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CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS728-05-AR
Shangri-La by the Lake Utilities, Inc.
1214 West IL Route 72
Leaf River, IL 61047-9614

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2005

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FINANCIAL SECTION

REPORT OF

Shangri-La By The Lake Utilities, Inc.

1214 W RT 72
LEAF REVER FL 61047
Mailing Address

100 SHANGRI-LA BLVD
LEESBURG FL 34788
Street Address

LAKE
County

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

Fax Number 815-738-2508 E-mail Address

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: JAY E. WERNER 1214 W. RT 72
LEAF REVER FL 61047

Name of subdivisions where services are provided: WERNER + WERNER INC DBA SHANGRI-LA
BY THE LAKE, EAGLE POINT

CONTACTS

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: JAY E. WERNER	BUSINESS MGR.	1214 W RT 72 LEAF REVER FL 61047	
Person who prepared this report: BHT+D	CPA FIRM	356 E MAIN ST PO BOX 60 SPARTA MI 48881	
Officers and Managers: JAY E WERNER	BUSINESS MGR	LEAF REVER	\$ 0
ANDREW WERNER	OPERATION MGR	LEESBURG FL	\$ 0
			\$
			\$
			\$
			\$

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
ROBERTS L WERNER	50%	SPARTA MI	\$ 0
ESTATE OF WILLIAM WERNER	50%	SPARTA MI	\$ 0
			\$
			\$
			\$
			\$

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

AMENDED
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INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ 20,418	\$ 41,270	\$ _____	\$ 61,688
Commercial -----		_____	_____	_____	_____
Industrial -----		_____	_____	_____	_____
Multiple Family -----		_____	_____	_____	_____
Guaranteed Revenues -----		_____	_____	_____	_____
Other (Specify) -----		_____	_____	_____	_____
Total Gross Revenue -----		\$ 20,418	\$ 41,270	\$ _____	\$ 61,688
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 24,671	\$ 39,659	\$ _____	\$ 64,330
Depreciation Expense -----	F-5	3,792	10,367	_____	14,159
CIAC Amortization Expense -----	F-8	5,919	11,836	_____	17,755
Taxes Other Than Income -----	F-7	1,147	1,415	_____	2,562
Income Taxes -----	F-7	- 0 -	- 0 -	- 0 -	- 0 -
Total Operating Expense		\$ 35,529	\$ 63,277	_____	\$ 98,806
Net Operating Income (Loss)		\$ (15,111)	\$ (22,007)	\$ _____	\$ (37,118)
Other Income:					
Nonutility Income -----		\$ _____	\$ _____	\$ _____	\$ _____
-----		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense -----		(11,795)	(23,589)	_____	(35,384)
-----		_____	_____	_____	_____
-----		_____	_____	_____	_____
Net Income (Loss)		\$ (26,906)	\$ (45,596)	\$ _____	\$ (72,502)

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

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COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>409,486</u>	\$ <u>392,662</u>
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>122,743</u>	<u>108,584</u>
Net Utility Plant _____		\$ <u>286,743</u>	\$ <u>284,078</u>
Cash _____		<u>14,329</u>	<u>13,057</u>
Customer Accounts Receivable (141) _____			
Other Assets (Specify): _____			
<u>NOTE RECEIVABLE - OPAISCOIL</u>		<u>1,925</u>	<u>1,925</u>

Total Assets _____		\$ <u>302,997</u>	\$ <u>299,060</u>
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	<u>100</u>	<u>100</u>
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____		<u>30,800</u>	<u>28,000</u>
Retained Earnings (215) _____	F-6	<u>(340,328)</u>	<u>(315,387)</u>
Proprietary Capital (Proprietary and Partnership only) (218) _____	F-6		
Total Capital _____		\$ <u>(309,428)</u>	\$ <u>(287,287)</u>
Long Term Debt (224) _____	F-6	\$ <u>(386,082)</u>	\$ <u>(379,387)</u>
Accounts Payable (231) _____			
Notes Payable (232) _____			
Customer Deposits (235) _____			<u>112</u>
Accrued Taxes (236) _____			
Other Liabilities (Specify) _____			
<u>ACCRUED INTEREST</u>		<u>(208,633)</u>	<u>206,848</u>

Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>17,755</u>	<u>0</u>
Total Liabilities and Capital _____		\$ <u>302,997</u>	\$ <u>299,060</u>

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

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GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>164,259</u>	\$ <u>245,227</u>	\$ _____	\$ <u>409,486</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>164,259</u>	\$ <u>245,227</u>	\$ _____	\$ <u>409,486</u>

