

OFFICIAL COPY  
Public Service Commission  
Do Not Remove from this Office

**CLASS "C"**

**WATER AND/OR WASTEWATER UTILITIES**

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

# **ANNUAL REPORT**

OF

WS728-04-AR  
Mertis L. Werner  
Shangri-La by the Lake Utilities, Inc.  
1214 West Route 72  
Leaf River, IL 61047

Submitted To The

**STATE OF FLORIDA**



**PUBLIC SERVICE COMMISSION**

FOR THE

**YEAR ENDED DECEMBER 31, 2004**

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
05 APR -4 AM 10:06  
DIVISION OF  
ECONOMIC REGULATION

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

# **FINANCIAL SECTION**

## Shangri-La By The Lake Utilities, Inc.

(EXACT NAME OF UTILITY)	
1214 W. IL Route 72 Leaf River, IL 61047 <small>Mailing Address</small>	100 Shangri-La Blvd. Leesburg, FL 34788 Lake <small>Street Address County</small>
Telephone Number <u>(815) 738-2508</u>	Date Utility First Organized <u>1-1-94</u>
Fax Number <u>(815) 738-2508</u>	E-mail Address <u>jay-laura@juno.com</u>
Sunshine State One-Call of Florida, Inc. Member No. <u>680</u>	

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 W. IL 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	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>Jay E. Werner</u>	<u>Business Manager</u>	<u>1214 W. IL Route 72</u> <u>Leaf River, IL 61047</u>	
Person who prepared this report: <del>BHT + D</del> <u>BHT + D</u>	<u>CPA firm</u>	<u>356 E. Main St, PO Box 60</u> <u>Saranac, MI 48881</u>	
Officers and Managers: <u>Jay E. Werner</u>	<u>Business Manager</u>	<u>Leaf River, IL 61047</u>	\$ <u>None</u>
<u>Andrew Werner</u>	<u>Operations Manager</u>	<u>Leesburg, FL 34788</u>	\$ <u>None</u>
			\$
			\$
			\$
			\$

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	Principal Business Address	Salary Charged Utility
<u>Mertis L Werner Trust</u>	<u>50%</u>	<u>Sparta, MI</u>	\$ <u>None</u>
<u>Estate of William E. Werner</u>	<u>50%</u>	<u>Sparta, MI</u>	\$ <u>None</u>
			\$
			\$
			\$
			\$
			\$

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

AMENDED  
YEAR OF REPORT  
DECEMBER 31, 2004

**INCOME STATEMENT**

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 19,530	\$ 39,061	\$ _____	\$ 58,591
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 19,530	\$ 39,061	\$ _____	\$ 58,591
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 14,395	\$ 21,914	\$ _____	\$ 42,309
Depreciation Expense _____	F-5	3,555	10,115	_____	13,670
CIAC Amortization Expense _____	F-8	- 0 -	- 0 -	_____	- 0 -
Taxes Other Than Income _____	F-7	1,371	1,497	_____	2,868
Income Taxes _____	F-7	- 0 -	- 0 -	_____	- 0 -
Total Operating Expense _____		\$ 19,321	34,526	_____	\$ 53,847
Net Operating Income (Loss)		\$ 209	\$ (465)	\$ _____	\$ (256)
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		(11,653)	(23,343)	_____	(34,996)
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (11,444)	\$ (23,808)	\$ _____	\$ (35,252)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>392,662</u>	\$ <u>389,342</u>
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>108,584</u>	<u>94,914</u>
Net Utility Plant _____		\$ <u><del>3</del>284,078</u>	\$ <u>294,428</u>
Cash _____		<u>13,057</u>	<u>1,505</u>
Customer Accounts Receivable (141) _____			
Other Assets (Specify): _____			
Nick Receivable - Officer Report _____		<u>1,925</u>	<u>1,394</u>
			<u>352</u>
Total Assets _____		\$ <u>299,060</u>	\$ <u>297,679</u>
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) _____	F-6	<u>100</u>	<u>100</u>
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____		<u>28,000</u>	
Retained Earnings (215) _____	F-6	<u>(315,387)</u>	<u>(280,134)</u>
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		\$ <u>(287,287)</u>	\$ <u>(280,034)</u>
Long Term Debt (224) _____	F-6	\$ <u>379,387</u>	\$ <u>379,387</u>
Accounts Payable (231) _____			
Notes Payable (232) _____			
Customer Deposits (235) _____		<u>112</u>	<u>1,273</u>
Accrued Taxes (236) _____			
Other Liabilities (Specify) _____			
Accrued Interest _____		<u>206,848</u>	<u>197,053</u>
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8		
Total Liabilities and Capital _____		\$ <u>299,060</u>	\$ <u>297,679</u>

