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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS728-02-AR
Shangri-La by the Lake Utilities, Inc.
1214 West Route 72
Leaf River, IL 61047

RECEIVED
PUBLIC SERVICE
COMMISSION
SEP 2 11:13
REGULATION

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

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FINANCIAL SECTION

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class C**

WS728-01-AR

Company: Shangri-La By The Lake Utilities, Inc.

For the Year Ended December 31, 2002

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 30,311	\$ 30,311	\$
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Wastewater Operating Revenue	\$ 30,311	\$ 30,311	\$
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	_____	_____	_____
Net Wastewater Operating Revenues	\$ 30,311	\$ 30,311	\$

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule F-3 with the gross wastewater 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
Water Operations**

Class C

WS728-01-AR

Company: Shangri-La By The Lake Utilities, Inc.

For the Year Ended December 31, 2002

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 30,354	\$ 30,354	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Water Operating Revenue	\$ 30,354	\$ 30,354	\$ _____
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$ 30,354	\$ 30,354	\$ _____

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).

REPORT OF

SHANGRI-LA BY THE LAKE UTILITIES, INC.

(EXACT NAME OF UTILITY)

1214 West Route 72 Leaf River, IL 61047	100 Shangri-La Blvd. Leesburg, FL 34788	
Mailing Address	Street Address	County

Telephone Number (815) 738-2508 Date Utility First Organized 1/1/94

Fax Number (815) 738-2508 E-mail Address jay-laura@juno.com

Sunshine State One-Call of Florida, Inc. Member No. 680

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

- Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: 1214 West Route 72
Leaf River, IL 61047

Name of subdivisions where services are provided: Werner & Werner, Inc. d/b/a
Shangri-La By The Lake

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Jay Werner	Business Manager	1214 West Route 72 Leaf River, IL 61047	
Person who prepared this report: Biggs, Hausserman, Thompson & Dickinson PC	CPA Firm	356 E. Main St POB 60 Saranac, MI 48881	
Officers and Managers: Jay Werner	Business Manager	Leaf River, IL 61047	\$ None
Andrew Werner	Operations Manager	Leesburg, FL 34788	\$ None
			\$
			\$
			\$
			\$

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
Mertis L Werner Trust	50%	Sparta, MI	\$None
Estate of William E Werner	50%	Sparta, MI	\$None
			\$
			\$
			\$
			\$

FROM : Jay and Laura Warner

FAX NO. : 815 738 2508

Mar. 05 2003 01:00PM P2

UTILITY NAME: SIBTL

YEAR OF REPORT
DECEMBER 31, 2002

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential		\$ 30,354	\$ 30,311	\$	\$ 60,665
Commercial					
Industrial					
Multiple Family					
Guaranteed Revenues					
Other (Specify)					
Total Gross Revenue		\$ 30,354	\$ 30,311	\$	\$ 60,665
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 22,157	\$ 30,168	\$	\$ 52,325
Depreciation Expense	F-5	3,343	10,105		13,448
CLIC Amortization Expense	F-8	0	0		0
Taxes Other Than Income	F-7	1,565	1,564		3,129
Income Taxes	F-7				
Total Operating Expense		\$ 27,065	41,837	\$	\$
Net Operating Income (Loss)		\$ 3,289	\$ (11,526)	\$	\$ (14,815)
Other Income:					
Nonutility Income		\$	\$	\$	\$
Other Deductions:					
Miscellaneous Nonutility Expenses		\$	\$	\$	\$
Interest Expense		11,461	1,983		31,300
Net Income (Loss)		\$ (8,172)	\$ (31,365)	\$	\$ (39,537)

ROM : Jay and Laura Wenner

FAX NO. : 815 739 2509

Mar. 05 2003 01:01PM

PS

UTILITY NAME: Shangri-La By The Lake Utilities Inc.

