

CLASS "A" OR "B"
WATER and/or WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

WS570-16-AR
ROYAL UTILITY COMPANY

Exact Legal Name of Respondent

259-W / 199-S

Certificate Numbers

Submitted To The

STATE OF FLORIDA



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FOR THE

YEAR ENDED DECEMBER 31, 2016



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Officers and Directors
Royal Utility Company
Coral Springs, FL 33076

Management is responsible for the financial statements of Royal Utility Company, included in the accompanying Annual Report, which comprise the statement of assets, liabilities, and equity of Royal Utility Company as of December 31, 2016 and the statement of revenue and expenses for the year ended December 31, 2016 in accordance with the requirements of the Public Service Commission of the State of Florida. We have performed a compilation engagement in accordance with Standards for Accounting and Review Services promulgated by the Accounting and Review Services committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying Annual Report.

The financial statements included in the accompanying Annual Report are presented in accordance with the requirements of the Public Service Commission of the State of Florida, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The remaining information not included on the statement of assets, liabilities, and equity and the statement of revenue and expenses has been prepared by management, and we assume no responsibility for such information.

This report is intended solely for the information and use of the Public Service Commission of the State of Florida and management. The report is not intended to be and should not be used by anyone other than these specified parties.

CJN&W CPAs

CJN&W CPAs
August 17, 2017

General Instructions

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which will create a permanent record, such as by typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule of the page with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. Water and wastewater system pages should be grouped together by system and all pages in the water and wastewater sections should be numbered consecutively at the bottom of the page where noted. For example, if the water system pages total 50 pages, they should be grouped by system and numbered from 1 to 50.
11. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
12. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
13. The report should be filled out in quadruplicate and the original and two copies returned by March 31 of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility

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EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016

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. |

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



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

1.	2.	3.	4.
()	()	()	()

(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, 2016

Royal Utility Company
(Exact Name of Utility)

County: Broward

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

Royal Utility Company

8900 Northwest 44th Court

Coral Springs, Florida 33065

(954) 344-9106

e-Mail Address: info@Royalutility.com

WEB Site: www.RoyalUtility.com

Sunshine State One-Call of Florida, Inc. Member Number RUC403

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

Anthony Q De Santis, CPA

CJN&W CPAs

2560 Gulf-to-Bay Blvd, Suite 200

Clearwater, Florida 34625

Telephone: (727) 791-4020

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

Royal Utility Company

8900 Northwest 44th Court

Coral Springs, Florida 33065

Telephone: (954) 344-9106

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

CJN&W, CPA'S

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

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

Individual

☐

Partnership

☐

Sub S Corporation

☒

1120 Corporation

☐

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

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

YEAR OF REPORT
December 31, 2016

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Jock McCartney	President/Consultant	Royal Utility Company	General Matters
Anthony Q. De Santis	CPA	CJN&W CPAs	Rates and accounting matters
F. Marshall Deterding	Attorney	Sundstrom & Mindlin, LLP	Legal matters

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UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016
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COMPANY PROFILE

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

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

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016
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PARENT / AFFILIATE ORGANIZATION CHART

Current as of 12/31/16

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

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
Herman I. Porten	Vice President / Director	10 %	\$ None
Rick Sullivan	Vice President / Director	10 %	\$ None
Stephen Eckert	Secretary / Director	15 %	\$ None
Jock McCartney	President	65 %	\$ 43,000
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

COMPENSATION OF DIRECTORS

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

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

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

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016
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AFFILIATION OF OFFICERS AND DIRECTORS

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

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016
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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	\$		\$		\$	

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

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)
None				\$

YEAR OF REPORT
December 31, 2016

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

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	\$ 5,138,616	\$ 5,034,201
108-110	Less: Accumulated Depreciation and Amortization	F-8	(3,734,205)	(3,645,822)
Net Plant			1,404,411	1,388,379
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,404,411	1,388,379
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		86,014	56,581
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds		30,515	58,485
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	144,531	138,974
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies		18,975	18,975
161	Stores Expense			
162	Prepayments		22,324	25,091
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	74,379	83,438
Total Current and Accrued Assets			376,738	381,544

* Not Applicable for Class B Utilities

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ 1,397	\$ 3,292
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	34,234	34,234
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits			35,631	37,526
TOTAL ASSETS AND OTHER DEBITS			\$ 1,816,780	\$ 1,807,449

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

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	\$ 100	\$ 100
204	Preferred Stock Issued	F-15		
205	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital		800,000	800,000
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	338,701	245,763
216	Reacquired Capital Stock		(75,000)	(75,000)
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			1,063,801	970,863
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	209,111	333,984
Total Long Term Debt			209,111	333,984
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		66,335	69,994
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18		
234	Notes Payable to Associated Co.	F-18	306,000	261,000
235	Customer Deposits			
236	Accrued Taxes		27,986	26,053
237	Accrued Interest	F-19	76,775	67,937
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	14,000	12,531
Total Current and Accrued Liabilities			491,096	437,515

