

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02474A
KRAUS INVESTMENTS L.C.
D.B.A. SHANGRI-LA RANCH
A.K.A SHANGRI-LA WATER WORKS
AK A SHANGRI-LA WASTE WATER TREATMENT
PLANT.
4444 N SHANGRI-LA LN.
NEW RIVER, AZ 85087

RECEIVED

APR 04 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water & Sewer

FOR YEAR ENDING

12	31	2013
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FOR COMMISSION USE

ANN 04-05	13
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4-4-14

COMPANY INFORMATION

Company Name (Business Name) SHANGRI-LA RANCH

Mailing Address 4444 N. SHANGRI-LA LN
(Street)
NEW RIVER, AZ 85087
(City) (State) (Zip)

Telephone No. (Include Area Code) 623-465-5959 **Fax No. (Include Area Code)** 623-465-5900 **Cell No. (Include Area Code)** 602-320-7373

Email Address HORST@SHANGRILARANCH.COM

Local Office Mailing Address SAME AS ABOVE
(Street)
(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) _____ **Fax No. (Include Area Code)** _____ **Cell No. (Include Area Code)** _____

Email Address _____

MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: HORST KRAUS
(Name) (Title)

SAME AS ABOVE
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) _____ **Fax No. (Include Area Code)** _____ **Cell No. (Include Area Code)** _____

Email Address SAME AS ABOVE

On Site Manager: HORST KRAUS
(Name)

SAME AS ABOVE
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) _____ **Fax No. (Include Area Code)** _____ **Cell No. (Include Area Code)** _____

Email Address _____

Statutory Agent: HORST KRAUS
 (Name)

SAME AS ABOVE
 (Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: NONE
 (Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input checked="" type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe)	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input checked="" type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME

SHANGRI-LA RANCH

WATER CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoir			
330.1	Storage Tanks			
330.2	Pressure			
331				
332				
	Devices			
	Misc. Equipment			
34	Furniture and Equipment			
340.1	Computers & Software			
341	Transportation 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			

NOT APPLICABLE

Shangri-La Waterworks [operating under M.C. Environmental Service Permit #07660] provides water only to Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721] an Arizona L.L.C. The water pumped is for the sole use of the permanent and transient tenants of the Trailer court park without charge. All expenses are at net-net carried by Kraus Investments L.C. No water is being sold to 3rd parties, and no financial profits are being generated

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403

COMPANY NAME

SHANGRI-LA RANCH

SEWER UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	Q.C.L.D. (Net Book Value less AD)
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			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Devices			
370	Receiving Structures			
380	Receiving Structures			
391	Equipment			
393	Trailer and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS			

NOT APPLICABLE

Shangri-La Waste Water Treatment Plant [operating under M.C. Environmental Service Permit #37193 and State of Arizona Aquifer Protection Permit NO.P-105508] provides Waste water treatment only for Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721] without charge. Both entities are wholly owned by Kraus Investments L.C., an Arizona L.L.C. The Treated Waste water is re-used for ornamental plant sub-surface irrigation on the grounds of the Trailer court park. All expenses are at net-net carried by Kraus Investments L.C. No one is being charged for Waste water treatment, and no financial profits are being generated.

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME

SHANGRI-LA RANCH

SEWER CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
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			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devi			
365	Flow Measurin			
370	Receivi			
380	T			
390				
391				
392				
393	Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS			

NOT APPLICABLE

Shangri-La Waste Water Treatment Plant [operating under M.C. Environmental Service Permit #37193 and State of Arizona Aquifer Protection Permit NO.P-105508] provides Waste water treatment only for Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721] an Arizona L.L.C. The Treated Waste water is re-used for ornamental plant sub-surface irrigation on the grounds of the Trailer court park without charge.

All expenses are at net-net carried by Kraus Investments L.C., No one is being charged for Waste water treatment, and no financial profits are being generated

This amount goes on the Comparative Statement of Income and Expense Acct. 403

COMPANY NAME SHANGRI - LA RANCH

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Com		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous C		
	TOTAL		

NOT APPLICABLE

Shangri-La Waterworks [operating under M.C. Environmental Service Permit #07660] provides water only to Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721]

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\$ _____

...ues and Capital on the following page.

