1, line 21)	1	118,654	
	2	Net rental real estate income (loss) (attach Form 8825)	2	•	
	I	Other gross rental income (loss) 3a	_		
	b				
<u> </u>	c	Other net rental income (loss). Subtract line 3b from line 3a	3c		
oss	4	Interest income	4	1,177	
Ę	5	Dividends: a Ordinary dividends	5a		
me		Dividends: a Ordinary dividends b Qualified dividends 5b	- Ju		
Income (Loss)	6	Developed the second se	6		
=	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	$\overline{}$		
	I	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a		
	Ι.		- Oa		
	b	· / · / · · · · · · · · · · · · · · · ·	-		
	ı	Unrecaptured section 1250 gain (attach statement) Not section 1234 gain (less) (attach Form 4707)			
	9	Net section 1231 gain (loss) (attach Form 4797)	9		
	10	Other income (loss) (see instructions) Type	10		
ns	11	Section 179 deduction (attach Form 4562)	11		
ţ	12a	Charitable contributions	12a		
Deductions		Investment interest expense	12b		
Ďě		Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)		
		Other deductions (see instructions) Type ▶	12d		
	13a	Low-income housing credit (section 42(j)(5))	13a		
	b	Low-income housing credit (other)	13b		
Credits		Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c		
		Other rental real estate credits (see instructions) Type	13d		
Ö	e	Other rental credits (see instructions) Type ▶	13e		
	f	Biofuel producer credit (attach Form 6478)	13f		
	g	Other credits (see instructions) Type	13g		
	14a	Name of country or U.S. possession ▶			
	b	Gross income from all sources	14b		
	C	Gross income sourced at shareholder level	14c		
		Foreign gross income sourced at corporate level			
40	d	Passive category	14d		
Transactions	e	General category	14e		
acti	f	Other (attach statement)	14f		
ıns		Deductions allocated and apportioned at shareholder level			
<u> Ia</u>	g	Interest expense	14g		
E.	h	Other	14h		
Foreign		Deductions allocated and apportioned at corporate level to foreign source income			
ß	i	Passive category	14i		
		General category	14j		
	k	Other (attach statement)	14k		
		Other information			
		Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	141		
	m	Reduction in taxes available for credit (attach statement)	14m		
	n	Other foreign tax information (attach statement)			
~		Post-1986 depreciation adjustment	15a	-35,510	
ve ⊤a	b	Adjusted gain or loss	15b		
nati Ite	С	Depletion (other than oil and gas)	15c		
Alternative Minimum Tax (AMT) Items	d	Oil, gas, and geothermal properties – gross income	15d		
≨ਵੇਂ	e	Oil, gas, and geothermal properties – deductions	15e		
	f	Other AMT items (attach statement)	15f		
ing r		Tax-exempt interest income	16a		
ecti olde	b	Other tax-exempt income	16b		
Affi eho asis	c	Nondeductible expenses	16c	10,780	
ns har B	d	Distributions (attach statement if required) (see instructions)	16d	- ,	
Items Affecting Shareholder Basis	e	Repayment of loans from shareholders	16e		

Form	TIZUS (ZUIS) ROTAL UTILITI	COMPANI	63-0	031494		Page 4
	edule K Shareholders' Pro Rata Share	Items (continued)				Total amount
Other	17a Investment income				17a	1,177
her	b Investment expenses				17b	
₹.	c Dividend distributions paid from accum	nulated earnings and profits		L	17c	
3	d Other items and amounts (attach state					
Recon-	18 Income/loss reconciliation. Combine	e the amounts on lines 1 thr	ough 10 in the far right			
	<u>'</u>	um of the amounts on lines	11 through 12d and 14l		18	119,831
Sch	edule L Balance Sheets per Books	Beginning o	f tax year		End of ta	x year
	Assets	(a)	(b)	(c)		(d)
1	Cash		145,772			115,066
2a	Trade notes and accounts receivable	140,537		138,	971	
b	Less allowance for bad debts	(140,537	(138,971
3	Inventories		18,975			18,975
4	U.S. government obligations					
5	Tax-exempt securities (see instructions)					
6	Other current assets (attach statement) Stmt 3		124,543			108,529
7	Loans to shareholders					
8	Mortgage and real estate loans				L	
9	Other investments (attach statement)					
10a	Buildings and other depreciable assets	4,819,988		4,886,2		
b	Less accumulated depreciation	(3,557,245)	1,262,743	(3,645,8	820 <u>)</u>	1,240,456
11a	Depletable assets					
b	Less accumulated depletion	(()	
12	Land (net of any amortization)		147,925			147,925
13a	Intangible assets (amortizable only)					
b	Less accumulated amortization	(()	
14	Other assets (attach statement) Stmt 4		5,403		L	37,526
15	Total assets		1,845,898			1,807,448
	Liabilities and Shareholders' Equity					
16	Accounts payable		22,112			69,993
17	Mortgages, notes, bonds payable in less than 1 year					
18	Other current liabilities (attach statement) Stmt 5		99,590			106,518
19	Loans from shareholders					
20	Mortgages, notes, bonds payable in 1 year or more		742,483			594,984
21	Other liabilities (attach statement) Stmt 6		77,974			65,087
22	Capital stock		100			100
23	Additional paid-in capital		800,000			800,000
24	Retained earnings		178,639			245,766
25	Adjustments to shareholders' equity (attach statement)					
26	Less cost of treasury stock		(75,000)			(75,000)
27	Total liabilities and shareholders' equity		1,845,898			1,807,448
						44000

Form **1120S** (2015)

Schedu	e M-1 Reconciliation of Inc	ome (Loss) per Books	With Income (Loss) per Return	
	Note: The corporation may	be required to file Schedule N	M-3 (see instructions)	
2 Incon 5a, 6	ncome (loss) per books	67,127	 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): Tax-exempt interest \$ 	
inclu	nses recorded on books this year not ded on Schedule K, lines 1 through 12 14I (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
b Trave entert	eciation \$ 41,923 and simment \$ 10,781	52,704	a Depreciation \$ 7 Add lines 5 and 6	
4 Add	lines 1 through 3	119,831	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	119,831

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

						(=== :::=======	
				(a) Accumulated adjustments account		(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	ar		68	3,858		
2	Ordinary income from page 1, I	line 21		118	3,654		
3	Other additions	Stmt	8		1,177		
4	Loss from page 1, line 21			(
5	Other reductions	Stmt	9	(52	2,704	(
6	Combine lines 1 through 5			135	5,985		
7	Distributions other than dividen	nd distribu	tions				
8	Balance at end of tax year. Subtract	line 7 from	line 6	135	5,985		

Form **1120S** (2015)