* Not Applicable for Class B Utilities

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016

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		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits				
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	810,564	810,564
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(757,792)	(745,477)
Total Net C.I.A.C.			52,772	65,087
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			\$ 1,816,780	\$ 1,807,449

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

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)	\$ 1,231,498	\$ 1,241,905
	Less: Guaranteed Revenue and AFPI	F-3(b)	(76)	(77)
	Net Operating Revenues		1,231,422	1,241,828
401	Operating Expenses	F-3(b)	927,131	928,684
403	Depreciation Expense	F-3(b)	88,578	88,382
	Less: Amortization of CIAC	F-22	(12,887)	(12,315)
	Net Depreciation Expense		75,691	76,067
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	115,049	111,609
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		1,117,871	1,116,360
	Net Utility Operating Income		113,551	125,468
469/530	Add Back: Guaranteed Revenue and AFP	F-3(b)	76	77
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)]		113,627	125,545

* 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)
\$ 645,317	\$ 596,588	N/A
N/A	(77)	
645,317	596,511	-
444,505	484,179	
54,010	34,372	
(7,573)	(4,742)	
46,437	29,630	-
71,501	40,108	
562,443	553,917	
82,874	42,594	
	77	
82,874	42,671	N/A

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

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)]			\$ 113,627	\$ 125,545
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		1,177	3,220
421	Miscellaneous Nonutility Revenue		1,719	
426	Miscellaneous Nonutility Expenses		(1,276)	
Total Other Income and Deductions			1,620	3,220
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	46,225	33,932
428	Amortization of Debt Discount & Expense	F-13	1,895	1,895
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			48,120	35,827
EXTRAORDINARY ITEMS				
433	Extraordinary Income (Expense)			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			67,127	92,938

Explain Extraordinary Income:

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016

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	\$ 3,258,059	\$ 1,880,557
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(2,345,668)	(1,388,537)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(571,643)	(238,921)
252	Advances for Constructor	F-20		
Subtotal			340,748	253,099
272	Add:			
	Accumulated Amortization of Contribution:			
	in Aid of Constructor	F-22	562,757	195,035
Subtotal			903,505	448,134
114	Plus or Minus			
	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of			
	Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		55,563	60,522
	Other (Specify):			
			-	-
RATE BASE			\$ 959,068	\$ 508,656
NET UTILITY OPERATING INCOME			\$ 82,874	\$ 42,594
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			8.64 %	8.37 %

NOTES:

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
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**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	\$ 1,063,801	67.38 %	14.69 %	9.9000 %
Preferred Stock		%	- %	%
Long Term Debt	209,111	13.24 %	8.65 %	1.1453 %
Customer Deposits		%	6.00 %	%
Tax Credits - Zero Cost		%	- %	%
Tax Credits - Weighted Cost		%	- %	%
Deferred Income Taxes		%	- %	%
Other (Explain)		%	- %	%
Note payable associated company	306,000	19.38 %	4.13 %	0.8004 %
Total	\$ 1,578,912	100.00 %		11.85 %

(1) If the Utility's capital structure is not used, explain which capital structure is 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:	<u>14.69</u> %
Commission order approving Return on Equity:	<u>Order No. 12170</u>

APPROVED AFUDC RATE
COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate:	<u>None</u> %
Commission order approving AFUDC rate:	<u></u>

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 NAME: Royal Utility Company

YEAR OF REPORT
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SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

Class of Capital (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (g)
Common Equity	\$ 1,063,801	\$ -	\$ -	\$ -	\$ -	\$ 1,063,801
Preferred Stock	-					-
Long Term Debt	209,111					209,111
Customer Deposits						
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Income Taxes						
Other (Explain):						
Notes Payable - Assoc Co	306,000					306,000
Total	\$ 1,578,912	\$ -	\$ -	\$ -	\$ -	\$ 1,578,912

(1) Explain below all adjustments made in Columns (e) and (f)

UTILITY NAME: Royal Utility Company

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 3,258,059	\$ 1,880,557	N/A	\$ 5,138,616
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		\$ 3,258,059	\$ 1,880,557	N/A	\$ 5,138,616

**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		\$ -	\$ -	\$ -	\$ -

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 2,291,659	\$ 1,354,163	N/A	\$ 3,645,822
Credits During the Year				
Accruals charged:				
to Account 108.1 (1)	54,010	34,372		88,382
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
Rounding	(1)	2		1
Salvage				
Other Credits (specify) :				
Total credits	54,009	34,374		88,383
Debits during year:				
Book cost of plant retired	-	-		
Cost of removal				
Other debits (specify) (rounding)	-	-		
Total debits				
Balance end of year	\$ 2,345,668	\$ 1,388,537	N/A	\$ 3,734,205