ACCUMULATED DEPRECIATION (AD) AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ <u>24,426</u>	\$ <u>84,158</u>	\$ _____	\$ <u>108,584</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ <u>3792</u>	\$ <u>10367</u>	\$ _____	\$ <u>14,159</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>28,218</u>	\$ <u>94,525</u>	\$ _____	\$ <u>122,743</u>
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>28,218</u>	\$ <u>94,525</u>	\$ _____	\$ <u>122,743</u>

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

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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>(315,387)</u>	\$ _____
Changes during the year (Specify): <u>NET LOSS 2005</u>	<u>(52,991)</u>	_____
<u>PRIOR YEAR O.P.I.C. CLOSED & RETAINED EARNINGS</u>	<u>27,000</u>	_____
Balance end of year _____	\$ <u>(340,378)</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>386,087</u>
_____	_____	_____	_____
Total _____			\$ <u>386,087</u>

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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 _____	878	878	_____	1756
Other (Specify) <u>payroll</u> _____	269	537	_____	806
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Tax Expense _____	\$ <u>1147</u>	\$ <u>1415</u>	\$ _____	\$ <u>2562</u>

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
<u>General Utility</u>	\$ 4,510	\$ 5,701	<u>Operator Management</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

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

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CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
2) Add credits during year _____	\$ <u>5,919</u>	\$ <u>11,836</u>	\$ <u>17,755</u>
3) Total _____	<u>5,919</u>	<u>11,836</u>	<u>17,755</u>
4) Deduct charges during the year _____	<u>0</u>	<u>0</u>	<u>0</u>
5) Balance end of year _____	<u>5,919</u>	<u>11,836</u>	<u>17,755</u>
6) Less Accumulated Amortization _____	<u>0</u>	<u>0</u>	<u>0</u>
7) Net CIAC _____	\$ <u>5,919</u>	\$ <u>11,836</u>	\$ <u>17,755</u>

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>FIBER HOLDINGS</u>	<u>CASH</u>	<u>502</u>	<u>1003</u>
<u>EAGLE POINT</u>	<u>CASH</u>	<u>5000</u>	<u>10,000</u>
Sub-total _____		\$ <u>5,502</u>	\$ <u>11,003</u>
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	
<u>METER INSTALL FEE</u>	<u>10</u>	\$ <u>125</u>	\$ <u>417</u>
Total Credits During Year (Must agree with line # 2 above.) _____		\$ <u>5,919</u>	\$ <u>11,836</u>

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ _____	\$ _____	\$ _____
Add Debits During Year: _____	_____	_____	_____
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ _____	\$ _____	\$ <u>0</u>

**** COMPLETIC**

S CHARGED DURING YEAR **

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

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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>N/A</u>	<u>100.00</u> %		<u>N/A</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. -

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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 (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	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>

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

**WATER
OPERATING
SECTION**

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

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WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises	_____	_____	_____	_____
303	Land and Land Rights	_____	_____	_____	_____
304	Structures and Improvements	<u>5,000</u>	_____	_____	<u>5,000</u>
305	Collecting and Impounding Reservoirs	_____	_____	_____	_____
306	Lake, River and Other Intakes	_____	_____	_____	_____
307	Wells and Springs	<u>36,412</u>	_____	_____	<u>36,412</u>
308	Infiltration Galleries and Tunnels	_____	_____	_____	_____
309	Supply Mains	_____	_____	_____	_____
310	Power Generation Equipment	_____	_____	_____	_____
311	Pumping Equipment	<u>20,178</u>	<u>1,572</u>	_____	<u>21,750</u>
320	Water Treatment Equipment	_____	_____	_____	_____
330	Distribution Reservoirs and Standpipes	_____	_____	_____	_____
331	Transmission and Distribution Lines	<u>62,000</u>	<u>7,350</u>	_____	<u>74,350</u>
333	Services	_____	_____	_____	_____
334	Meters and Meter Installations	<u>23,523</u>	_____	_____	<u>23,523</u>
335	Hydrants	_____	_____	_____	_____
336	Backflow Prevention Devices	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment	<u>3,224</u>	_____	_____	<u>3,224</u>
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	\$ <u>155,337</u>	\$ <u>8922</u>	\$ _____	\$ <u>164,259</u>

Shangri-La By The Lake Utilities, Inc.

UTILITY NAME: _____

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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		%	%	\$ 550	\$	\$ 100	\$ 650
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	%	5035		729	5754
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equipment		%	%	3,618		512	4,130
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%	11,390		1,114	12,504
333	Services		%	%				
334	Meter & Meter Installations		%	%	2,920		577	3,504
335	Hydrants		%	%				
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%	916		460	1,376
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				\$ 24,426	\$	\$ 3,792	\$ 28,218

* This amount should tie to Sheet F-5.