Department of the Treasury Internal Revenue Service

OMB No. 1545-0123

U.S. Income Tax Return for an S Corporation

■ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

■ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s. 2016

For	r cale	ndar ye	ear 2016 or ta	ax year begir	nning	, endinç	g							
Α			ctive date		Name						Ì	D En	nployer ider	ntification number
В		/01/ ess activi		TYPE	ROYAL UT	LLITY	COMPANY					6	5-005	51494
			nstructions)	OR	Number, street, and roo	m or suite no. It	f a P.O. box. see instri	uctions.					ate incorpora	
		1300]	8900 NORT	HWEST	44th CO	URT				0	5/10/	1988
С	Check attach	if Sch. Med	M-3	PRINT	City or town, state or pro				。 3065			F Total assets (see instructions)		
												\$	1	,816,780
G	Is th	e corpo	oration electin	ng to be an S	corporation beginni	na with this	tax year?	Yes	X	No If "Yes	" attach			ot already filed
			1) Final r	-			Address change			nded return (5				•
ï		•	· —		no were shareholders		•	• • -		•	<i>,</i> –			b 6
Cal					income and expens		· · · · · · · · · · · · · · · · · · ·		inetru	etions for more	informs	ation		P
Ja			s receipts or s	1	•				1a	1,240			Ι	
			ns and allowa					···	1b		,, = 00	4		
	C		nce. Subtract									1c	1 1	,240,100
ne	2											_	_	.,
Income	3	Gross	s profit. Subtra	act line 2 from	n 1125-A)							3	1	,240,100
<u>=</u>	4				, line 17 (attach For							4	_	.,210,100
	5	Other	r income (loss	e) (see instri	ctions—attach state	ment)			Sec	e Stmt 1		5		7,903
	6	Total	income (loss	s) (300 iii3iii e) Add linac	3 through 5						-	6	1	.,248,003
\dashv	7				nstructions–attach F								_	.,240,005
(SI	8			,	oyment credits)		,					8		214,187
ation	9		_									9		46,438
iii.	10											10		10/150
ъ́	11											11		1,351
SIC	12											12		111,608
notic	13											13		23,153
instr					m 1125-A or elsewh							14		51,407
(see instructions for limitations)	15	Deplet	tion (Do not	deduct oil a	nd gas depletion.)	iere on retu	iii (attacii i oiiii i	4302)				15		32 / 10 /
	16	Advert	ticina									16		690
Su l			•		nne							17		
뜑	18	Fmnlo	on, pront-snar Dyee benefit p		ins							18		12,588
Deductions					nent)				See	e Stmt 2	2	19		656,174
ě	20	Total	deductions	Add lines 7	through 19						.	20	1	,117,596
_	21	Ordin	ary husiness	income (lo	ss). Subtract line 20							21	_	130,407
\neg					recapture tax (see instri				22a					
			om Schedule		206)			٠ ١ ،	22b					
ıts				`	ons for additional taxes)			··· -				22c		
Jer				-	015 overpayment credite				23a					
Payment			eposited with	•					23b					
Pa	С	Credit	for federal ta	x paid on fue	els (attach Form 413				23c					
밀			nes 23a throu									23d		
Tax and	24	Estima	ated tax pena	alty (see instr	uctions). Check if Fo	orm 2220 is	attached			J		24		
ã	25				naller than the total o			nount c	wed		_	25		
	26	Overp	oayment. If lin	ne 23d is lar	ger than the total of l	lines 22c an	id 24, enter amo	unt ove	erpaid .			26		
	27	Enter	amount from	line 26 Cred	lited to 2017 estima	ated tax				Refun	ded 🕨	27		
					I have examined this returnief, it is true, correct, and correct.					ı	May the IRS	S discuss th	his return with	the preparer
					arer has any knowledge.	ompiete. Deciai	audit of preparer (our	ci ulali te	axpayei)		shown below	w (see inst	tructions)?	X Yes No
Si	gn	b -									PRES	SIDEN'	T	
He	ere	S	Signature of office	r JOCE	K MCCARTNEY				Date		Γitle			
			Print/Type prepa			Preparer's sig				Date	1	Check	ш ।	PTIN
Pa			James I	Carlst		James	L Carlste	edt		07/1		self-emple		P00118459
	epar		Firm's name		CPAs			000			Firm's E	IN P	46-18	394514
Us	e O	nly	Firm's address		Gulf To	_						=-		1 4000
_	_			CTe	arwater, F	<u></u>	33	/65-	-443	52	Phone r	no. 12	1-19	1-4020

Sch	edule B Other Information (see instruct	ions)						
1	Check accounting method: a Cash b	X Accrual				Yes	No	
	c Other (speci	fy) >						
2	See the instructions and enter the:							
	a Business activity ▶ UTILITY COMPANY			TER & WASTE WTR				
3	At any time during the tax year, was any shareholder of	•	•				L	
	nominee or similar person? If "Yes," attach Schedule E	3-1, Information on	Certain Shareholders	of an S Corporation			X	
4	At the end of the tax year, did the corporation:							
а								
	foreign or domestic corporation? For rules of construct	• •	•	complete (i) through (v)				
	below						X	
	(i) Name of Corporation	(ii) Employer Identification	(iii) Country of Incorporation	f (iv) Percentage of Stock Owned	(v) If Percentage i Enter the Dat			
	(i) Name of Corporation	Number (if any)	monporation	Olock Owned	a Qualified Su	bchapter	S	
					Subsidiary Election	n Was N	√lade	
b	Own directly an interest of 20% or more, or own, direct	•		·				
	capital in any foreign or domestic partnership (including	·					37	
	trust? For rules of constructive ownership, see instructi	ons. If "Yes," comp	olete (i) through (v) bel	OW	·····		X	
		(ii) Employer		(iv) Country of	(v) Maxir		-	
	(i) Name of Entity	Identification Number (if any)	(iii) Type of Entity	Organization	l l	ed in Pro s, or Capi		
		Number (if any)			Loss	, ог Сарі	ııaı	
	At the conduction to the constant to the const						X	
5a	At the end of the tax year, did the corporation have an	y outstanding snar	es of restricted stock?					
	If "Yes," complete lines (i) and (ii) below.							
							X	
D	At the end of the tax year, did the corporation have an	y outstanding stoc	k options, warrants, or	similar instruments?				
	If "Yes," complete lines (i) and (ii) below.	4						
	(i) Total shares of stock outstanding at the end of the							
•	(ii) Total shares of stock outstanding if all instruments Has this corporation filed, or is it required to file, Form		deen Diesleeune Oteten					
О	·			-			v	
7	information on any reportable transaction?							
7	Check this box if the corporation issued publicly offered		•					
	If checked, the corporation may have to file Form 828 Instruments.	i, inionnation Retu	III loi Publiciy Offered	Original Issue Discount				
8	If the corporation: (a) was a C corporation before it ele-	otad to be an S co	rnoration or the corner	ation acquired an				
0	asset with a basis determined by reference to the basis							
	the hands of a C corporation and (b) has net unrealize	`	, ,	,				
	from prior years, enter the net unrealized built-in gain r	_		-				
		-	-					
9	Enter the accumulated earnings and profits of the corp	oration at the end	of the tay year	\$				
10	Does the corporation satisfy both of the following cond		or the tax year.	Ψ				
а			ss than \$250,000					
	The corporation's total assets at the end of the tax year	-					Х	
IJ	If "Yes," the corporation is not required to complete Sci							
11				forgiven or had the				
11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?								
If "Yes," enter the amount of principal reduction \$								
12	During the tax year, was a qualified subchapter S subs	sidiary election term	ninated or revoked? If	"Yes" see instructions			Х	
	Did the corporation make any payments in 2016 that w					Х		
	If "Yes," did the corporation file or will it file required Fo					Х		
	, <u> </u>	· · · · · · · · · · · · · · · · ·						