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

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
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**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 13

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

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):	\$ -	\$ -
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		\$ -

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
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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	\$ 144,531	
Wastewater	-	
Other	-	
Total Customer Accounts Receivable		\$ 144,531
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
	\$ -	
	-	
	-	
Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
	-	
	-	
Total Notes Receivable		
Total Accounts and Notes Receivable		144,531
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		\$ 144,531

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2016

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

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

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

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

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
Equity shares receivable - CoBank	\$ 74,379
Total	\$ 74,379

YEAR OF REPORT
December 31, 2016

UTILITY NAME: Royal Utility Company

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):		
<u>Deferred loan costs - CoBank</u>	\$ 1,895	\$ 1,397
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ 1,895	\$ 1,397
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: Royal Utility Company

MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	\$ -
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
Deferred Permit Fees - DEP	\$ -	\$ 216
Deferred Sale Cost	-	34,018
Total Other Deferred Debits	NONE	\$ 34,234
REGULATORY ASSETS (Class A Utilities: Account 186.3):		
None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	NONE	\$ 34,234

UTILITY NAME: Royal Utility Company

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share	\$ 1.00	\$ 1.00
Shares authorized		1,000
Shares issued and outstanding		100
Total par value of stock issued	\$ 100	100
Dividends declared per share for year		
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)

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
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STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. 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	\$ 245,763
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	92,938
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	338,701
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____	
214	Total Appropriated Retained Earnings	
	Total Retained Earnings	\$ 338,701

Notes to Statement of Retained Earnings:

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$ -
Total	\$ -

**OTHER LONG TERM DEBT
ACCOUNT 224**

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)	
National Bank for Cooperatives(CoBank)	%		
(Issued - 10/18/96 & Maturity - 12/31/17)	8.65 %	Fixed	\$ 209,111
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 209,111

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232):			
N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
Note Payable to Shareholders	4.13 %	F	\$ 306,000
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ 306,000

* 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	

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2016

**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					
N/P CoBank	\$ 2,517	427	\$ 23,153	\$ 25,094	\$ 576
N/P Stockholders	65,420		10,779	\$ -	76,199
Total Account No. 237.1	67,937		33,932	25,094	76,775
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
None	-	-		-	-
Total Account 237.2	-				
Total Account 237 (1)	\$ 67,937		\$ 33,932	\$ 25,094	\$ 76,775
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 33,932		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 33,932		

(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

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ACCOUNT 241	
DESCRIPTION (a)	BALANCE END OF YEAR (b)
Payroll Liabilities	\$ -
Accrued Liabilities	14,000
Total Miscellaneous Current and Accrued Liabilities	\$ 14,000

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None			\$ -	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total	\$ -		\$ -	\$ -	\$ -

F-20

UTILITY NAME: Royal Utility Company

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**OTHER DEFERRED CREDITS
ACCOUNT 253**

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

UTILITY NAME: Royal Utility Company

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**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

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

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	\$ 555,184	\$ 190,293	N/A	\$ 745,477
Debits during year:	7,573	4,742		12,315
Credits during year (specify): Rounding	-	-		
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 562,757	\$ 195,035		\$ 757,792

UTILITY NAME: Royal Utility Company

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**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	<u>F-3 (c)</u>	\$ <u>92,938</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	_____	\$ <u>92,938</u>
Computation of tax:		
The Company is a Subchapter S corporation; therefore, this Schedule is not applicable.		

WATER OPERATION SECTION

UTILITY NAME: Royal Utility Company

WATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned the a group number. Each individual system which as not been consolidated should be assigned its own group number.

The water financial schedules (W-1 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-14) must be filed for each system in the group.

All of the following water pages (W-2 through W-14) should be completed for each group and arranged by group number.

[illegible]

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

YEAR OF REPORT
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SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 3,258,059
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(2,345,668)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(571,643)
252	Advances for Construction	F-20	
	Subtotal		340,748
272	Add:		
	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	562,757
	Subtotal		903,505
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		55,563
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		\$ 959,068
	UTILITY OPERATING INCOME	W-3	\$ 82,874
ACHIEVED RATE OF RETURN (Water Operating Income/Water Rate Bas			8.64 %

- 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.