COMPANY NAME SHANGRI-LA RANCH

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITIES			
231	Accounts Payable		
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current		
	TOTAL CURRENT LIABILITIES		
224	Long-Term Debt		
	TOTAL LIABILITIES		
	TOTAL LIABILITIES AND CAPITAL		

NOT APPLICABLE
 Shangri-La Waterworks [operating under M.C. Environmental Service Permit #07660] provides water only to Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721]

NOT APPLICABLE
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 Both entities are wholly owned by Kraus Investments L.C., an Arizona L.L.C. The Treated Waste water is re-used for ornamental plant sub-surface irrigation on the grounds of the Trailer court park and no financial profits are being generated.

COMPANY NAME

SHANGRI-LA RANCH

WATER COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Exp		
630	Outside Services		
635	Water Testin		
641	Rents		
650	T		
657			
	OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$	\$

NOT APPLICABLE

Shangri-La Waterworks [operating under M.C. Environmental Service Permit #07660] provides water only to Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721] an Arizona L.L.C. The water pumped is for the sole use of the permanent and transient tenants of the Trailer court park without charge. All expenses are at net-net carried by Kraus Investments L.C. No water is being sold to 3rd parties, and no financial profits are being generated.

COMPANY NAME **SHANGRI-LA RANCH**

SEWER COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$	\$
522	Measured Revenues		
536	Other Wastewater Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
701	Salaries and Wages	\$	
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power		
716	Fuel for Power Production		
718	Chemicals		
720	Materials and Supplies		
731	Contractual Services - Prof		
735	Contractual Services		
736	Contractual Services		
740	Rents		
750	Trans		
755			
765			
	EXPENSES	\$	\$
	INCOME/EXPENSE		
415	Dividend Income	\$	\$
421	Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXPENSE	\$	\$
	NET INCOME/(LOSS)	\$	\$

NOT APPLICABLE

Shangri-La Waste Water Treatment Plant [operating under M.C. Environmental Service Permit #37193 and State of Arizona Aquifer Protection Permit NO.P-105508] provides Waste water treatment only for Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721] an Arizona L.L.C. The Treated Waste water is re-used for ornamental plant sub-surface irrigation on the grounds of the Trailer court park All expenses are at net-net carried by Kraus Investments L.C., and no financial profits are being generated without charge.

COMPANY NAME SHAWGR-LA RANCH

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

NO DEBTS NO INTERESTS

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

NO METERS
NO DEPOSITS

COMPANY NAME SHANGRI-LA RANCH
Name of System: ADEQ Public Water System Number: 56-002319.0000

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
212375	3/4	6.00	480	6"	3/4	2006
582847	1.5	15.00	395	5"	3/4	2000
800892	1/2	2.00	540	6"	3/4	1984
800874	1/2	2.00	370	6"	3/4	1978
800898	1.5	4.00	400	10"	3/4	1970
800895	1/2	1.50	395	6"	3/4	1970

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
	—	—
	—	—

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20000	2	80	5
15000	1		
1000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME SHAWLER-LA RANCH
 Name of System: _____ ADEQ Public Water System Number: SL-002319.000

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)	
2	NONE LARGER THAN 1 1/2"		
3			
4			
5			
6			
8			
10			
12			

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	No CUSTOMER METER
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

CHLORINATOR
FILTER
RO SYSTEM
WATER SOFTENER

STRUCTURES:

NONE

OTHER:

NONE

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: SHANGRI-LA RANCH
 Name of System: _____ ADEQ Public Water System Number: SC-002319.0000

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY			440	
FEBRUARY			430	
MARCH			370	
APRIL			323	
MAY			267	
JUNE			231	
JULY			251	
AUGUST			235	
SEPTEMBER			299	
OCTOBER			388	
NOVEMBER			427	
DECEMBER			460	
TOTALS →				