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

YEAR OF REPORT  
DECEMBER 31, 2004

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 155,337	\$ 237,325	\$ _____	\$ 392,662
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 155,337	\$ 237,325	\$ _____	\$ 392,662

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 20,871	\$ 74,043	\$ _____	\$ 94,914
<b>Add Credits During Year:</b>				
Accruals charged to depreciation account _____	\$ 3,555	\$ 10,115	\$ _____	\$ 13,670
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ 24,426	\$ 84,158	\$ _____	\$ 108,584
<b>Deduct Debits During Year:</b>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 24,426	\$ 84,158	\$ _____	\$ 108,584

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

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

CAPITAL STOCK ( 201 - 204 )

	Common Stock	Preferred Stock
Par or stated value per share _____	<u>1</u>	<u>n/a</u>
Shares authorized _____	<u>500</u>	_____
Shares issued and outstanding _____	<u>100</u>	_____
Total par value of stock issued _____	<u>100</u>	_____
Dividends declared per share for year _____	<u>0</u>	_____

RETAINED EARNINGS ( 215 )

	Appropriated	Un-Appropriated
Balance first of year _____	<u>\$ (280,134)</u>	\$ _____
Changes during the year (Specify): _____	<u>(35,253)</u>	_____
_____	_____	_____
Balance end of year _____	<u>\$ (315,387)</u>	\$ _____

PROPRIETARY CAPITAL ( 218 )

	Proprietor Or Partner	Partner
Balance first of year _____	<u>\$ n/a</u>	\$ _____
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		Principal per Balance Sheet Date
	Rate	# of Pymts	
<u>note payable</u>	<u>6.00%</u>	<u>360</u>	<u>\$ 319,387</u>
_____	_____	_____	_____
Total _____	_____	_____	<u>\$ 319,387</u>



**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 _____	1,246	1,246	_____	2492
Other (Specify) _____	_____	_____	_____	_____
<u>PIR TAXES</u>	125	251	_____	376
Total Tax Expense _____	\$ 1,371	\$ 1,497	\$ _____	\$ 2,868

**PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar 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 Utility Corp	\$ 4697	\$ <del>653</del> 6513	operator Management
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

**CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )**

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>nla</u>	\$ <u>nla</u>	\$ _____
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
_____		_____	<u>nla</u>	<u>nla</u>
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
Sub-total _____			\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			Water	Wastewater
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 _____	\$ <u>nla</u>	\$ <u>nla</u>	\$ _____
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, 2004
-------------------------------------

**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	\$ <u>n/a</u>	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	<u>100.00</u> %		_____ %

(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, 2004

**SCHEDULE "B"**

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

*n/a*

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)	_____	_____	_____	_____	_____
<b>Total</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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


**WATER  
OPERATING  
SECTION**

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

YEAR OF REPORT  
DECEMBER 31, 2004

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		%		\$ 450	\$	\$ 100	\$ 550
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%		4,297		128	5,005
307	Wells and Springs		%					
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment		%		3,146		472	3,618
320	Water Treatment Equipment		%					
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains		%					
333	Services		%		10,050		1,340	11,390
334	Meter & Meter Installations		%		2,351		576	2,927
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment		%		577		339	916
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				\$ 20,871	\$	\$ 3,555	\$ 24,426 *

\* This amount should tie to Sheet F-5.