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

YEAR OF REPORT
 December 31, 2016

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
400	UTILITY OPERATING INCOME		
	Operating Revenues	W-9	645,317
	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		645,317
401	Operating Expenses	W-10(a)	444,505
403	Depreciation Expense	W-6(a)	54,010
	Less: Amortization of CIAC	W-8(a)	(7,573)
	Net Depreciation Expense		46,437
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		29,043
408.11	Property Taxes		22,582
408.12	Payroll Taxes		16,885
408.13	Other Taxes & Licenses		2,991
408	Total Taxes Other Than Income		71,501
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		562,443
	Utility Operating Income		82,874
469	Add Back:		
	Guaranteed Revenue (and AFPI)	W-9	-
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 82,874

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

YEAR OF REPORT
 December 31, 2016

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises	713			713
303	Land and Land Rights	76,123			76,123
304	Structure and Improvements	528,486	9,843		538,329
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	23,683			23,683
308	Infiltration Galleries and Tunnels				
309	Supply Mains	48,267			48,267
310	Power Generation Equipment	11,948			11,948
311	Pumping Equipment	706,087	29,545		735,632
320	Water Treatment Equipment	107,960	31,237		139,197
330	Distribution Reservoirs and Standpipes	9,100			9,100
331	Transmission and Distribution Mains	939,897			939,897
333	Services	168,098			168,098
334	Meters and Meter Installations	331,304			331,304
335	Hydrants	68,439			68,439
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	60,527			60,527
340	Office Furniture and Equipment	10,343	1,350		11,693
341	Transportation Equipment	12,092	937		13,029
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	8,774	1,596		10,370
344	Laboratory Equipment	5,856			5,856
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	21,971			21,971
348	Other Tangible Plant	43,883			43,883
TOTAL WATER PLANT		\$ 3,183,551	\$ 74,508	\$ -	\$ 3,258,059

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

W-4(a)
 GROUP 1

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

YEAR OF REPORT
 December 31, 2016

WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization		\$ -				
302	Franchises	713	713				
303	Land and Land Rights	76,123		\$ -	\$ 76,123	\$ -	\$ -
304	Structure and Improvements	538,329			418,333		119,996
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	23,683		23,683			
308	Infiltration Galleries and Tunnels						
309	Supply Mai Royal Utility Co / Broward	48,267		48,267			
310	Power Generation Equipment	11,948		11,948			
311	Pumping Equipment	735,632		735,632			
320	Water Treatment Equipment	139,197			139,197		
330	Distribution Reservoirs and Standpipes	9,100				9,100	
331	Transmission and Distribution Mains	939,897				939,897	
333	Services	168,098				168,098	
334	Meters and Meter Installations	331,304				331,304	
335	Hydrants	68,439				68,439	
336	Backflow Prevention Devices						
339	Other Plant / Miscellaneous Equipment	60,527				60,527	
340	Office Furniture and Equipment	11,693					11,693
341	Transportation Equipment	13,029					13,029
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	10,370					10,370
344	Laboratory Equipment	5,856					5,856
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment	21,971					21,971
348	Other Tangible Plant	43,883					43,883
	TOTAL WATER PLANT	\$ 3,258,059	\$ 713	\$ 819,530	\$ 633,653	\$ 1,577,365	\$ 226,798

W-4(b)
 GROUP 1

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

YEAR OF REPORT
 December 31, 2016

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	20	%	5.00 %
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		%	%
339	Other Plant / Miscellaneous Equipment	25	%	4.00 %
340	Office Furniture and Equipment	15	%	6.67 %
341	Transportation Equipment	6	%	16.67 %
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment	16	%	6.25 %
344	Laboratory Equipment	15	%	6.67 %
345	Power Operated Equipment		%	%
346	Communication Equipment		%	%
347	Miscellaneous Equipment	15	%	6.67 %
348	Other Tangible Plant	10	%	10.00 %
Water Plant Composite Depreciation Rate *			%	%

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

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

YEAR OF REPORT
December 31, 2016

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)(1)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises	432	18		18
304	Structure and Improvements	349,630	15,538		15,538
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	23,683	-		
308	Infiltration Galleries and Tunnels				
309	Supply Mains	48,267	0		
310	Power Generation Equipment	5,078	33,444		33,444
311	Pumping Equipment	706,087	739		739
320	Water Treatment Equipment	27,225	(27,225)		(27,225)
330	Distribution Reservoirs and Standpipes	9,100	0		
331	Transmission and Distribution	496,403	20,866		20,866
333	Services	116,380	4,203		4,203
334	Meters and Meter Installations	331,304	0		
335	Hydrants	41,931	1,519		1,519
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	38,503	2,421		2,421
340	Office Furniture and Equipment	10,343	45		45
341	Transportation Equipment	11,244	926		926
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	8,774	50		50
344	Laboratory Equipment	5,856	0		
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	17,536	1,465		1,465
348	Other Tangible Plant	43,883	1		1
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 2,291,659	\$ 54,010	\$ -	\$ 54,010

* Specify nature of transaction.
 Use () to denote reversal entries.
 Note: (1) Rounding