SEE ATTACHED LAB REPORT

What is the level of arsenic for each well on your system? 0.0074 mg/l
 (If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? NONE GPM for ___ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 () Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER INORGANIC CHEMICAL ANALYSIS REPORT
 *** SAMPLES TO BE TAKEN AT P.O.E. ONLY***

PWS ID#: AZ04 07-660 PWS Name: Shangri La Resort

03/30/2013 14:00 (24 hr clock)
 Sample date Sample time
(623) 465-0760
 Owner / Contact Fax Number

Pat Dixon
 Owner / Contact Person Name
(602) 501-5124
 Owner / Contact Person Phone Number

Sample Type
 Compliance Monitoring
 Sample Collection Point
 EPDS# 001
SL POE 001
 Sampling Site ID

For MCL or Composite Level Exceedance	
_____	Original Violation Specimen Number
Sample Type	
<input type="checkbox"/>	Confirmation
<input type="checkbox"/>	Confirmation Composite

INORGANIC CHEMICAL ANALYSIS
 >>> To be filled out by laboratory personnel <<<

Analysis Method	MCL	Reporting Limit	Contaminant Name	Cont. Code	Analysis Run Date	Result	Exceeds MCL	Exceeds Trigger Limit
EPA 200.8	0.01	0.0010	Arsenic	1005	04/02/2013 11:42	0.0074	<input type="checkbox"/>	

>>>> LABORATORY INFORMATION <<<<<
 To be filled out by laboratory personnel

Lab ID Number: AZ0004
 SPECIMEN NUMBER 3040079-01
 Name: Legend Technical Services of Arizona
 Printed Name and Phone Number of Lab Contact: Cory Lund (602)324-6100
 Authorized Signature: _____
 Date Public Water System Notified: _____
 Comments: _____

All units must be reported in milligrams per liter (mg/L)
 * Contaminants without an MCL
 DWAR 2IN: Revised 8/2009

PAGE 15A

COMPANY NAME: SHANGRI-LA RANCH
 Name of System: _____ ADEQ Public Water System Number: SB-002319.0000

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →			

NO TERMINATIONS EVER

NO SHUT OFFS OR DISCONNECTS EVER

OTHER (description):

COMPANY NAME	SHANARRI-LA RANCH
Name of System:	Wastewater Inventory Number (if applicable):

WASTEWATER COMPANY PLANT DESCRIPTION
TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	EXTENDED AERATION
DESIGN CAPACITY OF PLANT (Gallons Per Day)	20,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
NORTH GATE	2	2	30 @ 60 FT	1200
CENTRAL	2	2	30 @ 60 FT	1200
7TH AVE GATE	2	2	30 @ 60 FT	1000

FORCE MAINS

Size	Material	Length (Feet)
4-inch 2"	PVC SCH 40	880
6-inch 2"	PVC SCH 40	480
2"	PVC SCH 40	480

MANHOLES

Type	Quantity
Standard	1
Drop	1

CLEANOUTS

Quantity
152

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	SHANGRI-LA RANCK	
Name of System:	Wastewater Inventory Number (if applicable):	

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

SERVICES

Size (in inches)	Material	Length (in feet)
4	PVC SCH 40	6750
6	" " "	1200
8	SDR 120	100
10		
12		
15		
18		
21		
24		
30		

Size (in inches)	Material	Quantity
4	PVC/ABS SCH 40	135
6		
8		
12		
15		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM

SOLIDS PROCESSING AND HANDLING FACILITIES	ADAX SLOPSE HAULING
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	1 CHLORINATOR 1 DE-CHLORINATOR 2 BLOWERS
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	2 RAPID SAND FILTERS
STRUCTURES (Buildings, Fences, Etc.)	20 K/DAY MAR-WOOD PACKAGE PLANT FENCED 2 EQUIPMENT SHELTERS
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	STANDARD LAB EQUIPMENT FOR DAY-DAY TESTING 1- 4KVA STAND BY GENERATOR

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	SHANGRI - LA RANCA	
Name of System:	Wastewater Inventory Number (if applicable):	