Sched	ule	K Shareholders' Pro Rata Share Items		Total amount
	1	Ordinary business income (loss) (page 1, line 21)	1	130,407
	2	Net rental real estate income (loss) (attach Form 8825)	2	•
		Other gross rental income (loss) 3a		
	b	Expenses from other rental activities (attach statement) 3b		
⊕	С	Other net rental income (loss). Subtract line 3b from line 3a	3c	
Income (Loss)	4	Interest income	4	3,220
٦	5	Dividends: a Ordinary dividends	5a	5/==5
au E		b Qualified dividends 5b	- 50	
20	6	Device Ware	6	
_	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
		Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
		Collectibles (28%) gain (loss)	- Ju	
		Unrecaptured section 1250 gain (attach statement) 8c		
	9	Net section 1231 gain (loss) (attach Form 4797)	9	
	10	Other income (loss) (see instructions)	10	
	11		11	
us		Section 179 deduction (attach Form 4562)		
cţio	12a	Charitable contributions	12a	
Deductions		Investment interest expense	12b	
۵		Section 59(e)(2) expenditures (1) Type ► (2) Amount ►	12c(2)	
		Other deductions (see instructions) Type Law income buying credit (costing 42(iV5))	12d 13a	
	13a	Low-income housing credit (section 42(j)(5))		
	D	Low-income housing credit (other) Outlified rehabilitation expenditures (rental real entate) (ottoch Form 3469, if applicable)	13b 13c	
Credits		Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13d	
crec		Other rental real estate credits (see instructions) Type		
0	e	Other rental credits (see instructions) Type ▶	13e	
	T	Biofuel producer credit (attach Form 6478)	13f	
		Other credits (see instructions) Type	13g	
	14a	Name of country or U.S. possession ▶	445	
	D	Gross income from all sources	14b	
	C	Gross income sourced at shareholder level	14c	
		Foreign gross income sourced at corporate level	444	
တ္	a	Passive category	14d	
Transactions	e	General category	14e	
ac	T	Other (attach statement)	14f	
ans		Deductions allocated and apportioned at shareholder level	44	
-	9	Interest expense	14g	
Foreign	n	One	14h	
ore		Deductions allocated and apportioned at corporate level to foreign source income	44:	
ш	!	Passive category	14i	
	J	General category	14j	
	K	Other (attach statement)	14k	
	١.	Other information	441	
		Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	141	
	m	n Reduction in taxes available for credit (attach statement)	14m	
		Other foreign tax information (attach statement)	4=	27 520
s ax	15a	Post-1986 depreciation adjustment	15a	-37,539
Alternative Minimum Tax (AMT) Items	b	Adjusted gain or loss	15b	
ומים (ביות) דום (ביות)	C	Depletion (other than oil and gas)	15c	
A in the	d	Oil, gas, and geothermal properties – gross income	15d	
4≅∂	е	Oil, gas, and geothermal properties – deductions	15e	
		Other AMT items (attach statement)	15f	
er er	16a	Tax-exempt interest income	16a	
ffec is	b	Other tax-exempt income	16b	4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
Aireh 3as	С	Nondeductible expenses	16c	16,029
Items Affecting Shareholder Basis	d	Distributions (attach statement if required) (see instructions)	16d	
<u> </u>	е	Repayment of loans from shareholders	16e	