YEAR OF REPORT
DECEMBER 31, 2002

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105)	F-5,W-1,S-1	\$ 389,342	\$ 388,495
Accumulated Depreciation and Amortization (108)	F-5,W-2,S-2	81,419	67,971
Net Utility Plant		\$ 307,923	\$ 320,524
Cash		6,237	4,998
Customer Accounts Receivable (141)			
Other Assets (Specify):			
Total Assets		\$ 314,160	\$ 325,522
Liabilities and Capital:			
Common Stock Issued (201)	F-6	100	100
Preferred Stock Issued (204)	F-6		
Other Paid in Capital (211)			
Retained Earnings (215)	F-6	(231,416)	(191,879)
Proprietary Capital (Proprietary and partnership only) (216)	F-6		
Total Capital		\$ (231,316)	\$ (191,779)
Long Term Debt (224)	F-6	\$ 379,307	\$ 378,733
Accounts Payable (231)			
Notes Payable (232)		2,229	6,008
Customer Deposits (235)			
Accrued Taxes (236)			
Other Liabilities (Specify)			
Accrued Interest		110,860	132,560
Advances for Construction			
Contributions in Aid of Construction - Net (271-272)	F-8		
Total Liabilities and Capital		\$ 314,160	\$ 325,522

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 153,297	\$ 236,045	\$ _____	\$ 389,342
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 153,297	\$ 236,045	\$ _____	\$ 389,342

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 14,142	\$ 53,829	\$ _____	\$ 67,971
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 3,343	\$ 10,105	\$ _____	\$ 13,448
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ 17,485	\$ 63,934	\$ _____	\$ 81,419
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 17,485	\$ 63,934	\$ _____	\$ 81,419

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	not applicable
Shares authorized _____	500	
Shares issued and outstanding _____	100	
Total par value of stock issued _____	100	
Dividends declared per share for year _____	0	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ (191,879)	\$ _____
Changes during the year (Specify): <u>net LOSS</u>	(39,537)	
Balance end of year _____	\$ (231,416)	\$ _____

PROPRIETARY CAPITAL (218)

	Proprietor Or-Partner	Partner
Balance first of year _____	\$ not applicable	\$ _____
Changes during the year (Specify): _____		
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest Rate	# of Pymts	Principal per Balance Sheet Date	
Note Payable _____	6.00%	360	\$ 378,733	379,387
Total _____			\$ 378,733	379,387

UTILITY NAME: Shangri-La By The Lake Utilities, Inc

YEAR OF REPORT DECEMBER 31, 2002

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	_____	_____	_____	_____
Regulatory assessment fee _____	1,363	1,365	_____	2,728
Other (Specify) _____	_____	_____	_____	_____
PIR Taxes _____	287	286	_____	573
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Tax Expense _____	\$ 1,650	\$ 1,651	\$ _____	\$ 3,301

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.			
Name of Recipient	Water Amount	Wastewater Amount	Description of Service
General Utilities Corp	\$ 3,864	\$ 5,942	Operator/Management
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ not applicab	\$ not applic	\$ _____
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	\$ _____	\$ _____	\$ _____
4) Deduct charges during the year _____	\$ _____	\$ _____	\$ _____
5) Balance end of year _____	\$ _____	\$ _____	\$ _____
6) Less Accumulated Amortization _____	\$ _____	\$ _____	\$ _____
7) Net CIAC _____	\$ _____	\$ _____	\$ _____

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.		Indicate "Cash" or "Property"	Water	Wastewater
_____			not applicabl	not applicabl

Sub-total _____			\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.				
Description of Charge	Number of Connections	Charge per Connection		
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____			
_____	_____			
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ not applic	\$ not applic	\$ _____
Add Debits During Year: _____	\$ _____	\$ _____	\$ _____
Deduct Credits During Year: _____	\$ _____	\$ _____	\$ _____
Balance End of Year (Must agree with line #6 above.) _____	\$ _____	\$ _____	\$ _____

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

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$not applicable	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	100.00 %		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate: _____ %
Commission Order Number approving AFUDC rate: _____

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

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

NOT APPLICABLE

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted	_____	_____	_____	_____	_____
Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(1) Explain below all adjustments made in Column (e):