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	135	176 030	7.000
February		161 270	5.000
March		179 430	5.100
April		133 530	5.500
May		128 530	5.200
June		89 920	4.000
July		114.380	4.700
August		117 620	4.200
September		113 860	4.300
October		134 770	5.700
November		117 380	4.500
December		155 330	5.300

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE
PER WASTEWATER SYSTEM**

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	SUB SURFACE ORNAMENTAL PLANT IRRIGATION
Groundwater Permit Number	NOT APPLICABLE
ADEQ Aquifer Protection Permit Number	P-105508
ADEQ Reuse Permit Number	NOT APPLICABLE
EPA NPDES Permit Number	NOT APPLICABLE

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: **SHANGRI-LA RANCH**

Name of System: _____ Wastewater Inventory Number (if applicable): _____

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2- 609.B	Termination with Notice R14-2- 609.C	OTHER
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →			

NO TERMINATIONS EVER
NO SHUT OFFS OR DISCONNECTS EVER

OTHER (description):

COMPANY NAME SHANGRI-LA RANCH

YEAR ENDING 12/31/2013

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$ 33,801.52

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

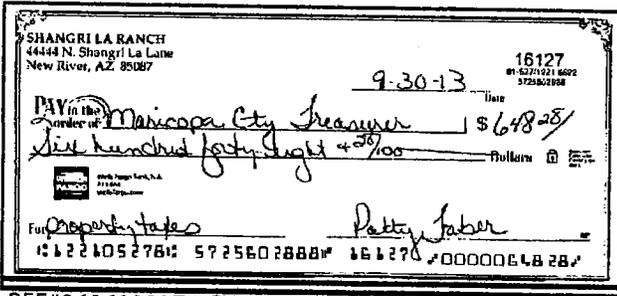
Account: **5725602888** ■ October 01, 2013 - October 31, 2013

■ Page 4 of 15

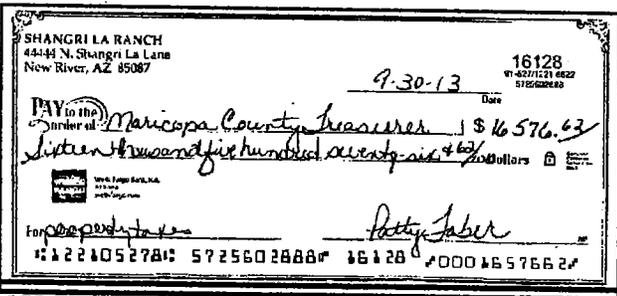
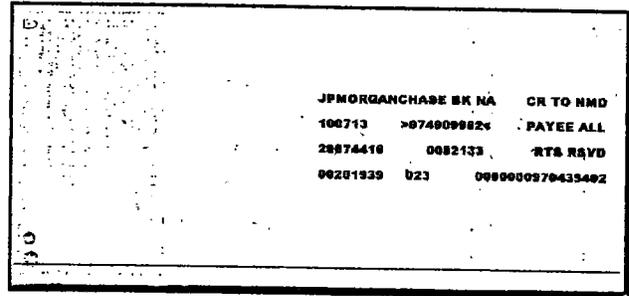
Online banking customers can view and print check images that have cleared since their last statement.