Total amount

Other	17a Investment income			17a	3,220
Jer.	b Investment expenses			17b	
₹.	c Dividend distributions paid from accum	nulated earnings and profits	3	17c	
	d Other items and amounts (attach state				
Recon-	18 Income/loss reconciliation. Combine	the amounts on lines 1 the	rough 10 in the far right		
~~~	column. From the result, subtract the s	sum of the amounts on lines	s 11 through 12d and 14l .	18	133,627
Sch	edule L Balance Sheets per Books	Beginning o	f tax year	End of	tax year
	Assets	(a)	(b)	(c)	(d)
1	Cash		115,066		116,529
2a	Trade notes and accounts receivable	138,971		144,530	
b	Less allowance for bad debts	(	138,971	(	144,530
3	Inventories		18,975		18,975
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) Stmt 3		108,529		96,703
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	4,886,276		4,990,691	
b	Less accumulated depreciation	( 3,645,820)	1,240,456	( 3,734,204	1,256,487
11a	Depletable assets				
b	Less accumulated depletion	(		(	
12	Land (net of any amortization)		147,925	`	147,925
13a	Intangible assets (amortizable only)		,		,
b	Less accumulated amortization	(		(	)
14	Other assets (attach statement) Stmt 4		37,526	`	35,631
15	Total assets		1,807,448		1,816,780
	Liabilities and Shareholders' Equity		,		
16	Accounts navable		69,993		66,336
17	Mortgages, notes, bonds payable in less than 1 year		, ,		,
18	Other current liabilities (attach statement) Stmt 5		106,518		118,757
19	Loans from shareholders		,		,
20	Mortgages, notes, bonds payable in 1 year or more		594,984		515,111
21	Other liabilities (attach statement) Stmt 6		65,087		52,773
22	Capital stock		100		100
23	Additional paid-in capital		800,000		800,000
24	Retained earnings		245,766		338,703
25	Adjustments to shareholders'		- , ,		
26	equity (attach statement)  Less cost of treasury stock		( 75,000)		( 75,000)
27	Total liabilities and shareholders' equity		1,807,448		1,816,780
<u></u>			=, 50., 110		Form 1120S (2016)

Form **1120S** (2016)

ı Om	1 11200 (2010)	001111111		00 0001111	i agc
Sch	nedule M-1 Reconciliation of Inco	ome (Loss) per Book	s V	/ith Income (Loss) per Return	
	Note: The corporation may	be required to file Schedule	• M-	3 (see instructions)	
1	Net income (loss) per books	92,937	5	Income recorded on books this year not included	
2	Income included on Schedule K, lines 1, 2, 3c, 4,			on Schedule K, lines 1 through 10 (itemize):	
	5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize)		а	Tax-exempt interest \$	
3	Expenses recorded on books this year not		6	Deductions included on Schedule K,	
	included on Schedule K, lines 1 through 12			lines 1 through 12 and 14l, not charged	
	and 14I (itemize):			against book income this year (itemize):	
а	Depreciation \$ 24,660		а	Depreciation \$	
b	Travel and sentertainment \$				
	Stmt 7 16,030	40,690	7	Add lines 5 and 6	
4	Add lines 1 through 3	133,627	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	133,627
Sch	nedule M-2 Analysis of Accumula	ated Adjustments Ac	COL	int Other Adjustments Account and S	hareholders'

Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders

Undistributed Taxable Income Previously Taxed (see instructions)

				(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax ye	ear		135,985		
2	Ordinary income from page 1,	, line 21		130,407		
3	Other additions	Stmt	8	3,220		
4	Loss from page 1, line 21			(		
5	Other reductions	Stmt	9	(40,690)	(	
6	Combine lines 1 through 5			228,922		
7	Distributions other than divide	end distribu	utions			
8	Balance at end of tax year. Subtract	ct line 7 fron	n line 6	228,922		

Form **1120S** (2016)

Department of the Treasury Internal Revenue Service

U.S. Income Tax Return for an S Corporation

■ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

■ Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2017

Fo	r cale	ndar ye	ar 2017	or ta	x year begir	nning	, ending									
Α		ction effec		$\Box$		Name						Ì	D Em	ployer i	dentification nu	ımber
		<u>/01/</u>			TYPE	ROYAL UT	ILITY CO	OMPANY					_			
В		ess activit	-										6	<u>5-00</u>	051494	
		er (see in <b>1300</b>	structions)		OR	Number, street, and roo		,						te incorp		
_				-	PRINT	8900 NOR									0/1988	
С	attach	k if Sch. M ned	1-3	$\sqcap$ $I$	FINIT	City or town, state or p		I ZIP or foreign postal		65			F lot	al assets	s (see instruction	is)
	attaon	iou	-	_		COICHE DI	KINGD		5500				•		1,877,	652
-	lo th	o corno	ration al	ootin.	a to bo on S	S corporation beginn	ing with this to	k year?	/00 3	<b>X</b> No	If "Voc	" ottoob	\$ Form 2	552 if	not already	
					_		_			_						
Н			) [ Fi				• • -	ress change (4)		Amenaea	return (5	) [	S election	n termir	nation or revoc	_
<u>'</u>						no were shareholder					<u> </u>				<u> </u>	6
Ca						income and expens	ses on lines 1a	through 21. See	$\overline{}$							
	1a		receipts						1a		1,250	, 190	4			
	b		ns and a										_		1 050	100
Ф	С	Baland	ce. Subtr	ract li	ine 1b from	line 1a							1c		1,250,	190
Income	2	Cost c	of goods	sold	(attach Forr	n 1125-A)							2		4 0 = 0	
ည	3	Gross	profit. S	ubtra	ct line 2 fro	m line 1c							3		1,250,	190
_	4	Net ga	ain (loss)	from	n Form 4797	, line 17 (attach Fo	rm 4797)			<u>.</u>			4			
	5	Other	income	(loss	s) (see instru	uctions—attach state	ement)		S	ee S	tmt 1	<u>.</u>	5			,778
_	6	Total i	income	(loss	). Add lines	3 through 5						🕨	6		1,251,	<u>, 968</u>
	7	Compe	ensation	of of	fficers (see i	instructions-attach I	Form 1125-E) .						7			
for limitations)	8	Salarie	s and w	ages	(less emplo	oyment credits)							8			,548
itati	9	Repairs	s and m	ainte	nance								9		97	,494
. <u>≒</u>	10	Bad de	ebts										10			
	11	Rents											11			884
tions	12	Taxes	and licer	nses									12		114	,648
instructions	13	Interes	t										13		7	,101
	14	Deprec	ciation no	ot cla	imed on For	rm 1125-A or elsew	here on return	(attach Form 456	(2)				14		43	,460
ees)	15	Depleti	ion ( <b>Do</b> i	not d	deduct oil a	nd gas depletion.)			,				15			
	16	Adverti	oin a										16			788
on	17	Pensio				ns							17			
Ċţ	18	Employ	vee bene	efit p	roarosso								18		11	,288
Deductions	19				attach staten	nent)			S	ee S	tmt 2	2	19			,372
De	20					through 19						•	20		1,172	
	21					ss). Subtract line 2							21			, 385
						recapture tax (see inst										
					D (Form 112	2067			22b	,			7			
ıts	ı				`	ons for additional taxes	)						22c			
Payment	ı					016 overpayment credit	1.1 0047		23a							
Y	b				Form 7004	, ,			23b	,			7			
Ра	c					els (attach Form 41	36)		23c	:			1			
and	d		ies 23a t										23d			
ā	24			,	•	uctions). Check if F						•	24			
Тах	25				• .	naller than the total			nt owe				25			
Н	26					ger than the total of		*					26			
	27		-			lited to 2018 estim		14, Ontor amount	overpe	aiu	Refund	ded ▶	27			
_						I have examined this retu		panying schedules and	stateme	nts,				ie return	with the preparer	
