

State of Florida

Commissioners:
LISA POLAK EDGAR, CHAIRMAN
KATRINA J. MCMURIAN
MATTHEW M. CARTER II
NANCY ARGENZIAN
NATHAN A. SKOP



3625 NW 82nd AVENUE
SUITE 400
MIAMI, FLORIDA 33166-7602

Public Service Commission

070293-SU

REDACTED

October 26, 2007

Paul Dechario
CJNW
2560 Gulf to Bay Boulevard
Suite 200
Clearwater, FL 33765-4432

Re: Audit Control No. 07-233-4-1
KW Resort Utilities Corp.

Dear Mr. Dechario:

We have completed the field work in the above referenced audit. Included with this letter is a copy of the audit work papers which the Commission is maintaining in a Temporary Confidential Status and a listing of these work papers. Please sign and date a copy of this letter indicating that you have received these copies. The utility must file a Request for Confidential Classification according to Rule 25-22.006,F.A.C. in order to maintain this confidentiality. This request must be filed with the Commission within twenty-one days from today or these work papers will become public documents.

CMP _____ Sincerely,

COM _____ *Iliana H. Piedra*

CTR _____
ECR _____ Iliana H. Piedra
Audit Manager

GCL _____

OPC _____

RCA 1 cc: Denise Vandiver

SCR _____ Kathy Welch

SGA _____

SEC _____

OTH _____

[Handwritten Signature]

Received by Company

DOCUMENT NUMBER-DATE
10344 NOV 16 07

FPSC-COMMISSION CLERK

CONFIDENTIAL INDEX

Workpaper Number	Description	Number of Pages
8	Minutes of Annual Meeting of Board of Directors	2
16-5/2-2/4	Letter from Weiss, Sugar, Dvorak and Dusek, Ltd.	1
20-3	Review of tax returns	1
20-3/1	Tax Returns	58
43-1/2-4	KEI Statement of Income & Exps.	2

DOCUMENT NUMBER-DATE
10344 NOV 16 5
FPSC-COMMISSION CLERK

Form 1120S

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Do not file this form unless the corporation has timely filed

Form 2553 to elect to be an S corporation.

2004

Department of the Treasury Internal Revenue Service

See separate instructions.

For calendar year 2004, or tax year beginning and ending

Header section containing: Effective date of S election (1/01/99), Business code number (221300), Name (WS UTILITY, INC.), Employer identification number (36-3080794), Date incorporated (1/20/1998), City or town, state, and ZIP code (CHICAGO IL 60603).

Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return. Enter number of shareholders in the corporation at end of the tax year: 4

Caution: Include only trade or business income and expenses on lines 1a through 21. See page 13 of the instructions for more information.

Main table with 27 rows and 3 columns. Rows include: 1a-6 Income, 7-21 Deductions, 22-27 Tax and Payments. Includes sub-rows for depreciation (14a-c) and tax payments (23a-d). Many cells are redacted with black bars.

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. May the IRS discuss this return with the preparer shown below (see instr.)? [X] Yes [] No

Signature of officer, Date, Title

Preparer's information section: Preparer's signature, Date (8/23/07), Check if self-employed, Preparer's SSN or PTIN (P00224195), Firm's name (Cronin, Jackson, Nixon & Wilson, CPA's), EIN, address (2560 Gulf to Bay Blvd., #200 Clearwater, FL 33765), Phone no. (727-791-4020).

Schedule A Cost of Goods Sold (see page 18 of the instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

3a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (specify method used and attach explanation) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information (see page 19 of instructions)

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 See pages 36 through 38 of the instructions and enter the: (a) Business activity ▶ PUBLIC UTILITY (b) Product or service ▶ WATER & SEWER		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$		
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year ▶ <input type="checkbox"/>		
9 Are the corporation's total receipts (see page 19 of the instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		X

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Deductions, Credits, etc.