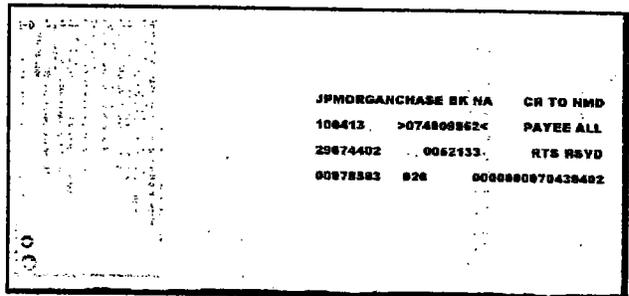
Check Images



REF#8616882076 CK# 16127 648.28



REF#8718581506 CK# 16128 16576.62



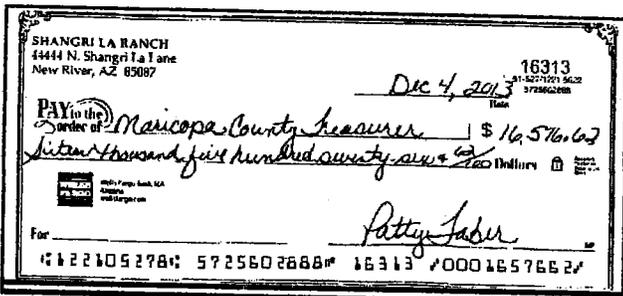
Account: **5725602888** ■ December 01, 2013 - December 31, 2013

■ Page 7 of 17

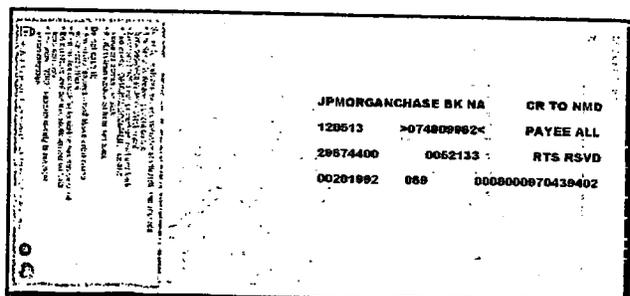
Online banking customers can view and print check images that have cleared since their last statement.



Check Images



REF#8614558634 CK# 16313 16576.62



VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 04 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE <u>HORST KRAUS (PRESIDENT)</u>
COMPANY NAME <u>KRAUS INVESTMENTS L.C. DBA SHAWARI-LA PANCA</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2013</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

[Handwritten Signature]

SIGNATURE OF OWNER OR OFFICIAL

623-465-8959

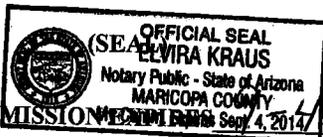
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 1st DAY OF

COUNTY NAME <u>MARICOPA</u>	
MONTH <u>April</u>	<u>2014</u>



[Handwritten Signature]

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES SEP 4, 2014

COMPANY NAME KRAUS INVESTMENTS L.C. SHANGRI-LA RANCH YEAR ENDING 12/31/2013

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax

State Tax

NOT APPLICABLE

Shangri-La Waste Water Treatment Plant [operating under M.C. Environmental Service Permit #37193 and State of Arizona Aquifer Protection Permit NO.P-105508] provides Waste water treatment only for Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721]

Both entities are wholly owned by Kraus Investments L.C., an Arizona L.L.C. The Treated Waste water is re-used for ornamental plant sub-surface irrigation on the grounds of the Trailer court park without charge.

All expenses are at net-net carried by Kraus Investments L.C. No one is being charged for Waste water treatment, and no financial profits are being generated

NOT APPLICABLE

Shangri-La Waterworks [operating under M.C. Environmental Service Permit #07660] provides water only to Shangri-La Ranch, a Trailer Court Park [operating under M.C. Environmental Service Permit #NF01721]

Both entities are wholly owned by Kraus Investments L.C., an Arizona L.L.C. The water pumped is for the sole use of the permanent and transient tenants of the Trailer court park without charge. All expenses are at net-net carried by Kraus Investments L.C. No water is being sold to 3rd parties, and no financial profits are being generated

All gross-up tax refunds reported in the return to be signed by the President or Chief Executive Officer, if a partner, if a partnership; the managing member, if a limited liability proprietor, if a sole proprietorship.