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

YEAR OF REPORT  
DECEMBER 31, 2004

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	23,523			23,523
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment	1,184	2,040		3,224
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	\$ 153,297	\$ 2,040	\$	\$ 155,337

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

YEAR OF REPORT  
DECEMBER 31, 2004

**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 1,600
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	
610	Purchased Water	
615	Purchased Power	
616	Fuel for Power Production	96
618	Chemicals	
620	Materials and Supplies	1,433
630	Contractual Services:	
	Billing	
	Professional	1,717
	Testing	
	Other	8,271
640	Rents	
650	Transportation Expense	
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	1,278
	Total Water Operation And Maintenance Expense	\$ 14,395 *

\* This amount should tie to Sheet F-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)	
<b>Residential Service</b>					
5/8"	D	1.0	146	148	148
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
<b>General Service</b>					
5/8"	D	1.0	0	2	2
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)					
** D = Displacement C = Compound T = Turbine			<b>Total</b>		
			146	150	150



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

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	(b) Water Purchased For Resale (Omit 000's)	(c) Finished Water From Wells (Omit 000's)	(d) Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	(e) Total Water Pumped And Purchased (Omit 000's) [ (b)+(c)-(d) ]	(f) Water Sold To Customers (Omit 000's)
January		619		619	447
February		576		576	443
March		737		737	760
April		835		835	527
May		913		913	581
June		652		652	1,255
July		464		464	390
August		357		357	377
September		538		538	901
October		513		513	318
November		650		650	423
December		489		489	725
Total for Year		7,343		7,343	7,147

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			unknown

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

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

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			

SOURCE OF SUPPLY

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Permitted Gals. per day _____	47,698	_____	_____
Type of Source _____	ground	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	Aeration	_____	_____
Make _____	Job	_____	_____
Permitted Capacity (GPD) _____	47,698	_____	_____
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, 2004

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. 366
2. Maximum number of ERCs \* which can be served. 366
3. Present system connection capacity (in ERCs \*) using existing lines. 366
4. Future connection capacity (in ERCs \*) upon service area buildout. 216
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 for future expansion
9. When did the company last file a capacity analysis report with the DEP? unknown
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, 2004
-------------------------------------

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 _____	164,000	_____	_____	164,000
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	_____	_____	_____	_____
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	26,000	_____	_____	26,000
380	Treatment and Disposal Equipment _____	26,000	_____	_____	26,000
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment _____	1,183	1,280	_____	2,463
390	Office Furniture and Equipment _____	1,500	_____	_____	1,500
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 _____	17,362	_____	_____	17,362
	Total Wastewater Plant _____	\$ 236,045	\$ 1,280	\$ _____	\$ 237,325 *

\* This amount should tie to sheet F-5.

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

YEAR OF REPORT  
DECEMBER 31, 2004

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		%	%	51,250		6833	58,083
362	Special Collecting Structures		%	%				
363	Services to Customers		%	%				
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%				
371	Pumping Equipment		%	%	8,125		1,083	9,208
380	Treatment and Disposal Equipment		%	%	8,125		1,083	9,208
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment		%	%	517		177	754
390	Office Furniture and Equipment		%	%	821		215	1,036
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		%	%	5,145		724	5,869
	Totals				\$ 74,043	\$	\$ 10,115	\$ 84,158 *

\* This amount should tie to Sheet F-5.

**WASTEWATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 3,200
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	1,660
715	Purchased Power	
716	Fuel for Power Production	192
718	Chemicals	
720	Materials and Supplies	4151
730	Contractual Services:	
	Billing	
	Professional	3,435
	Testing	
	Other	12,130
740	Rents	
750	Transportation Expense	
755	Insurance Expense	
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	
775	Miscellaneous Expenses	3,146
	Total Wastewater Operation And Maintenance Expense	\$ 27,914 *

\* 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	141	142	142
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			141	142	142

\*\* D = Displacement  
C = Compound  
T = Turbine



**PUMPING EQUIPMENT**

Lift Station Number _____	<u>1</u>	<u>2</u>	<u>3</u>	_____	_____	_____
Make or Type and nameplate data on pump _____	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>	_____	_____	_____
Year installed _____	<u>1983</u>	<u>1983</u>	<u>2002</u>	_____	_____	_____
Rated capacity _____	_____	_____	_____	_____	_____	_____
Size _____	<u>24</u>	<u>24</u>	<u>3</u>	_____	_____	_____
Power:				_____	_____	_____
Electric _____	<u>yes</u>	<u>yes</u>	<u>yes</u>	_____	_____	_____
Mechanical _____	<u>no</u>	_____	_____	_____	_____	_____
Nameplate data of motor _____	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>	_____	_____	_____