Shareholders' Pro Rata Share Items		Total amount
1	Ordinary business income (loss) (page 1, line 21)	1
2	Net rental real estate income (loss) (attach Form 8825)	2
3a	Other gross rental income (loss)	3a
b	Expenses from other rental activities (attach schedule)	3b
c	Other net rental income (loss). Subtract line 3b from line 3a	3c
4	Interest income	4
5	Dividends: a Ordinary dividends	5a
	b Qualified dividends	5b
6	Royalties	6
7	Net short-term capital gain (loss)	7
8a	Net long-term capital gain (loss)	8a
b	Collectibles (28%) gain (loss)	8b
c	Unrecaptured section 1250 gain (attach schedule)	8c
9	Net section 1231 gain (loss) (attach Form 4797)	9
10	Other income (loss) (attach schedule)	10

Shareholders' Pro Rata Share Items (continued)		Total amount		
Deductions	11 Section 179 deduction (attach Form 4562)	11		
	12a Contributions	12a		
	b Deductions related to portfolio income (attach schedule)	12b		
	c Investment interest expense	12c		
	d Section 59(e)(2) expenditures (1) Type (2) Amount	12d(2)		
	e Other deductions (attach schedule)	12e		
Credits & Recapture	13a Low-income housing credit (section 42(j)(5))	13a		
	b Low-income housing credit (other)	13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c		
	d Other rental real estate credits	13d		
	e Other rental credits	13e		
	f Credit for alcohol used as fuel (attach Form 6478)	13f		
	g Other credits and credit recapture (attach schedule)	13g		
Foreign Dispositions	14a Name of country or U.S. possession			
	b Gross income from all sources	14b		
	c Gross income sourced at shareholder level	14c		
	Foreign gross income sourced at corporate level:			
	d Passive	14d		
	e Listed categories (attach schedule)	14e		
	f General limitation	14f		
	Deductions allocated and apportioned at shareholder level:			
	g Interest expense	14g		
	h Other	14h		
	Deductions allocated and apportioned at corporate level to foreign source income:			
	i Passive	14i		
	j Listed categories (attach schedule)	14j		
	k General limitation	14k		
Other information:				
l Foreign taxes paid	14l			
m Foreign taxes accrued	14m			
n Reduction in taxes available for credit (attach schedule)	14n			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a		
	b Adjusted gain or loss	15b		
	c Depletion (other than oil and gas)	15c		
	d Oil, gas, and geothermal properties-gross income	15d		
	e Oil, gas, and geothermal properties-deductions	15e		
	f Other AMT items (attach schedule)	15f		
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a		
	b Other tax-exempt income	16b		
	c Nondeductible expenses	16c		
	d Property distributions	16d		
	e Repayment of loans from shareholders	16e		
Other Information	17a Investment income	17a		
	b Investment expenses	17b		
	c Dividend distributions paid from accumulated earnings and profits	17c		
	d Other items and amounts (attach schedule)			
	e Income/loss reconciliation. (Required only if Schedule M-1 must be completed.) Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12e and lines 14l or 14m, whichever applies	17e		

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets Stmt 3				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments Stmt 4				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach sch.) Stmt 5				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach sch.) Stmt 6				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (attach schedule)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l or (14m) (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 14l or (14m), not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$			Stmt 7	
4	Add lines 1 through 3		7	Add lines 5 and 6	
			8	Income (loss) (Schedule K, line 17e). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 32 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21		
3	Other additions Stmt 8		
4	Loss from page 1, line 21		
5	Other reductions Stmt 9		
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6		

Final K-1

Amended K-1

OMB No. 1545-0130

Schedule K-1
Form 1120S

2004

Department of the Treasury
Internal Revenue Service

Tax year beginning _____
and ending _____

Shareholder's Share of Income, Deductions,
Credits, etc. See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other items

1	Ordinary business income (loss)	13	Credits & credit recapture
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information
		A	

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

C IRS Center where corporation filed return
Cincinnati, OH 45999

D Tax shelter registration number, if any _____

E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state, and ZIP code
**WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year _____ [REDACTED]



For IRS Use Only

See attached statement for additional information.