**W-6(a)
 GROUP 1**

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

YEAR OF REPORT
 December 31, 2016

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) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	-
302	Franchises					450
304	Structure and Improvements					365,168
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					23,683
308	Infiltration Galleries and Tunnels					
309	Supply Mains					48,267
310	Power Generation Equipment					38,522
311	Pumping Equipment					706,826
320	Water Treatment Equipment					
330	Distribution Reservoirs and Standpipes					9,100
331	Transmission and Distribution					517,269
333	Services					120,583
334	Meters and Meter Installations					331,304
335	Hydrants					43,450
336	Backflow Prevention Devices					
339	Other Plant / Miscellaneous Equipment					40,924
340	Office Furniture and Equipment					10,388
341	Transportation Equipment					12,170
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					8,824
344	Laboratory Equipment					5,856
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					19,001
348	Other Tangible Plant					43,883
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	\$ 2,345,668

W-6(b)
 GROUP 1

YEAR OF REPORT
December 31, 2016

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance First of Year		\$ 571,643
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	W-8(a)	
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	
Total Credits		
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 571,643

Explain all Debits charged to Account 271 during the year below:

[illegible]

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

YEAR OF REPORT
December 31, 2016

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)
		\$ -	\$ -
			-
			-
			-
			-
Total Credits			N/A

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

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 555,184
Debits during year:	
Accruals charged to Account	7,573
Other Debits (specify):	-
Total debits	7,573
Credits during year (specify):	-
Total credits	
Balance end of year	\$ 562,757

UTILITY NAME Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT

December 31, 2016

WATER CIAC SCHEDULE "B"

ADDITIONS TO CONTRIBUTION IN AID OF CONSTRUCTION RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS FROM WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

[illegible]

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

YEAR OF REPORT
December 31, 2016

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
460	Water Sales: Unmetered Water Revenue			
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	424	424	\$ 140,908
461.2	Metered Sales to Commercial Customers	76	76	80,158
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings	1,020	1,020	290,284
	Total Metered Sales	1,520	1,520	511,350
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	406	406	133,967
466	Sales for Resale			
467	Interdepartmental Sales			
	Total Water Sales	1,926	1,926	645,317
469	Other Water Revenues: Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			
	Total Water Operating Revenues			\$ 645,317

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

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

YEAR OF REPORT
 December 31, 2016

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	\$ 138,008	\$ -	\$ 138,008
603	Salaries and Wages - Officers, Directors and Majority Stockholders	44,000		
604	Employee Pensions and Benefits	6,294		
610	Purchased Water			
615	Purchased Power	50,027		
616	Fuel for Power Production			
618	Chemicals	38,905		
620	Materials and Supplies	19,748		
631	Contractual Services - Engineering	8,250		
632	Contractual Services - Accounting	9,900		
633	Contractual Services - Legal	7,937		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	15,053		
636	Contractual Services - Other	24,264		4,634
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	3,936		
656	Insurance - Vehicle	3,363		
657	Insurance - General Liability	17,502		
658	Insurance - Workmens Comp.	4,204		
659	Insurance - Other	11,755		
660	Advertising Expense	690		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	40,669		
Total Water Utility Expenses		\$ 444,505		\$ 142,642

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

YEAR OF REPORT
 December 31, 2016

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					44,000
					6,294
48,827					1,200
38,905					
	17,125	2,623			8,250
					9,900
					7,937
15,053					
19,113	517				
					3,936
					3,363
					17,502
					4,204
					11,755
					690
	6,601	21,397	124		12,547
\$ 121,898	\$ 24,243	\$ 24,020	\$ 124		\$ 131,578

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

YEAR OF REPORT
 December 31, 2016

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	-	9,822	1,200	8,622	8,398
February		9,270	800	8,470	8,410
March	-	11,415	950	10,465	9,140
April		11,804	1,100	10,704	10,771
May		12,436	800	11,636	10,919
June		11,145	1,200	9,945	9,756
July		11,702	1,200	10,502	10,102
August		10,180	900	9,280	8,741
September		9,818	850	8,968	8,809
October		10,886	1,200	9,686	9,232
November		11,844	1,250	10,594	9,579
December		11,758	950	10,808	10,140
Total for year	N/A	132,080	12,400	119,680	113,997

If water is purchased for resale, indicate the following:

Vendor N/A

Point of deliver N/A

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

List for each source of supply	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well No. 1	357gpm	.250gpm	Wells
Well No. 2	371gpm	.250gpm	
Well No. 3	366gpm	.250gpm	

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

YEAR OF REPORT
December 31, 2016

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

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

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

YEAR OF REPORT
 December 31, 2016

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	424	424
5/8"	Displacement	1.0		
3/4"	Displacement	1.5	42	63
1"	Displacement	2.5	435	1,088
1 1/2"	Displacement or Turbine	5.0	2	10
2"	Displacement, Compound or Turbine	8.0	47	376
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				1,976

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC Calculation:

