

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02474A

Kraus Investments L.C.
dba Shangri-La Ranch
44444 N. Shangri-La Lane
New River, AZ 85087

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

ANNUAL REPORT

Water

FOR YEAR ENDING

12	31	2015
----	----	------

FOR COMMISSION USE

ANN 04	15
--------	----

4-28-16

COMPANY INFORMATION

Company Name (Business Name) <u>SHANGRILA RANCH</u>		
Mailing Address <u>4444 N SHANGRILA LN</u> <small>(Street)</small>		
<u>NEW RIVER</u> <small>(City)</small>	<u>AZ</u> <small>(State)</small>	<u>85087</u> <small>(Zip)</small>
<u>623-465-5959</u> <small>Telephone No. (Include Area Code)</small>	<u>623-465-5900</u> <small>Fax No. (Include Area Code)</small>	<u>602-320-7373</u> <small>Cell No. (Include Area Code)</small>
Email Address <u>HORST@SHANGRILARANCH.COM</u>		
Local Office Mailing Address <u>Same as above</u> <small>(Street)</small>		
<u></u> <small>(City)</small>	<u></u> <small>(State)</small>	<u></u> <small>(Zip)</small>
Local Customer Service Phone No. (Include Area Code)		(1-800 or other long distance Customer Service Phone No.)
Email Address <u>horst@shangrilaranch.com</u>		Website address <u>Shangrilaranch.com</u>

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input type="checkbox"/> Management Contact: <u>Horst Kraus</u> <small>(Name)</small>			
<u></u> <small>(Street)</small>	<u>Same as Above</u> <small>(City)</small>	<u></u> <small>(State)</small>	<u></u> <small>(Zip)</small>
<u>"</u>	<u>"</u>	<u>"</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>Same as Above</u>			
On Site Manager: <u>Horst Kraus</u> <small>(Name)</small>			
<u></u> <small>(Street)</small>	<u>"</u> <small>(City)</small>	<u>"</u> <small>(State)</small>	<u>"</u> <small>(Zip)</small>
<u>"</u>	<u>"</u>	<u>"</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>horst@shangrilaranch.com</u>			

Statutory Agent: <u>Horst Kraus</u>				
(Name)				
<u>Same as Above</u>				
(Street)	(City)	(State)	(Zip)	
"	"	"		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)		
Attorney: <u>None</u>				
(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 *Kraus Investments L.C.*

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
305	Collecting & Impounding Reservoirs			
306	Lake, River, Canal Intakes			
307	Wells and Springs			
308	Infiltration Galleries			
309	Raw Water Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment			
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Fee			
320.3	Point-of-Use Tre			
320.4	Arsenic Merc			
330	Distrib			
330.1	S			
330.2				
331				
340.1	ware			
341	on Equipment			
342	quipment			
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 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 Balance Sheet Acct. No. 108

COMPANY NAME *Kraus Investments L.C.*

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost(1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
305	Collecting & Impounding Reservoirs			
306	Lake, River, Canal Intakes			
307	Wells and Springs			
308	Infiltration Galleries			
309	Raw Water Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment			
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
320.3	Point-of-Use Treatment Devic			
320.4	Arsenic Media			
330	Distribution Reser			
330.1	Storage T ^o			
330.2	Pre-			
331				
333				
341	ment			
342	ut			
343	op and Garage Equipment			
344	laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTAL			
	LESS CIAC Amortization			
	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 Both entities are wholly owned by Kraus Investments L.C., and transient tenants of 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 *Kraus Investments L.C.*

WATER UTILITY BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
ASSETS			
CURRENT AND ACCRUED ASSETS			
131	Cash	\$	
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Ass		
	TOTAL CURRENT AND ACCRUED ASSETS		\$
FIXED ASSETS			
101	Utility Plant in Service		
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation		
121	Non-Utility Plant		
122	Accumulated Depreciation		
	TOTAL FIXED ASSETS		\$
	TOTAL ASSETS		\$

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 Both entities are wholly owned by Kraus Investments L.C., and no financial profits are being generated. 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.

N

equal to Total Liabilities and Capital on the following page.