Schedule K-1
Form 1120S

2004

Department of the Treasury
Internal Revenue Service

Tax year beginning _____
and ending _____

Shareholder's Share of Income, Deductions,
Credits, etc. See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits & credit recapture
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information
		A	

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603

C IRS Center where corporation filed return
Cincinnati, OH 45999

D Tax shelter registration number, if any _____

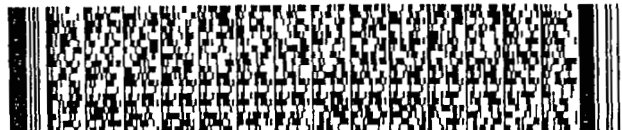
E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state, and ZIP code
LESLIE S. SMITH
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603

H Shareholder's percentage of stock ownership for tax year _____ [REDACTED]



FOR IRS USE ONLY

* See attached statement for additional information.

Schedule K-1
Form 1120S

2004

Final K-1 Amended K-1

Department of the Treasury
Internal Revenue Service

Tax year beginning _____
and ending _____

Shareholder's Share of Income, Deductions,
Credits, etc. ▶ See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

C IRS Center where corporation filed return
Cincinnati, OH 45999

D Tax shelter registration number, if any _____

E Check if Form 8271 is attached

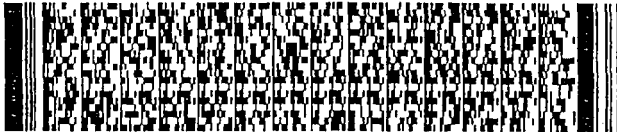
1	Ordinary business income (loss)	13	Credits & credit recapture
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information
		A	

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state, and ZIP code
**ALEXANDER C. SMITH
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year [REDACTED]



FOR
IRS
USE
ONLY

* See attached statement for additional information.

2004

Final K-1

Amended K-1

OMB No. 1545-0130

Schedule K-1
Form 1120S

Department of the Treasury
Internal Revenue Service

Tax year beginning _____
and ending _____

Shareholder's Share of Income, Deductions,
Credits, etc.

▶ See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits & credit recapture
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information
		A	

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

C IRS Center where corporation filed return
Cincinnati, OH 45999

D Tax shelter registration number, if any _____

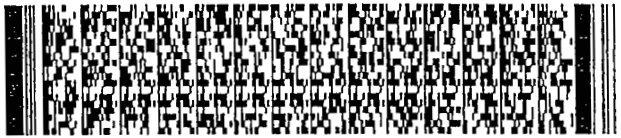
E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state, and ZIP code
**BARTON W. SMITH
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year [REDACTED] %



FOR USE ONLY

* See attached statement for additional information.

Depreciation and Amortization

OMB No. 1545-0172

Form **4562**

(Including Information on Listed Property)

2004

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

▶ Attach to your tax return.

Attachment
Sequence No. **67**

Name(s) shown on return
WS UTILITY, INC.

Identifying number
36-3080794

Business or activity to which this form relates
KW RESORT UTILITIES

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	[REDACTED]
2	Total cost of section 179 property placed in service (see page 3 of the instructions)	2	[REDACTED]
3	Threshold cost of section 179 property before reduction in limitation	3	[REDACTED]
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	[REDACTED]
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 3 of the instructions	5	[REDACTED]
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified prop. (other than listed prop.) placed in service during the tax year (see pg. 3 of the instructions)	14	[REDACTED]
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	[REDACTED]
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	[REDACTED]

Part III MACRS Depreciation (Do not include listed property.) (See page 5 of the instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2004	17	[REDACTED]
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

Section B-Assets Placed in Service During 2004 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property	[REDACTED]				
b	5-year property	[REDACTED]		MO		[REDACTED]
c	7-year property	[REDACTED]				[REDACTED]
d	10-year property	[REDACTED]				[REDACTED]
e	15-year property	[REDACTED]		MO		[REDACTED]
f	20-year property	[REDACTED]				[REDACTED]
g	25-year property	[REDACTED]	25 yrs.	MM	S/L	[REDACTED]
h	Residential rental property		27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i	Nonresidential real property		39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

Part IV Summary (see page 8 of the instructions)

21	Listed property. Enter amount from line 28	21	[REDACTED]
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	[REDACTED]
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	[REDACTED]