ERC = 113,997 gallons, divided by
 350 gallons per day
 365 days
 892.3 ERC's

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

YEAR OF REPORT
December 31, 2016

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.	
1. Present ERC's * that system can efficiently serve.	<u>1976</u>
2. Maximum number of ERC's * which can be served.	<u>1976</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>1976</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>Service area is Built Out</u>
5. Estimated annual increase in ERC's *.	<u>None</u>
6. Is the utility required to have fire flow capacity? If so, how much capacity is required?	<u>No</u> <u>N/A</u>
7. Attach a description of the fire fighting facilities.	<u>Approximately 69 hydrants</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>None</u>
9. When did the company last file a capacity analysis report with the DEP?	<u>None</u>
10. If the present system does not meet the requirements of DEP rules:	
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	<u>N/A</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction be	<u>N/A</u>
d. Attach plans for funding the required upgrading.	
e. Is this system under any Consent Order of the DEP?	<u>No</u>
11. Department of Environmental Protection ID #	<u>4061517</u>
12. Water Management District Consumptive Use Permit #	<u>06-00003-W</u>
a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

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

WASTEWATER OPERATION SECTION

UTILITY NAME: Royal Utility Company

WASTEWATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned the a group number. Each individual system which as not been consolidated should be assigned its own group number.

The wastewater financial schedules (S-1 through S-10) should be filed for the group in total.

The wastewater engineering schedules (S-11 through S-14) must be filed for each system in the group.

All of the following wastewater pages (S-2 through S-14) should be completed for each group and arranged by group number.

[illegible]

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

YEAR OF REPORT
December 31, 2016

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 1,880,557
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	(1,388,537)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(238,921)
252	Advances for Construction	F-20	
	Subtotal		253,099
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	195,035
	Subtotal		448,134
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		60,522
	Other (Specify): Completed Construction not Classified		-
	WASTEWATER RATE BASE		\$ 508,656
	UTILITY OPERATING INCOME	S-3	\$ 42,594
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		8.37 %

- 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.

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

YEAR OF REPORT
 December 31, 2016

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
400	UTILITY OPERATING INCOME		
	Operating Revenues	S-9	\$ 596,588
	Less: Guaranteed Revenue and AFPI	S-9	(77)
	Net Operating Revenues		596,511
401	Operating Expenses	S-10(a)	484,179
403	Depreciation Expense	S-6(a)	34,372
	Less: Amortization of CIAC	S-8(a)	(4,742)
	Net Depreciation Expense		29,630
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		26,843
408.11	Property Taxes		12,279
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		986
408	Total Taxes Other Than Income		40,108
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		553,917
	Utility Operating Income		42,594
530	Add Back:		
	Guaranteed Revenue (and AFPI)		77
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		\$ 42,671

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

YEAR OF REPORT
 December 31, 2016

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization		\$ -	\$ -	\$ -
352	Franchises				
353	Land and Land Rights	71,802			71,802
354	Structure and Improvements	137,342	4,539		141,881
355	Power Generation Equipment	37,368			37,368
360	Collection Sewers - Force	120,328			120,328
361	Collection Sewers - Gravity	990,004			990,004
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices	81,227			81,227
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	209,397	21,485		230,882
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	121,758			121,758
390	Office Furniture & Equipment	9,926	1,350		11,276
391	Transportation Equipment	12,092	937		13,029
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,351	1,596		22,947
394	Laboratory Equipment	26,858			26,858
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant	11,197			11,197
Total Wastewater Plant		\$ 1,850,650	\$ 29,907	\$ -	\$ 1,880,557

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.
 Note: Retirements (Column (e)) to reclassify to correct account

S-4(a)
 GROUP 1

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

YEAR OF REPORT
 December 31, 2016

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 AND DISPOSAL PLANT (j)	.5 WASTEWATER TREATMENT PLANT (k)	.6 WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ -						
352	Franchises							
353	Land and Land Rights		\$ 71,802	\$ -	\$ -	\$ -	\$ -	\$ -
354	Structure and Improvements			93,007		17,404		31,470
355	Power Generation Equipment		37,368					
360	Collection Sewers - Force		120,328					
361	Collection Sewers - Gravity		990,004					
362	Special Collecting Structures							
363	Services to Customers							
364	Flow Measuring Devices		81,227					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells							
371	Pumping Equipment			230,882				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment & Disposal Equipment							
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant / Miscellaneous Equipm				121,758			
390	Office Furniture & Equipment							11,276
391	Transportation Equipment							13,029
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							22,947
394	Laboratory Equipment							26,858
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							11,197
Total Wastewater Plant		\$ -	\$ 1,300,729	\$ 323,889	\$ 121,758	\$ 17,404	\$ -	\$ 116,777