[Signature]
SIGNATURE

4-1-14
DATE

HORST KRAUS
PRINTED NAME

PRESIDENT
TITLE

FOOT NOTE:

THE UTILITY SEGMENT OF THE BUSINESS HAS NO INCOME
NO PROFITS

**VERIFICATION
AND
SWORN STATEMENT (SEWER)
Intrastate Revenues Only**

RECEIVED

APR 04 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>HORST KRAUS</u>
COMPANY NAME	<u>SHANGRI-LA RANCK AKA SHANGRI-LA WASTE WATER TREATMENT PLANT</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>ZERO REVENUE!</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Horst Kraus

SIGNATURE OF OWNER OR OFFICIAL

623-465-5959

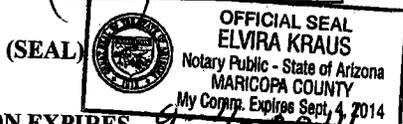
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS (1st) FIRST **DAY OF**

COUNTY NAME	<u>MARICOPA</u>
MONTH	<u>APRIL</u> <u>2014</u>



Elvira Kraus

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 9-7-2014

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE (SEWER) ACC UTILITIES DIRECTOR
Intrastate Revenues Only**

RECEIVED

APR 04 2014

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) HORST KRAUS	TITLE PRESIDENT
COMPANY NAME SHANGRI-LARANCK A.K.A SHANGRI-LA WASTE WATER TREATMENT PLANT	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ _____

THE AMOUNT IN BOX AT LEFT INCLUDES \$ ZERO REVENUE IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

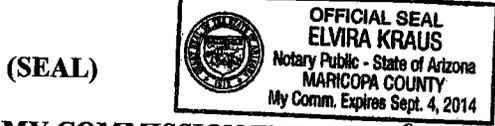


SIGNATURE OF OWNER OR OFFICIAL
623-465-5959

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS FIRST DAY OF

NOTARY PUBLIC NAME ELVIRA KRAUS	
COUNTY NAME MARICOPA	
MONTH APRIL	YEAR 2014



MY COMMISSION EXPIRES 9-4-2014



SIGNATURE OF NOTARY PUBLIC

VERIFICATION AND SWORN STATEMENT (WATER) Intrastate Revenues Only

RECEIVED

APR 04 2014

VERIFICATION

ACC UTILITIES DIRECTOR

STATE OF ARIZONA

Form with fields: COUNTY OF (COUNTY NAME) MARICOPA, NAME (OWNER OR OFFICIAL) TITLE HORST KRAUS, PRESIDENT, COMPANY NAME SHANGRI-LA RANCH AKA SHANGRI-LA WATER WORKS

I, THE UNDERSIGNED OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with columns: MONTH, DAY, YEAR. Values: 12, 31, 2013

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ ZERO REVENUE

(THE AMOUNT IN BOX ABOVE INCLUDES \$ IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

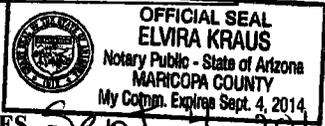
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS FIRST DAY OF

Signature of owner or official: Horst Kraus, Telephone number: 623-465-5959

Form with fields: COUNTY NAME MARICOPA, MONTH APRIL, 2014



Signature of Notary Public: Elvira Kraus

MY COMMISSION EXPIRES Sept 4, 2014

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE (WATER)
INTRASTATE REVENUES ONLY**

RECEIVED
APR 04 2014
ACC UTILITIES DIRECTOR

VERIFICATION
STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) <u>FORST KRAUS</u>	TITLE <u>PRESIDENT</u>
COMPANY NAME <u>SHANGRI-LA RANCH A.K.A SHANGRI-LA WATER WORKS</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

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ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>\$ ZERO REVENUE</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ _____ IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

Forst Kraus
SIGNATURE OF OWNER OR OFFICIAL

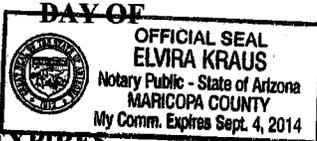
623-465-5959
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS FIRST

(SEAL)

MY COMMISSION EXPIRES



Sept 4, 2014

NOTARY PUBLIC NAME	<u>ELVIRA KRAUS</u>
COUNTY NAME	<u>MARICOPA</u>
MONTH	<u>APRIL</u> <u>2014</u>

Elvira Kraus
SIGNATURE OF NOTARY PUBLIC