						ief, it is true, correct, and arer has any knowledge.	complete. Declaratio	n of preparer (other that	an taxpay	yer)	- 1	,	w (see insti		( T	No
Si	gn	lo basco	2 011 411 11110	mado	ir or willon prope	arer nas any knowleage.							SIDEN'		100	110
	ere		gnature of	officer	.TOCF	K MCCARTNEY				ata	- 🖊 -		<u> </u>			
		51	Print/Type			. 12001111111	Preparer's signatu	ıre	D	ate	Date	itle	Check	if	PTIN	
Pa	id		• • •			edt	1 .	. Carlstedt			05/14	4/18	self-emplo	_	P00118	459
	Paid James L Carlstedt James L Carlstedt  Preparer Firm's name  CJN&W CPAs								1 33/ 1	Firm's E			1894514			
	se O	-	Firm's ad			Gulf To	Bay Rly	d. Ste 2	00			1 IIII 3 L			-00101	
03		,	riiiis ad	uress		arwater, E	_	3376		432		Phone r	72	7-7	91-402	n
<u></u>	. Dan		Dadwat	ion	Ant Notice	and compute in the		3370	<u> </u>			Frione r	10. / 2		- 1120	

Sch	edule B Other Information (see instruction	ons)						
1	Check accounting method: a Cash b	X Accrual				Yes	No	
	c Other (specif	fy) ▶						
2	See the instructions and enter the:							
	a Business activity ▶ UTILITY COMPANY			TER & WASTE WTR				
3	At any time during the tax year, was any shareholder of	·	•					
	nominee or similar person? If "Yes," attach Schedule E	3-1, Information on	Certain Shareholders	of an S Corporation			Х	
4	At the end of the tax year, did the corporation:							
а	Own directly 20% or more, or own, directly or indirectly							
	foreign or domestic corporation? For rules of construction	• •	·	complete (i) through (v)				
	below						X	
	(i) Name of Corporation	(ii) Employer Identification	(iii) Country of Incorporation	f (iv) Percentage of Stock Owned	(v) If Percentage in Enter the Date			
	(i) Name of corporation	Number (if any)	morporation	Stock Swiled	a Qualified Sul	bchapter	S	
					Subsidiary Election	n Was N	Лаde	
b	Own directly an interest of 20% or more, or own, direct	•		·				
	capital in any foreign or domestic partnership (including						37	
	trust? For rules of constructive ownership, see instructive	ons. If "Yes," comp	olete (i) through (v) bel T	OW			X	
		(ii) Employer		(iv) Country of	(v) Maxin		-	
	(i) Name of Entity	Identification Number (if any)	(iii) Type of Entity	Organization	l l	ed in Pro , or Cap		
		ivuilibei (ii aiiy)			LUSS	, or Cap	ııaı	
	At the send of the terror of t						Х	
5a	At the end of the tax year, did the corporation have any	y outstanding snare	es of restricted stock?					
	If "Yes," complete lines (i) and (ii) below.							
	400 T							
							Х	
D	At the end of the tax year, did the corporation have an	y outstanding stock	k options, warrants, or	similar instruments?				
	If "Yes," complete lines (i) and (ii) below.	<b>4</b>						
	(i) Total shares of stock outstanding at the end of the							
•	(ii) Total shares of stock outstanding if all instruments Has this corporation filed, or is it required to file, Form		des Disclesion Chaten					
О	·			-			v	
7	information on any reportable transaction?							
7	If checked, the corporation may have to file Form 8281		•					
	Instruments.	i, illioilliation Netu	in lor Fublicity Offered	Original Issue Discount				
8	If the corporation: (a) was a C corporation before it elec	cted to be an S co	rnoration <b>or</b> the cornor	ation acquired an				
Ü	asset with a basis determined by reference to the basis							
	the hands of a C corporation and (b) has net unrealize	,	, ,	,				
	from prior years, enter the net unrealized built-in gain re	-	_	-				
			-					
9	instructions)	oration at the end o	of the tax vear	<b>&gt;</b> \$				
10	Does the corporation satisfy <b>both</b> of the following cond		or the tax year.	······································				
а	The corporation's total receipts (see instructions) for the		ss than \$250 000					
	The corporation's total assets at the end of the tax year	-					х	
S	If "Yes," the corporation is not required to complete Sci							
11	During the tax year, did the corporation have any non-s			forgiven or had the				
• •	terms modified so as to reduce the principal amount of			=			x	
If "Yes," enter the amount of principal reduction \$								
12	During the tax year, was a qualified subchapter S subs	sidiary election term	ninated or revoked? If '	"Yes" see instructions			Х	
	Did the corporation make any payments in 2017 that w					Х		
	If "Yes," did the corporation file or will it file required Fo					Х		

Sched	ule	K Shareholders' Pro Rata Share Items		Total amount
	1	Ordinary business income (loss) (page 1, line 21)	1	79,385
	2	Net rental real estate income (loss) (attach Form 8825)	2	<u> </u>
	3a	Other gross rental income (loss)		
	b	Expenses from other rental activities (attach statement)  3b		
<b>≅</b>	c	Other net rental income (loss). Subtract line 3b from line 3a	3с	
Income (Loss)	4	Interest income		2,893
7	5	Dividends: a Ordinary dividends	5a	
me		Dividends: a Ordinary dividends b Qualified dividends 5b	- Ju	
ည	6	Poveltice	6	
=		Net short-term capital gain (loss) (attach Schedule D (Form 1120S))		
	7			
	8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b	Collectibles (28%) gain (loss) 8b	-	
	С	Unrecaptured section 1250 gain (attach statement)  8c		
	9	Net section 1231 gain (loss) (attach Form 4797)	9	
	10	Other income (loss) (see instructions) Type ▶	10	
ω	11	Section 179 deduction (attach Form 4562)	11	
io	12a	Charitable contributions	12a	
nct	b	Investment interest expense	12b	
Deductions	С	Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
	d	Other deductions (see instructions) Type ▶	12d	
	13a	Low-income housing credit (section 42(j)(5))	13a	
	b	Low-income housing credit (other)	13b	
र	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
ğ		Other rental real estate credits (see instructions) Type ▶	13d	
Credits		Other rental credits (see instructions)  Type ▶	13e	
	f	Biofuel producer credit (attach Form 6478)	13f	
		Other credits (see instructions) Type ▶	13g	
	14a	Name of country or U.S. possession ▶	iog	
	h	Gross income from all sources	14b	
	٦	Gross income from all sources Gross income sourced at shareholder level	14c	
	١	Foreign gross income sourced at corporate level	140	
	ہ ا		444	
2	u	Passive category	14d 14e	
Transactions	l .	General category		
ac	1	Other (attach statement)	14f	
ans		Deductions allocated and apportioned at shareholder level		
	g	Interest expense	14g	
Foreign	h	Other	14h	
ore		Deductions allocated and apportioned at corporate level to foreign source income		
ш	i	Passive category	14i	
	j	General category	14j	
	k	Other (attach statement)	14k	
		Other information		
		Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	141	
	m	Reduction in taxes available for credit (attach statement)	14m	
	n	Other foreign tax information (attach statement)		
×	15a	Post-1986 depreciation adjustment	15a	-38,858
Alternative Minimum Tax (AMT) Items	b	Adjusted gain or loss	15b	