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

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WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees _____	\$ 1,463
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 _____	130
618	Chemicals _____	59
620	Materials and Supplies _____	4,976
630	Contractual Services:	
	Billing _____	_____
	Professional _____	4,993
	Testing _____	_____
	Other _____	7,353
640	Rents _____	2,469
650	Transportation Expense _____	_____
655	Insurance Expense _____	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	579
670	Bad Debt Expense _____	_____
675	Miscellaneous Expenses _____	2,649
	Total Water Operation And Maintenance Expense _____	\$ 24,671 *

* 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)	
Residential Service					
5/8"	D	1.0	148	158	158
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
General Service					
5/8"	D	1.0	2	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	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Total			<u>150</u>	<u>160</u>	<u>160</u>

** D = Displacement
 C = Compound
 T = Turbine

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

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SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January		680		680	474
February		710		710	522
March		604		604	327
April		805		805	524
May		663		663	522
June		580		580	878
July		309		309	404
August		554		554	428
September		312		312	746
October		542		542	362
November		695		695	460
December		633		633	862
Total for Year		7087	0033	7,054	7,013

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	UNKNOWN

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

YEAR OF REPORT
DECEMBER 31, 2005

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982	2001	_____	_____
Types of Well Construction and Casing _____	SUBMERSIBLE CAST	SUBMERSIBLE CAST	_____	_____
Depth of Wells _____	350	330	_____	_____
Diameters of Wells _____	6"	8"	_____	_____
Pump - GPM _____	275	850	_____	_____
Motor - HP _____	10	30	_____	_____
Motor Type * _____	SUBMERSIBLE	SUBMERSIBLE	_____	_____
Yields of Wells in GPD _____	9,708	9,708	_____	_____
Auxiliary Power _____	NONE	YES	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	STEEL	CONCRETE	STEEL	_____
Capacity of Tank _____	3000	15,000	5000	_____
Ground or Elevated _____	GROUND	GROUND	GROUND	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	BALDOR	_____	_____	_____
Type _____	SMM 3215	_____	_____	_____
Rated Horsepower _____	7.5	_____	_____	_____
Pumps				
Manufacturer _____	GOULD	_____	_____	_____
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, 2007

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day _____	54,109	_____	_____
Type of Source _____	GROUND	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	AERATION	_____	_____
Make _____	SOB	_____	_____
Permitted Capacity (GPD) _____	54,109	_____	_____
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 _____	YES	_____	_____

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

YEAR OF REPORT
DECEMBER 31, 2007

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. 439

2. Maximum number of ERCs * which can be served. 439

3. Present system connection capacity (in ERCs *) using existing lines. 439

4. Future connection capacity (in ERCs *) upon service area buildout. 281

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 ~~66~~ 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

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 SFR 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, 2005

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	7,902	_____	33,902
380	Treatment and Disposal Equipment _____	26,000	_____	_____	26,000
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment _____	2,463	_____	_____	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 _____	\$ 237,325	\$ 7,902	\$ _____	\$ 245,227

* This amount should tie to sheet F-5.

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

AMENDED
YEAR OF REPORT
DECEMBER 31, 2005

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		%	%	58,083		6,833	64,916
361	Collection Sewers - Gravity		%	%				
362	Special Collecting Structures		%	%				
363	Services to Customers		%	%				
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%	9,208		1,207	10,415
371	Pumping Equipment		%	%	9,208		1,157	10,365
380	Treatment and Disposal Equipment		%	%				
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment		%	%	754		233	987
390	Office Furniture and Equipment		%	%	1,036		214	1,250
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		%	%	5,869		723	6,592
398	Other Tangible Plant		%	%				
	Totals				\$ 84,158	\$	\$ 10,367	\$ 94,525 *

* This amount should tie to Sheet F-5.

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

YEAR OF REPORT
DECEMBER 31, 2005

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees _____	\$ 2,970
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 _____	
716	Fuel for Power Production _____	258
718	Chemicals _____	
720	Materials and Supplies _____	5,983
730	Contractual Services:	
	Billing _____	
	Professional _____	7,083
	Testing _____	
	Other _____	11,510
740	Rents _____	3,129
750	Transportation Expense _____	
755	Insurance Expense _____	
765	Regulatory Commission Expenses (Amortized Rate Case Expense) _____	1,176
770	Bad Debt Expense _____	
775	Miscellaneous Expenses _____	3,550
	Total Wastewater Operation And Maintenance Expense _____	\$ 39,659*

* This amount should tie to Sheet F-3.