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

S-4(b)
 GROUP 1

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

YEAR OF REPORT
December 31, 2016

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
351	Organization		%	%
352	Franchises		%	%
354	Structure and Improvements	35	%	2.86 %
355	Power Generation Equipment	20	%	5.00 %
360	Collection Sewers - Force	30	%	3.33 %
361	Collection Sewers - Gravity	45	%	2.22 %
362	Special Collecting Structures		%	%
363	Services to Customers		%	%
364	Flow Measuring Devices	5	%	20.00 %
365	Flow Measuring Installations		%	%
366	Reuse Services		%	%
367	Reuse Meters and Meter Installations		%	%
370	Receiving Wells		%	%
371	Pumping Equipment	18	%	5.56 %
374	Reuse Distribution Reservoirs		%	%
375	Reuse Transmission and Distribution System		%	%
380	Treatment & Disposal Equipment		%	%
381	Plant Sewers		%	%
382	Outfall Sewer Lines		%	%
389	Other Plant / Miscellaneous Equipment	18	%	5.56 %
390	Office Furniture & Equipment	15	%	6.67 %
391	Transportation Equipment	6	%	16.67 %
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment	16	%	6.25 %
394	Laboratory Equipment	15	%	6.67 %
395	Power Operated Equipment		%	%
396	Communication Equipment		%	%
397	Miscellaneous Equipment	15	%	6.67 %
398	Other Tangible Plant	10	%	10.00 %
Wastewater Plant Composite Depreciation Rate *			%	%

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

UTILITY NAME: Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
December 31, 2016

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ -	\$ -	\$ -	\$ -
352	Franchises				
354	Structure and Improvements	89,853	3,826		3,826
355	Power Generation Equipment	12,448	1,869		1,869
360	Collection Sewers - Force	117,037	3,291		3,291
361	Collection Sewers - Gravity	650,561	21,978		21,978
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices	81,227	-		
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	209,397	597		597
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	121,758	-		
390	Office Furniture & Equipment	9,927	45		45
391	Transportation Equipment	11,244	926		926
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,351	50		50
394	Laboratory Equipment	17,733	1,714		1,714
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	430	78		78
398	Other Tangible Plant	11,197	(2)		(2)
Total Depreciable Wastewater Plant in Service		\$ 1,354,163	\$ 34,372	\$ -	\$ 34,372

* Specify nature of transaction.
Use () to denote reversal entries.

S-6(a)
GROUP 1

UTILITY NAM Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT December 31, 2016
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ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	
352	Franchises					
354	Structure and Improvements					93,679
355	Power Generation Equipment					14,317
360	Collection Sewers - Force					120,328
361	Collection Sewers - Gravity					672,539
362	Special Collecting Structures					
363	Services to Customers					
364	Flow Measuring Devices					81,227
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					209,994
374	Reuse Distribution Reservoirs					
375	Reuse Transmission and Distribution System					
380	Treatment & Disposal Equipment					
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant / Miscellaneous Equipment					121,758
390	Office Furniture & Equipment					9,972
391	Transportation Equipment					12,170
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					21,401
394	Laboratory Equipment					19,447
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					508
398	Other Tangible Plant					11,197
Total Depreciable Wastewater Plant in Service		\$ -	\$ -	\$ -	\$ -	\$ 1,388,537

S-6(b)
GROUP 1

YEAR OF REPORT December 31, 2016
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DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (b)
Balance First of Year		\$ 238,921
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	S-8(a)	
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	
Total Credits		
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 238,921

Explain all Debits charged to Account 271 during the year below:

[illegible]

UTILITY NAME: Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
December 31, 2016

WASTEWATER 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)
		\$ -	\$ -
			-
Total Credits			N/A

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

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 190,293
Debits during year:	
Accruals charged to Account	4,742
Other Debits (specify):	
Rounding	-
Total debits	4,742
Credits during year (specify):	
Rounding	-
Total credits	
Balance end of year	\$ 195,035

YEAR OF REPORT
December 31, 2016

ADDITIONS TO CONTRIBUTION IN AID OF CONSTRUCTION RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS FROM WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

[illegible]

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

YEAR OF REPORT
 December 31, 2016

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
WASTEWATER SALES				
521.1	Flat Rate Revenues: Residential Revenues			\$ -
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues			
521.6	Other Revenues			
521	Total Flat Rate Revenues			-
522.1	Measured Revenues: Residential Revenues	424	424	\$ 156,915
522.2	Commercial Revenues	76	76	93,628
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	1,020	1,020	344,163
522	Total Measured Revenues	1,520	1,520	594,706
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	1,520	1,520	\$ 594,706
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ 77
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			1,805
	Total Other Wastewater Revenues			\$ 1,882

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

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

YEAR OF REPORT
December 31, 2016

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
	Flat Rate Reuse Revenues:			
540.1	Residential Reuse Revenues			\$ -
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
	Measured Reuse Revenues:			
541.1	Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 596,588