te la ti	С	Depletion (other than oil and gas)	15c	
Fig.	d	Oil, gas, and geothermal properties – gross income	15d	
≨ਵੁੱਲ	е	Oil, gas, and geothermal properties – deductions	15e	
	f	Other AMT items (attach statement)	15f	
r		Tax-exempt interest income	16a	
<u>e</u>	h	Other tax-exempt income	16b	
Affe sho isis	_ ~	Nondeductible expenses	16c	12,638
lare Ba	A	Distributions (attach statement if required) (see instructions)	16d	
Items Affecting Shareholder Basis	م ا	Repayment of loans from shareholders	16e	

Schedule K Shareholders' Pro Rata Share Items (continued)

Total amount

	Shareholders Pro Rata Share	items (continued)			Total amount	
	5 17a Investment income			17a	2,893	
e.	<b>b</b> Investment expenses			471.		
돧	c Dividend distributions paid from accum	nulated earnings and profits	· · · · · · · · · · · · · · · · · · ·	17c		
Other	<b>d</b> Other items and amounts (attach state					
	1					
ģ.	ର୍ଚ୍ଚି   k   18   Income/loss reconciliation. Combine	the amounts on lines 1 th	rough 10 in the far right			
Recon-	column. From the result, subtract the s		•	18	82,278	
	edule L Balance Sheets per Books	Beginning o		End of t		
	Assets	(a)	(b)	(c)	(d)	
1	Cash		116,529		120,978	
2a	Trade notes and accounts receivable	144,530	·	140,396		
b	Less allowance for bad debts	(	144,530	(	140,396	
3	Inventories		18,975		18,975	
4	U.S. government obligations		,		,	
5	Tax-exempt securities (see instructions)					
6	Other current assets (attach statement) Stmt 3		96,703		87,615	
7	Loans to shareholders				0.7000	
8	Mortgage and real estate loans					
9	Other investments (attach statement)					
10a	Buildings and other depreciable assets	4,990,691		5,082,033		
	Less accumulated depreciation	( 3,734,204)	1,256,487	( 3,826,814)	1,255,219	
11a	5 1 1 1 1	3,731,201,	1/230/10/	3/020/011	1/200/210	
	Less accumulated depletion	(		1		
12	Land (net of any amortization)		147,925		147,925	
13a	Intangible assets (amortizable only)		147,323		147,323	
b	Less accumulated amortization			/		
14	Other assets (attach statement) Stmt 4		35,631		106,544	
15	Total assets		1,816,780		1,877,652	
15	Liabilities and Shareholders' Equity		1,010,700		1,011,032	
16	. ,		66,336		123,277	
17	Accounts payable  Mortgages, notes, bonds payable in less than 1 year		00,330		123,211	
17	Other current liabilities (attach statement) <b>Stmt</b> 5		118,757		132,767	
19	Loans from shareholders		110,737		132,707	
	Mortgages, notes, bonds payable in 1 year or more		515,111		483,682	
20 21	Other liabilities (attach statement) <b>Stmt</b> 6		52,773		41,396	
	0 11 1 1		100		100	
22	Capital stock		800,000		800,000	
23	Additional paid-in capital		338,703		371,430	
24 25	Retained earnings		336,703		3/1,430	
26	equity (attach statement)		( 75,000)		( 75,000)	
27	Total liabilities and shareholders' equity		1,816,780		1,877,652	
<u> </u>	Total habilities and shareholders equity		1,010,700		Form 1120S (2017)	

Form **1120S** (2017)

LOIL	111203 (2017) 101211 0111111	COLITIAL		00 0001404	raye
Sch	nedule M-1 Reconciliation of Inco	ome (Loss) per Book	s V	/ith Income (Loss) per Return	
	Note: The corporation may	be required to file Schedule	M-3	3 (see instructions)	
1	Net income (loss) per books	32,727	5	Income recorded on books this year not included	
2	Income included on Schedule K, lines 1, 2, 3c, 4,			on Schedule K, lines 1 through 10 (itemize):	
	5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize)		а	Tax-exempt interest \$	
3	Expenses recorded on books this year not		6	Deductions included on Schedule K,	
	included on Schedule K, lines 1 through 12			lines 1 through 12 and 14l, not charged	
	and 14l (itemize):			against book income this year (itemize):	
а	Depreciation \$ 37,774		а	Depreciation \$	
b	Travel and entertainment \$			Stmt 8 861	861
	Stmt 7 12,638	50,412	7	Add lines 5 and 6	861
4	Add lines 1 through 3	83,139	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	82,278
Sch	nedule M-2 Analysis of Accumula	ated Adjustments Ac	COL	int Other Adjustments Account and Shar	aholdars'

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders'
Undistributed Taxable Income Previously Taxed (see instructions)

		(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
		·		taxable income previously taxed
1	Balance at beginning of tax year	228,922		
2	Ordinary income from page 1, line 21	79,385		
3	Other additions Stmt 9	3,754		
4	Loss from page 1, line 21	(	j	
5	Other reductions Stmt 10	50,412	)(	
6	Combine lines 1 through 5	261,649		
7	Distributions other than dividend distributions			
8	Balance at end of tax year. Subtract line 7 from line 6	261,649		

Form **1120S** (2017)

Department of the Treasury Internal Revenue Service

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

▶ Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2018

For	For calendar year 2018 or tax year beginning , ending												
Α			ctive date		Name					D	Employe	er identification number	
		1/01/97 ROYAL UTILITY COMPANY					- 1						
В		ess activ	,			65-0051							
		er (see 1 1300	nstructions)	OR	Number, street, and roo		•			E Date incorporated			
_				PRINT	8900 NOR					-		10/1988	
С	Check	k if Sch. I	M-3	PRINT	City or town, state or pr		or foreign postal co				lotal as	sets (see instructions)	
	attaor	iou			COIVIL DI	KINGD	111 3	3003				1,969,412	
_	مام ماء				`		ear? Ye	es X	N = 16 !!\/== !! =#	\$		if not already filed	
				-	corporation beginni					_		•	
Н		ck if: (1			Name change	• • -		Amer	nded return (5)	S ele	ection ter	mination or revocation	
<u>'</u>					no were shareholders		<u>-</u>	<u></u>				<u></u> ▶ 7	
Cai					income and expens	ses on lines 1a thr	rough 21. See t				1.		
	1a	a Gross receipts or sales  1a 1,270,194								94			
	b		ns and allowa					1b					
a	С	Balan	ice. Subtract l	line 1b from	line 1a					🗀	1c	1,270,194	
Income	2	Cost	of goods sold	l (attach Forr	m 1125-A)					L	2		
8	3	Gross	s profit. Subtra	act line 2 froi	m lina 1a					- 1	3	1,270,194	
=	4	Net g	ain (loss) fror	m Form 4797	, line 17 (attach For	m 4797)				L	4		
	5	Other	income (loss	s) (see instru	uctions—attach state	ement)		See	Stmt 1		5	36,007	
	6	Total	income (loss	s). Add lines	3 through 5					<b>•</b> [	6	1,306,201	
П	7				instructions-attach F						7		
(SI	8			`	oyment credits)	,					8	263,860	
for limitations)	9		_								9	57,203	
<u>iii</u>	10										10		
for	11										11	1,135	
	12										12	119,795	
instructions											13	8,843	
nstr	13		`	,						_	14	84,954	
(see	14	Depre	ciation not cia	almed on For	rm 1125-A or elsewh	nere on return (att	ach Form 4562	:)				04,934	
- 1	15			deduct on a	nd gas depletion.)					H	15	789	
Deductions	16	Adver	•								16	109	
ti	17	Pension	on, profit-shar	ring, etc., pla	ans					⊢	17	12 (00	
2n	18		Employee benefit programs							⊢	18	13,680	
eq	19 Other deductions			*				⊢	19	718,225			
	20				through 19					20	1,268,484		