**WATER
OPERATING
SECTION**

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	_____	_____	_____	_____
303	Land and Land Rights _____	_____	_____	_____	_____
304	Structures and Improvements _____	5,000	_____	_____	5,000
305	Collecting and Impounding Reservoirs _____	_____	_____	_____	_____
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	36,412	_____	_____	36,412
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	_____	_____	_____	_____
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	20,178	_____	_____	20,178
320	Water Treatment Equipment _____	_____	_____	_____	_____
330	Distribution Reservoirs and Standpipes _____	_____	_____	_____	_____
331	Transmission and Distribution Lines _____	67,000	_____	_____	67,000
333	Services _____	_____	_____	_____	_____
334	Meters and Meter Installations _____	22,676	847	_____	23,523
335	Hydrants _____	_____	_____	_____	_____
336	Backflow Prevention Devices _____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment _____	1,184	_____	_____	1,184
340	Office Furniture and Equipment _____	_____	_____	_____	_____
341	Transportation Equipment _____	_____	_____	_____	_____
342	Stores Equipment _____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
344	Laboratory Equipment _____	_____	_____	_____	_____
345	Power Operated Equipment _____	_____	_____	_____	_____
346	Communication Equipment _____	_____	_____	_____	_____
347	Miscellaneous Equipment _____	_____	_____	_____	_____
348	Other Tangible Plant _____	_____	_____	_____	_____
	Total Water Plant _____	\$ 152,450	\$ 847	\$ _____	\$ 153,297

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements	50	0 %	1 %	\$ 250	\$	\$ 100	\$ 350
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	50	0 %	1 %	2,841		728	3,569
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment		%	%				
311	Pumping Equipment	50	0 %	1 %	2,200		472	2,672
320	Water Treatment Equipment		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	50	0 %	1 %	7,370		1,340	8,710
333	Services		%	%				
334	Meter & Meter Installations	50	0 %	1 %	1,242		534	1,776
335	Hydrants		%	%				
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment	7	0 %	1 %	239		169	408
340	Office Furniture and Equipment		%	%				
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 14,142	\$	\$ 3,343	\$ 17,485 *

* This amount should tie to Sheet F-5.

Print : Jay and Laura Warner

FAX NO. : 815 738 2500

Mar. 05 2003 01:03PM P9

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	\$ 2,200
604	Employee Pensions and Benefits	
610	Purchased Water	
615	Purchased Power	
616	Fuel for Power Production	2,928
618	Chemicals	
620	Materials and Supplies	
630	Contractual Services:	5,609
	Billing	
	Professional	
	Testing	2385
	Other	
640	Rents	6,411
650	Transportation Expense	
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	2,624
	Total Water Operation and Maintenance Expense	\$ 22,157
	* This amount should tie to Sheet P-3.	

WATER CUSTOMERS

Description (a)	Type of Meter (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	137	137	137
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers			0	0	0
Other (Specify)					
Total			137	137	137

D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

	Water Purchased For Resale (Omit 000's)	Finished Water From Wells (Omit 000's)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	Water Sold To Customers (Omit 000's)
(a)	(b)	(c)	(d)	(e)	(f)
January		581		581	460
February		537		537	344
March		670		670	570
April		712		712	420
May		781		781	396
June		428		428	879
July		498		498	227
August		380		380	245
September		461		461	491
October		471		471	241
November		475		475	280
December		435		435	608
Total for Year		6,429		6,429	5,163

If water is purchased for resale, indicate the following:
 Vendor _____
 Point of delivery _____

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

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	unknown	unknown	0	0	unknown

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982			
Types of Well Construction and Casing _____	submersible			
Depth of Wells _____	350'			
Diameters of Wells _____	6"			
Pump - GPM _____	225			
Motor - HP _____	10			
Motor Type * _____	Ground FOS			
Yields of Wells in GPD _____	388,800			
Auxiliary Power _____	none			
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Steel	Concrete		
Capacity of Tank _____	3000	15000		
Ground or Elevated _____	Ground	Ground		

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer _____	Baldor			
Type _____	JMM3219			
Rated Horsepower _____	75			
<u>Pumps</u>				
Manufacturer _____	Goulds			
Type _____	3656			
Capacity in GPM _____	125			
Average Number of Hours Operated Per Day _____	Unknown			
Auxiliary Power _____	none			

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day _____	57981	_____	_____
Type of Source _____	Ground	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	Aeration	_____	_____
Make _____	Job	_____	_____
Permitted Capacity (GPD) _____	388800	_____	_____
High service pumping		_____	_____
Gallons per minute _____	125	_____	_____
Reverse Osmosis _____	none	_____	_____
Lime Treatment		_____	_____
Unit Rating _____	none	_____	_____
Filtration		_____	_____
Pressure Sq. Ft. _____	no	_____	_____
Gravity GPD/Sq.Ft. _____	no	_____	_____
Disinfection		_____	_____
Chlorinator _____	yes	_____	_____
Ozone _____	no	_____	_____
Other _____	no	_____	_____
Auxiliary Power _____	none	_____	_____