COMPANY NAME *Kraus Investments L.C.*

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 Prir				

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 Both entities are wholly owned by Kraus Investments L.C., and transient tenants of 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	Kraus Investments L.C.		
Name of System:	Shangri-la Water Works	ADEQ Public Water System Number:	56-002319-0000

WATER UTILITY 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	2.0	540	6"	3/4	1984
800894	1/2	2.0	370	6"	3/4	1973
800898	1.5	4.0	400	10"	3/4	1970
800895	1/2	1.5	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
2 HP	2	- 0 -	- 0 -

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20 000	2	80	5
15 000	1		
1000	1		

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

COMPANY NAME	Kraus Investments	
Name of System:	Shangrila Water Works	ADEQ Public Water System Number: 56-002319-0000

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	None	
5	Larger	
6	Than 1 1/2"	
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	No
1 1/2	Customer
2	Metar
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
Bo 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: *Kraus Investments*
 Name of System: *Shangrila Water Works* ADEQ Public Water System Number: *56-002319-0000*

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

*No Shut Offs OR
Disconnects Ever*

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2015 was: \$ 35,303.26

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.

If no property taxes paid, explain why

SHANGRI LA RANCH
4444 N. Shangri La Lane
New River, AZ 85927

12-31-15 Date 18194
5725602888 5725602888

PAY to the order of Maricopa County Treasurer \$ 15,160.89
Fifteen thousand eight hundred ninety four Dollars

Patty Faber

12221052288 5725602888 18194 1608904

REF#8511339775 CK# 18194 16089 04

JPMORGANCHASE BK NA	CR TO NMD
010718	>074909962< PAYEE ALL
29874400	0052133 RTS RSVD
00978005	198 0000000970439402

REF#8816189437 CK# 17932 110.00

SHANGRI LA RANCH
4444 N. Shangri La Lane
New River, AZ 85927

9-22-15 Date 17933
5725602888 5725602888

PAY to the order of Maricopa County Treasurer \$ 19,214.22
Nineteen thousand two hundred fourteen and 22/100 Dollars

Patty Faber

12221052288 5725602888 17933 1921422

REF#8616019531 CK# 17933 19214.22

JPMORGANCHASE BK NA	CR TO NMD
092515	>074909962< PAYEE ALL
29874400	0052133 RTS RSVD
00970270	035 0000000970439402

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 18 2016

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>	AZ CORP COMM
NAME (OWNER OR OFFICIAL) TITLE	<u>Horst Kraus, President</u>	Director - Utilities
COMPANY NAME	<u>Kraus Investments L.C.</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>2015</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.

SIGNATURE OF OWNER OR OFFICIAL

623-465-5959

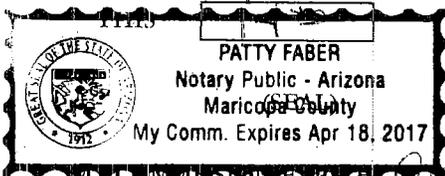
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>April</u>	<u>2016</u>

DAY OF



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES April 18 2017

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

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</u>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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.

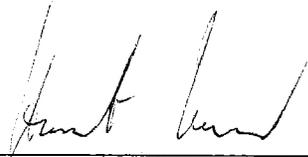
SWORN STATEMENT

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 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ <u>None</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ None 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)**



SIGNATURE OF OWNER OR OFFICIAL

623-465-5859

TELEPHONE NUMBER

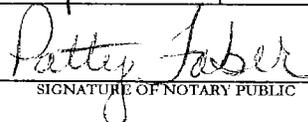
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



14 DAY OF

COUNTY NAME <u>Maricopa</u>
MONTH <u>April</u> <u>2016</u>


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES April 18, 2017

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>Maricopa</i>	
NAME (OWNER OR OFFICIAL) <i>Worst Kraus</i>	TITLE <i>President</i>
COMPANY NAME <i>Kraus Investments</i>	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>None</u>

THE AMOUNT IN BOX AT LEFT INCLUDES \$ None IN SALES TAXES BILLED, OR COLLECTED)

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

Worst Kraus

SIGNATURE OF OWNER OR OFFICIAL

623-465-5959

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

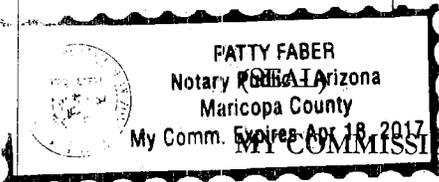
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

<u>1-1th</u>

DAY OF

NOTARY PUBLIC NAME <i>Patty Faber</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>April</i>	YEAR <i>2016</i>



MY COMMISSION EXPIRES

April 18, 2017

Patty Faber

SIGNATURE OF NOTARY PUBLIC