$\dashv$	21	Ordinary business income (loss). Subtract line 20 from line 6							1	21	37,717		
	22a	Excess	net passive inc	come or LIFO	recapture tax (see instr	uctions)		22a					
			om Schedule	,									
	С	Add lines 20s and 20h (see instructions for additional toyes)							2	2c			
발	23a	2018 e	stimated tax pa	lyments and 20	017 overpayment credite	ed to 2018		23a					
Tax and Payments	b	Tax d	eposited with	Form 7004									
ay	С	Credit for federal tax paid on fuels (attach Form 41			36) <b>23c</b>								
۳.	d	Refun	dable credit from Form 8827, line 8c										
p	е	Add li	nes 23a throu	igh 23d						2	:3e		
ā	24	Estima	ated tax pena	alty (see instr	uctions). Check if Fo	orm 2220 is attacl	hed		<b>&gt;</b>		24		
ă	25							owed		_ [:	25		
	26	Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed  Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid						26					
	27		-		dited to 2019 estim				Refunded		27		
_					I have examined this retur				May th	e IRS disc	uss this retu	urn with the preparer	
					ief, it is true, correct, and o arer has any knowledge.	complete. Declaration of	preparer (other than	taxpayer)	I '		e instruction	37 ·	
Si	gn	10 2000	a on an information	on or minor prope	arer mae arry miermeage.			1		RESID		.07.	
He	ere	<b>7</b> 7	Signature of office	TOCF	K MCCARTNEY			Dete	$ \prime$ $-$	шотр			
	. •	<u> </u>	Print/Type prepa		. PCCHITTEI	Preparer's signature		Date	Title Date	Che	ck     i	f PTIN	
Pa	id		1	L Carlst	edt	James L (	Tarletodt		05/14/1		ш	P00118459	
	ıu epar	rer			W CPAs PA		Jarrateut			n's EIN	employed	-1894514	
	-		Firm's name		Gulf To		G+0 20	0	Firr	IIS EIN 🚩	40	-1034314	
US	e O	illy	Firm's address			_	, ste 20 33765		2		727	701-4020	
	_			Сте	arwater, F	<u></u>	33/65	7-443	∠ Pho	one no.	121-	791-4020	

Sch	edule B Other Information (see instruct	ions)						
1	Check accounting method: a Cash b	X Accrual				Yes	No	
	c Other (speci	fy) <b>&gt;</b>						
2	See the instructions and enter the:							
	a Business activity ▶ UTILITY COMPANY	<b>b</b> Prod	duct or service WA	TER & WASTE WTR				
3	At any time during the tax year, was any shareholder of	of the corporation a	disregarded entity, a tr	rust, an estate, or a				
	nominee or similar person? If "Yes," attach Schedule E	3-1, Information on	Certain Shareholders	of an S Corporation			X	
4	At the end of the tax year, did the corporation:							
а	Own directly 20% or more, or own, directly or indirectly	, 50% or more of the	ne total stock issued a	nd outstanding of any				
	foreign or domestic corporation? For rules of construct	ive ownership, see	instructions. If "Yes," of	complete (i) through (v)				
	below						X	
	(i) Name of Corporation	(ii) Employer Identification	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in Enter the Date			
	(i) Hamo of corporation	Number (if any)	moorporduon	Stock Owned	a Qualified Sul	ochapter	S	
					Subsidiary Election	n was n	/lade	
	Own directly an interest of 200/ or many or own direct	lu ar indirectly an i	nterest of EOO/ or mare	in the profit loss or				
O	Own directly an interest of 20% or more, or own, direct capital in any foreign or domestic partnership (including							
	trust? For rules of constructive ownership, see instructi	-					х	
	trust: 1 of rules of constructive ownership, see manden		icte (i) tillough (v) bei					
	(i) Name of Entity	(ii) Employer Identification	(iii) Type of Entity	( <b>iv)</b> Country of Organization	(v) Maxin Own	num Perd ed in Pro	-	
	,	Number (if any)	, , ,,	· ·	Loss	, or Capi	ital	
5 a	At the end of the tax year, did the corporation have an	y outstanding share	es of restricted stock?				X	
	If "Yes," complete lines (i) and (ii) below.							
	(i) Total shares of restricted stock							
b	At the end of the tax year, did the corporation have an	y outstanding stock	options, warrants, or	similar instruments?			Х	
	If "Yes," complete lines (i) and (ii) below.							
	(i) Total shares of stock outstanding at the end of the							
	(ii) Total shares of stock outstanding if all instruments							
6	Has this corporation filed, or is it required to file, Form	8918, Material Adv	isor Disclosure Statem	nent, to provide				
	information on any reportable transaction?						X	
7	Check this box if the corporation issued publicly offered		_		▶ □			
	If checked, the corporation may have to file Form 828	<b>I</b> , Information Retu	rn for Publicly Offered	Original Issue Discount				
•	Instruments.			-4				
8	If the corporation: (a) was a C corporation before it elec			•				
	asset with a basis determined by reference to the basis	,	, ,	,				
	the hands of a C corporation <b>and (b)</b> has net unrealize							
	from prior years, enter the net unrealized built-in gain r	-		•				
9	instructions)  Did the corporation have an election under section 163							
3	in affect division the text trans. One in the text rations		-				х	
10	Does the corporation satisfy one of the following conditions			ass-through entity with				
	current year, or prior year carryover, excess business					Х		
а	The corporation's aggregate average annual gross rece							
a	preceding the current tax year don't exceed \$25 million							
h		•						
	<b>b</b> The corporation only has business interest expense from (1) an electing real property trade or business, (2) an electing farming business, or (3) certain utility businesses under section 163(j)(7).							
	If "No," complete and attach Form 8990.							
11	Does the corporation satisfy <b>both</b> of the following cond	ditions?						
	a The corporation's total receipts (see instructions) for the tax year were less than \$250,000							
	The corporation's total assets at the end of the tax year						Х	
	If "Yes," the corporation is not required to complete Sci							

Form 1	120S	(2018) ROYAL UTILITY COMPANY	65-0051494			F	Page :
		B Other Information (see instructions) (continued)				Yes	No
12 [	During	the tax year, did the corporation have any non-shareholder debt that was canceled,	was forgiven, or had the				
	_	nodified so as to reduce the principal amount of the debt?	_				X
		" enter the amount of principal reduction	<b>.</b> .				
		the tax year, was a qualified subchapter S subsidiary election terminated or revoke					X
	_	corporation make any payments in 2018 that would require it to file Form(s) 1099?				X	
		" did the corporation file or will it file required Forms 1099?				X	
		corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?					X
		" enter the amount from Form 8996, line 13	<b>&gt;</b> \$				
		K Shareholders' Pro Rata Share Items			Total amo	ount	
	1	Ordinary business income (loss) (page 1, line 21)		1		37,	717
	2	Net rental real estate income (loss) (attach Form 8825)		2			
	3a	Other gross rental income (loss) 3a					
	b	Expenses from other rental activities (attach statement) 3b					