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

SYSTEM NAME: _____

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 568
2. Maximum number of ERCs * which can be served. 568
3. Present system connection capacity (in ERCs *) using existing lines. 568
4. Future connection capacity (in ERCs *) upon service area buildout. 431
5. Estimated annual increase in ERCs *. unknown
6. Is the utility required to have fire flow capacity? no
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
There are 76 lots that could be hooked up for full service.
9. When did the company last file a capacity analysis report with the DEP? unknown (possibly Feb 1996)
10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # WC 35-2031 April 21, 1989
12. Water Management District Consumptive Use Permit # 6781
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:
(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (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 = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises _____	_____	_____	_____	_____
353	Land and Land Rights _____	_____	_____	_____	_____
354	Structures and Improvements _____	_____	_____	_____	_____
355	Power Generation Equipment _____	_____	_____	_____	_____
360	Collection Sewers - Force _____	_____	_____	_____	_____
361	Collection Sewers - Gravity _____	<u>164,000</u>	_____	_____	<u>164,000</u>
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	_____	_____	_____	_____
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	<u>26,000</u>	_____	_____	<u>26,000</u>
380	Treatment and Disposal Equipment _____	<u>26,000</u>	_____	_____	<u>26,000</u>
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment _____	<u>1,183</u>	_____	_____	<u>1,183</u>
390	Office Furniture and Equipment _____	<u>1,500</u>	_____	_____	<u>1,500</u>
391	Transportation Equipment _____	_____	_____	_____	_____
392	Stores Equipment _____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
394	Laboratory Equipment _____	_____	_____	_____	_____
395	Power Operated Equipment _____	_____	_____	_____	_____
396	Communication Equipment _____	_____	_____	_____	_____
397	Miscellaneous Equipment _____	_____	_____	_____	_____
398	Other Tangible Plant _____	<u>17,362</u>	_____	_____	<u>17,362</u>
	Total Wastewater Plant _____	\$ <u>236,045</u>	\$ _____	\$ _____	\$ <u>236,045*</u>

* This amount should tie to sheet F-5.

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements		%	%	\$	\$		\$
355	Power Generation Equipment		%	%				
360	Collection Sewers - Force		%	%				
361	Collection Sewers - Gravity	24	%	%	37,583		6,833	44,416
362	Special Collecting Structures		%	%				
363	Services to Customers		%	%				
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%				
371	Pumping Equipment	24	%	%	5,958		1,083	7,041
380	Treatment and Disposal Equipment	24	%	%	5,958		1,083	7,041
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment	7	%	%	239		169	408
390	Office Furniture and Equipment	7	%	%	393		214	607
391	Transportation Equipment		%	%				
392	Stores Equipment		%	%				
393	Tools, Shop and Garage Equipment		%	%				
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment		%	%				
398	Other Tangible Plant	24	%	%	3,698		723	4,421
	Totals				\$ 53,829	\$	\$ 10,105	\$ 63,934 *

* This amount should tie to Sheet F-5.

FROM : Jay and Laura Werner

FAX NO. : 815 738 2508

Mar. 05 2003 01:05PM P12

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2002

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 2200
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	
715	Purchased Power	2553
716	Fuel for Power Production	
718	Chemicals	2928
720	Materials and Supplies	240
730	Contractual Services:	7877
	Billing	
	Professional	
	Testing	2365
	Other	9147
740	Rents	
750	Transportation Expense	
755	Insurance Expense	
765	Regulatory Commission Expenses, (Amortized Rate Case Expense)	
770	Bad Debt Expense	
775	Miscellaneous Expenses	2838
	Total Wastewater Operation And Maintenance Expense	\$ 30,168

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Number of Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	131	131	131
General Service					
5/8"	D	1.0			
3/1"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers			0	0	0
Other (Specify)					
Total			131	131	131