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

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

YEAR OF REPORT
 December 31, 2016

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 76,179	\$ -	\$ -	\$ -	\$ -	\$ 76,179	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	44,000						
704	Employee Pensions and Benefits	6,294						
710	Purchased Sewage Treatment	232,600					232,600	
711	Sludge Removal Expense							
715	Purchased Power	9,908			8,708			
716	Fuel for Power Production							
718	Chemicals							
720	Materials and Supplies	26,690				23,943	2,747	
731	Contractual Services - Engineering	8,250						
732	Contractual Services - Accounting	9,900						
733	Contractual Services - Legal	7,937						
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing	4,634		4,634				
736	Contractual Services - Other	12,067		513		11,554		
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	3,936						
756	Insurance - Vehicle	1,975						
757	Insurance - General Liability	10,988						
758	Insurance - Workmens Comp.	2,830						
759	Insurance - Other	6,330						
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	19,661				84	1,351	
Total Wastewater Utility Expenses		\$ 484,179	\$ -	\$ 5,147	\$ 8,708	\$ 35,581	\$ 312,877	\$ -

S-10(a)
 GROUP 1

UTILITY NAME: Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
December 31, 2016

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES - OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salaries and Wages - Employees	\$ -	\$ -	\$ -		\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders		44,000				
704	Employee Pensions and Benefits		6,294				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power		1,200				
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services - Engineering		8,250				
732	Contractual Services - Accounting		9,900				
733	Contractual Services - Legal		7,937				
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing						
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense		3,936				
756	Insurance - Vehicle		1,975				
757	Insurance - General Liability		10,988				
758	Insurance - Workmens Comp.		2,830				
759	Insurance - Other		6,330				
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		18,226				
Total Wastewater Utility Expenses		\$ -	\$ 121,866	\$ -	\$ -	\$ -	\$ -

S-10(b)
GROUP 1

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

YEAR OF REPORT
December 31, 2016

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

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

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

- 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.
- If no historical flow data are available, use:

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

For wastewater only utilities:

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

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

NOTE: Total gallons treated includes both treated and purchased treatment

ERC Calculation:

$$\left(\frac{105,938,000}{\text{(total gallons treated)}} / 365 \text{ days} \right) / 280 \text{ gpd} = 1,037$$

UTILITY NAME: Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT

December 31, 2016

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	N/A(3)		
Basis of Permit Capacity (1)	N/A(3)		
Manufacturer	N/A(3)		
Type (2)	N/A(3)		
Hydraulic Capacity	N/A(3)		
Average Daily Flow	290,241		
Total Gallons of Wastewater Treated	105,938,000		
Method of Effluent Disposal	Purchased Sewage Broward County		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
(i.e. average annual daily flow, etc)

(2) Contact stabilization, advanced treatment, etc.

(3) All sewage is transmitted for treatment to the Broward County "201" treatment plant: therefore, permitted capacity, basis, manufacturer, type and hydraulic capacity questions are not applicable.

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

YEAR OF REPORT
December 31, 2016

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present ERC's * that system can efficiently serve.	<u>945</u>
2. Present ERC's * which can be serered.	<u>945</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>945</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>Service area is built out</u>
5. Estimated annual increase in ERC's * .	<u>None</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>None</u>
7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.	
8. If the utility does not engage in reuse, has a reuse feasibility study been completed?	<u>No</u>
If so, when?	<u>N/A</u>
9. Has the utility been required by the DEP or water management district to implement reuse?	<u>No</u>
If so, what are the utility's plans to comply with the DEP?	<u>N/A</u>
10. When did the company last file a capacity analysis report with the DEP?	<u>NA</u>
11. If the present system does not meet the requirements of DEP rules:	
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction begin?	<u>N/A</u>
d. Attach plans for funding the required upgrading.	<u>N/A</u>
e. Is this system under any Consent Order of the DEP?	<u>N/A</u>
11. Department of Environmental Protection ID #	<u>N/A - Utility purchases wastewater treatment from Broward County "201" treatment plant.</u>

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

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

Company: ROYAL UTILITY COMPANY

For the Year Ended December 31, 2016

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ -	\$ -	\$ -
Total Metered Sales ((461.1 - 461.5)	511,349	511,349	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	133,967	133,967	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	77	77	-
Total Water Operating Revenue	\$ 645,394	\$ 645,394	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 645,394	\$ 645,394	\$ -

Explanations:

Instructions:

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

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

Company: ROYAL UTILITY COMPANY

For the Year Ended December 31, 2016

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate revenues (521.1 - 521.6)	\$ -	\$ -	\$ -
Total Measured Revenues (522.1 - 522.5)	594,706	594,706	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	1,805	1,805	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
Total Wastewater Operating Revenue	\$ 596,511	\$ 596,511	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 596,511	\$ 596,511	\$ -
Explanations:			
Instructions: For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).			