(S	С	Other net rental income (loss). Subtract line 3b from line 3a		3c			
So	4	Interest income				2,	398
1)	5	Dividends: a Ordinary dividends		5a			
Income (Loss)		b Qualified dividends5b					
<u>u</u>	6	Royalties		6			
_	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))					
	8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))		8a			
	b	Collectibles (28%) gain (loss)					
	С	Unrecaptured section 1250 gain (attach statement) 8c					
	9	Net section 1231 gain (loss) (attach Form 4797)		9			
	10	Other income (loss) (see instructions) Type ▶		10			
	11	Section 179 deduction (attach Form 4562)		11			
Deductions	12a	Charitable contributions		12a			
īĊ	b	Investment interest expense		12b			
edı		Section 59(e)(2) expenditures (1) Type ▶		12c(2)			
		Other deductions (see instructions) Type ▶		12d			
		Low-income housing credit (section 42(j)(5))		13a			
	b	Low-income housing credit (other)		13b			
Ø	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if appl	icable)	13c			
Credits	d	Other rental real estate credits (see instructions) Type ▶		13d			
Š	е	Other rental credits (see instructions) Type ▶		13e			
	f	Biofuel producer credit (attach Form 6478)		13f			
	g	Other credits (see instructions) Type ▶		13g			
	14a	Name of country or U.S. possession ▶					
	b	Gross income from all sources		14b			
	С	Gross income sourced at shareholder level		14c			
		Foreign gross income sourced at corporate level					
	d	Section 951A category		14d			
	е	Foreign branch category		14e			
	f	Passive category		14f			
Ø	g	General category		14g			
io	h	Other (attach statement)		14h			
act		Deductions allocated and apportioned at shareholder level					
Transactions	i	Interest expense		14i			
	j	Other		14j			
ign		Deductions allocated and apportioned at corporate level to foreign source income					
Foreign	k	Section 951A category		14k			
ш	1	Foreign branch category		141			
	n	n Passive category		14m			
	n	General category		14n			
	0	Other (attach statement)		140			
		Other information					
		Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued		14p			
	q	Reduction in taxes available for credit (attach statement)		14q			
	r	Other foreign tax information (attach statement)					

Form	1120S (2018) ROYAL OTILITY (	COMPANI	65-00	51494	Page 4
Sch	edule K Shareholders' Pro Rata Share				Total amount
×	15a Post-1986 depreciation adjustment			15a	-38,520
<u>a</u> ĕ	<b>b</b> Adjusted gain or loss	15b			
nat	c Depletion (other than oil and gas)	15c			
Alternative Minimum Tax	<b>d</b> Oil, gas, and geothermal properties –	gross income		15d	
₹Ē		15e			
	f Other AMT items (attach statement)	15f			
Items Affecting Shareholder	16a Tax-exempt interest income	16a			
og ct	<b>b</b> Other tax-exempt income			16b	
ehe	c Nondeductible expenses			16c	14,496
ns hai	d Distributions (attach statement if require	red) (see instructions)		16d	
<u>₹</u>	e Repayment of loans from shareholders	16e			
Other	17a Investment income			47-	2,398
er	<b>b</b> Investment expenses				
₹	c Dividend distributions paid from accum	ulated earnings and profits	;	17c	
3	d Other items and amounts (attach state	ement) Se	e Statement 3		
Recon-	18 Income/loss reconciliation. Combine	the amounts on lines 1 thr	ough 10 in the far right		
~	column. From the result, subtract the s	um of the amounts on lines	s 11 through 12d and 14p		40,115
Sch	edule L Balance Sheets per Books	Beginning of	f tax year	End of	ax year
	Assets	(a)	(b)	(c)	(d)
1	Cash		120,978		131,074
2a	Trade notes and accounts receivable	140,396		191,470	
b	Less allowance for bad debts	(	<b>140,396</b> (		191,470
3	Inventories		18,975		18,975
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) Stmt 4		87,831		77,722
7	Loans to shareholders				, i
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	5,082,033		5,153,078	
b	Less accumulated depreciation	( 3,826,814)	1,255,219	3,919,092	1,233,986
11a	Depletable assets			, ,	
b	Less accumulated depletion	(	(		
12	Land (net of any amortization)		147,925		147,925
13a	Intangible assets (amortizable only)		,		,
	Less accumulated amortization	(	(		
14	Other assets (attach statement) Stmt 5		106,328		168,260
15	Total assets		1,877,652		1,969,412
	Liabilities and Shareholders' Equity		, , , , , , , ,		, ,
16	Accounts payable		123,277		117,851
17	Mortgages, notes, bonds payable in less than 1 year		, - 3 -		
18	Other current liabilities (attach statement) Stmt 6		161,581		
19	Loans from shareholders		5=,53=		
20	Mortgages, notes, bonds payable in 1 year or more		534,317		
21	Other liabilities (attach statement) Stmt 7		483,682 41,396		34,403
	Capital stock		100		
22			100		
22 23			800.000		800.000
23	Additional paid-in capital		800,000 371,430		800,000 396,160
	Additional paid-in capital  Retained earnings  Adjustments to shareholders'		800,000 371,430		396,160
23 24 25	Additional paid-in capital  Retained earnings Adjustments to shareholders'		371,430		396,160
23 24	Additional paid-in capital  Retained earnings  Adjustments to shareholders'				

Form **1120S** (2018)

Form	n 1120S (2018) 🛚 <b>F</b>	ROYAL	UTILITY	COMPANY		65-0	051494	Page 5
Sch	nedule M-1 R	Reconcil	iation of Inco	ome (Loss) per Bool	ks V	Vith Income (Loss)	per Return	
	N	ote: The	corporation may	be required to file Schedul	е М-	3 (see instructions)		
1	Net income (loss)					Income recorded on book	s this year not included	
2	Income included on S	Schedule K,				on Schedule K, lines 1 thr	rough 10 (itemize):	
	5a, 6, 7, 8a, 9, and 1	0, not recor	ded on books this		а	Tax-exempt interest \$		
	year (itemize)							
3	Expenses recorde	d on book	s this year not		6	Deductions included o	n Schedule K, lines	
	included on Sched	dule K, line	es 1 through 12			1 through 12 and 14p,	not charged	
	and 14p (itemize):		-			against book income t	his year (itemize):	
а	Depreciation \$		330		а	Depreciation \$		
b	Travel and entertainment \$							
	Travel and entertainment \$		15,055	15,385	7	Add lines 5 and 6		
4	Add lines 1 through	gh 3		40,115	8	Income (loss) (Schedule K	K, line 18). Line 4 less line 7	40,115
Sch	nedule M-2 A	nalysis	of Accumula	40,115 ated Adjustments A	CCO	unt, Shareholders'	<b>Undistributed Taxa</b>	ble Income
	Р	revious	ly Taxed, Ac	cumulated Earnings	and	d Profits, and Othe	er Adjustments Acc	ount
	(8	see instr	ructions)					
				(a) Accumulated		(b) Shareholders'	(c) Accumulated	(d) Other adjustments
				adjustments account		undistributed taxable	earnings and profits	account
						income previously taxed		
1	Balance at beginn	ing of tax	year	261,64	9			
2	Ordinary income f			37,71	7			
3	Other additions		Stmt 9	2,39	8			
4	Loss from page 1,			(				
5	Other reductions		Stmt 10	( 15,38	5)			(
6	Combine lines 1 tl	hrough 5		286,37	9			
7	Distributions							
8	Balance at end of tax	k year. Subti	ract line 7 from line	<b>286,37</b>	9			

Form **1120S** (2018)