**SERVICE CONNECTIONS**

Size (inches) _____	<u>3</u>	<u>3</u>	<u>3</u>	_____	_____	_____
Type (PVC, VCP, etc.) _____	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	_____	_____	_____
Average length _____	<u>unknown</u>	_____	_____	_____	_____	_____
Number of active service connections _____	<u>unknown</u>	<u>unknown</u>	<u>10</u>	_____	_____	_____
Beginning of year _____	<u>unknown</u>	<u>unknown</u>	<u>10</u>	_____	_____	_____
Added during year _____	<u>0</u>	<u>0</u>	<u>10</u>	_____	_____	_____
Retired during year _____	<u>0</u>	<u>0</u>	<u>0</u>	_____	_____	_____
End of year _____	<u>unknown</u>	<u>unknown</u>	<u>10</u>	_____	_____	_____
Give full particulars concerning inactive connections _____	<u>na</u>	_____	_____	_____	_____	_____

**COLLECTING AND FORCE MAINS**

	Collecting Mains				Force Mains			
Size (inches) _____	<u>4</u>	_____	_____	_____	<u>4</u>	_____	_____	_____
Type of main _____	<u>PVC</u>	_____	_____	_____	<u>PVC</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.**

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**TREATMENT PLANT**

Manufacturer _____	General Environmental EG, Inc. Mod 75	_____	_____
Type _____	Activated Sludge	_____	_____
"Steel" or "Concrete" _____	Steel	_____	_____
Total Permitted Capacity _____	50,000 GPD	_____	_____
Average Daily Flow _____	6,000 GPD	_____	_____
Method of Effluent Disposal _____	Sprayfield + Percolation pond	_____	_____
Permitted Capacity of Disposal _____	50,000 GPD	_____	_____
Total Gallons of Wastewater treated _____	4,407,000	_____	_____

**MASTER LIFT STATION PUMPS**

Manufacturer _____	n/a	_____	_____	_____	_____	_____
Capacity (GPM's) _____	_____	_____	_____	_____	_____	_____
Motor:						
Manufacturer _____	_____	_____	_____	_____	_____	_____
Horsepower _____	_____	_____	_____	_____	_____	_____
Power (Electric or Mechanical) _____	_____	_____	_____	_____	_____	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	353,000	_____	353,000
February _____	368,000	_____	368,000
March _____	365,000	_____	365,000
April _____	310,000	_____	310,000
May _____	351,000	_____	351,000
June _____	328,000	_____	328,000
July _____	273,000	_____	273,000
August _____	370,000	_____	370,000
September _____	meter broke	_____	meter broke
October _____	268,000	_____	268,000
November _____	475,000	_____	475,000
December _____	946,000	_____	946,000
Total for year _____	4,407,000	_____	4,407,000

If Wastewater Treatment is purchased, indicate the vendor: \_\_\_\_\_

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

YEAR OF REPORT  
DECEMBER 31, 2004

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. 142

2. Maximum number of ERCs\* which can be served. 588

3. Present system connection capacity (in ERCs\*) using existing lines. 588

4. Future connection capacity (in ERCs\*) upon service area buildout. 446

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 expansion

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? September 2001

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 # FLA010521

\* 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.

*[Signature]* \*  
(signature of chief executive officer of the utility)

Date: March 30, 2005

1.  2.  3.  4.

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

Date: March 30, 2005

\* 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.

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

**Company:**

**For the Year Ended December 31, 2004**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 19,530	\$ 19,530	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
<b>Total Water Operating Revenue</b>	<b>\$ 19,530</b>	<b>\$ 19,530</b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Water Operating Revenues</b>	<b>\$ 19,530</b>	<b>\$ 19,530</b>	<b>\$ _____</b>

Explanations:

Instructions:

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

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

**Company:**

**For the Year Ended December 31, 2004**

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 39,061	\$ 39,061	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
<b>Total Wastewater Operating Revenue</b>	<b>\$ 39,061</b>	<b>\$ 39,061</b>	<b>\$ _____</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>	_____	_____	_____
<b>Net Wastewater Operating Revenues</b>	<b>\$ 39,061</b>	<b>\$ 39,061</b>	<b>\$ _____</b>

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).