** D = Displacement
C = Compound
T = Turbine

PUMPING EQUIPMENT

Lift Station Number _____	<u>1</u>	<u>2</u>				
Make or Type and nameplate data on pump _____	<u>unknown</u>	<u>unknown</u>				
Year installed _____	<u>1983</u>	<u>1983</u>				
Rated capacity _____						
Size _____	<u>2H</u>	<u>2H</u>				
Power:						
Electric _____	<u>Yes</u>	<u>Yes</u>				
Mechanical _____	<u>No</u>					
Nameplate data of motor _____	<u>unknown</u>	<u>unknown</u>				

SERVICE CONNECTIONS

Size (inches) _____	<u>3</u>					
Type (PVC, VCP, etc.) _____	<u>PVC</u>					
Average length _____	<u>unknown</u>					
Number of active service connections _____	<u>131</u>					
Beginning of year _____	<u>131</u>					
Added during year _____	<u>0</u>					
Retired during year _____	<u>0</u>					
End of year _____	<u>131</u>					
Give full particulars concerning inactive connections _____	<u>n/a</u>					

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches) _____	<u>4</u>				<u>4</u>			
Type of main _____	<u>unknown</u>				<u>unknown</u>			
Length of main (nearest foot) _____	<u>unknown</u>				<u>unknown</u>			
Beginning of year _____	<u>unknown</u>				<u>unknown</u>			
Added during year _____	<u>0</u>				<u>0</u>			
Retired during year _____	<u>0</u>				<u>0</u>			
End of year _____	<u>unknown</u>				<u>unknown</u>			

MANHOLES

Size (inches) _____	<u>48</u>			
Type of Manhole _____	<u>concrete</u>			
Number of Manholes:				
Beginning of year _____	<u>5</u>			
Added during year _____	<u>0</u>			
Retired during year _____	<u>0</u>			
End of Year _____	<u>5</u>			

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

SYSTEM NAME: _____

<p>YEAR OF REPORT DECEMBER 31, 2002</p>

TREATMENT PLANT

Manufacturer _____	General Environmental EG. Inc Mod 75		
Type _____	Biochemical Oxygen Demand		
"Steel" or "Concrete" _____	Steel		
Total Permitted Capacity _____	50,000 GPD		
Average Daily Flow _____	6000 GPD		
Method of Effluent Disposal _____	Sprayfield & Perkalation		
Permitted Capacity of Disposal _____	Pond		
Total Gallons of Wastewater treated _____	<10,000 day		

MASTER LIFT STATION PUMPS

Manufacturer _____	unknown	unknown				
Capacity (GPM's) _____	unknown	unknown				
Motor:						
Manufacturer _____	unknown	unknown				
Horsepower _____	2	2				
Power (Electric or Mechanical) _____	electric	electric				

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	248,000		248,000
February _____	221,000		221,000
March _____	257,000		257,000
April _____	207,000		207,000
May _____	148,000		148,000
June _____	134,000		134,000
July _____	99,000		99,000
August _____	61,000		61,000
September _____	34,000		34,000
October _____	82,000		82,000
November _____	77,000		77,000
December _____	136,000		136,000
Total for year _____	1,698,000		1,698,000

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: Shangri-La By The Lake Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2002

SYSTEM NAME: _____

GENERAL WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served. 35

2. Maximum number of ERCs* which can be served. 1428

3. Present system connection capacity (in ERCs*) using existing lines. 1428

4. Future connection capacity (in ERCs*) upon service area buildout. 1393

5. Estimated annual increase in ERCs*. unknown

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
There are 76 lots for future enlargements.

7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known.

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No

If so, when? _____

9. Has the utility been required by the DEP or water management district to implement reuse? No

If so, what are the utility's plans to comply with this requirement? _____

10. When did the company last file a capacity analysis report with the DEP? Feb 1996

11. If the present system does not meet the requirements of DEP rules, submit the following:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? _____

c. When will construction begin? _____

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? _____

12. Department of Environmental Protection ID # 2-069-1021 AUVFM

* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (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 = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

CERTIFICATION OF ANNUAL REPORT

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

YES NO

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.

YES NO

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

YES NO

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES NO

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

Items Certified

1. 2. 3. 4.

Jay E. Werner *
(signature of chief executive officer of the utility)

Date: 3-29-03

1. 2. 3. 4.

Mertio L. Werner *
(signature of chief financial officer of the utility)

Date: 3-29-03

* 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.