WASTEWATER 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	D	1.0	142	152	152
All meter sizes					
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					
Other (Specify)					
** D = Displacement C = Compound T = Turbine			Total	142	152
				152	152

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

YEAR OF REPORT
DECEMBER 31, 2005

PUMPING EQUIPMENT

Lift Station Number _____	1	2	3	_____	_____	_____
Make or Type and nameplate data on pump _____	UNKNOWN	UNKNOWN	UNKNOWN	_____	_____	_____
Year installed _____	1983	1983	2002	_____	_____	_____
Rated capacity _____	_____	_____	_____	_____	_____	_____
Size _____	2H	2H	3H	_____	_____	_____
Power:				_____	_____	_____
Electric _____	X	X	X	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	2H	2H	3H	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	3	3	3	_____	_____	_____
Type (PVC, VCP, etc.) _____	PVC	PVC	PVC	_____	_____	_____
Average length _____	UNKNOWN	UNKNOWN	UNKNOWN	_____	_____	_____
Number of active service connections _____	UNKNOWN	UNKNOWN	20	_____	_____	_____
Beginning of year _____	UNKNOWN	UNKNOWN	10	_____	_____	_____
Added during year _____	0	0	0	_____	_____	_____
Retired during year _____	0	0	0	_____	_____	_____
End of year _____	0	0	20	_____	_____	_____
Give full particulars concerning inactive connections _____	N/A	N/A	N/A	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains		
Size (inches) _____	4	_____	_____	4	_____	_____
Type of main _____	PVC	_____	_____	PVC	_____	_____
Length of main (nearest foot) _____	UNKNOWN	_____	_____	UNKNOWN	_____	_____
Beginning of year _____	UNKNOWN	_____	_____	UNKNOWN	_____	_____
Added during year _____	0	_____	_____	0	_____	_____
Retired during year _____	0	_____	_____	0	_____	_____
End of year _____	UNKNOWN	_____	_____	UNKNOWN	_____	_____

MANHOLES

Size (inches) _____	48	_____	_____
Type of Manhole _____	CONCRETE	_____	_____
Number of Manholes:			
Beginning of year _____	5	_____	_____
Added during year _____	0	_____	_____
Retired during year _____	0	_____	_____
End of Year _____	5	_____	_____

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

AMENDED
YEAR OF REPORT
DECEMBER 31, 2005

SYSTEM NAME: _____

TREATMENT PLANT

Manufacturer _____	General Environmental EG Inc.	_____	_____
Type _____	Activated Sludge	_____	_____
"Steel" or "Concrete" _____	Steel	_____	_____
Total Permitted Capacity _____	50,000 GPD	_____	_____
Average Daily Flow _____	10,457 GPD	_____	_____
Method of Effluent Disposal _____	Sprayfield/Perkolation Pond	_____	_____
Permitted Capacity of Disposal _____	50,000 GPD	_____	_____
Total Gallons of Wastewater treated _____	3,817,000	_____	_____

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 _____	525,000	_____	525,000
February _____	301,000	_____	301,000
March _____	378,000	_____	378,000
April _____	300,000	_____	300,000
May _____	259,000	_____	259,000
June _____	328,000 est	_____	328,000 est
July _____	273,000 est	_____	273,000 est
August _____	370,000 est	_____	370,000 est
September _____	350,000 est	_____	350,000 est
October _____	327,000	_____	327,000
November _____	364,000	_____	364,000
December _____	312,000	_____	312,000
Total for year _____	4,087,000 est	_____	4,087,000 est

If Wastewater Treatment is purchased, indicate the vendor: _____

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

YEAR OF REPORT
DECEMBER 31, 2005

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. 152
2. Maximum number of ERCs* which can be served. 495 USED WATER METER #s
3. Present system connection capacity (in ERCs*) using existing lines. 495
4. Future connection capacity (in ERCs*) upon service area buildout. 343
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 66 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 # FLA 010521

* 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 SFR 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).

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

YEAR OF REPORT
DECEMBER 31, 2005

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: 3-19-06

1. 2. 3. 4.

[Signature]
(signature of Chief Financial Officer of the utility) *

Date: 3-19-06

* 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, 2005

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ <u>20,418</u>	\$ <u>20,418</u>	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Water Operating Revenue	\$ <u>20,418</u>	\$ <u>20,418</u>	\$ _____
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$ <u>20,418</u>	\$ <u>20,418</u>	\$ _____

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, 2005

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ <u>41,270</u>	\$ <u>41,270</u>	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Wastewater Operating Revenue	\$ <u>41,270</u>	\$ <u>41,270</u>	\$ _____
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	_____	_____	_____
Net Wastewater Operating Revenues	\$ <u>41,270</u>	\$ <u>41,270</u>	\$ _____

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).