For Paperwork Reduction Act Notice, see separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A-Depreciation and Other Information (Caution: See page 9 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? [X] Yes [] No 24b If "Yes," is the evidence written? [X] Yes [] No
(a) Type of prop. (list vehicles first) (b) Date placed in service (c) Business/investment use percentage (d) Cost or other basis (e) Basis for depreciation (business/investment use only) (f) Recovery period (g) Method/Convention (h) Depreciation deduction (i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 8 of the instructions) 25 [REDACTED]
26 Property used more than 50% in a qualified business use (see page 8 of the instructions): See Statement 10
27 Property used 50% or less in a qualified business use (see page 8 of the instructions): S/L-
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28 [REDACTED]
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29 [REDACTED]

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles-See page 2 of the instructions)
31 Total commuting miles driven during the year
32 Total other personal (noncommuting) miles driven
33 Total miles driven during the year. Add lines 30 through 32
34 Was the vehicle available for personal use during off-duty hours?
35 Was the vehicle used primarily by a more than 5% owner or related person?
36 Is another vehicle available for personal use?

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see page 10 of the instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 10 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners
39 Do you treat all use of vehicles by employees as personal use?
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 10 of the instructions.)
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year
42 Amortization of costs that begins during your 2004 tax year (see page 11 of the instructions): CLOSING COSTS 1/01/04 [REDACTED]
43 Amortization of costs that began before your 2004 tax year 43 [REDACTED]
44 Total. Add amounts in column (f). See page 12 of the instructions for where to report 44 [REDACTED]

Federal Statements

General Footnote

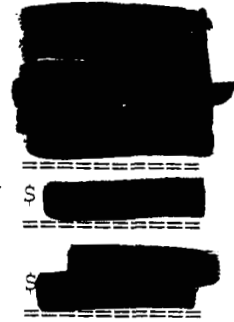
Description

STATEMENT OF CIAC COLLECTIONS AND EXPENDITURES
PER CODE SECTION 118(C)

1. AMOUNT EXPENDED FOR QUALIFIED PROPERTY
TOTAL CONTRIBUTIONS COLLECTED IN 2004
UNEXPENDED COLLECTIONS 2003
TOTAL CONTRIBUTIONS EXPENDED PER SECTION 118(C)(b)(4)

UNEXPENDED CIAC COLLECTED

2. AMOUNT THAT WILL NOT BE EXPENDED ON QUALIFIED PROPERTY \$
(ALL AMOUNTS HAVE BEEN EXPENDED)
3. CIAC NOT EXPENDED PER 118(c)(1) \$



Federal Statements

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

<u>Description</u>	<u>Amount</u>
Other income	\$ [REDACTED]
Total	\$ [REDACTED]

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
Chemicals	\$ [REDACTED]
Sludge Removal	[REDACTED]
Materials & Supplies	[REDACTED]
LABORATORY TESTING	[REDACTED]
Contractual Services	[REDACTED]
Dues & subscriptions	[REDACTED]
Insurance	[REDACTED]
Utilities and telephone	[REDACTED]
Vehicle expense	[REDACTED]
Legal and accounting	[REDACTED]
Miscellaneous expense	[REDACTED]
Postage and supplies	[REDACTED]
Amortization	[REDACTED]
Total	\$ [REDACTED]

Federal Statements

Statement 3 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
PREPAID INSURANCE	\$ [REDACTED]	\$ [REDACTED]
UTILITY DEPOSITS	[REDACTED]	[REDACTED]
PREPAID EXPENSES/EDU'S	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 4 - Form 1120S, Page 4, Schedule L, Line 9 - Other Investments

Description	Beginning of Year	End of Year
CERTIFICATE OF DEPOSIT	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED] 0	\$ [REDACTED]

Statement 5 - Form 1120S, Page 4, Schedule L, Line 14 - Other Assets

Description	Beginning of Year	End of Year
Navy plant	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 6 - Form 1120S, Page 4, Schedule L, Line 21 - Other Liabilities

Description	Beginning of Year	End of Year
CUSTOMER DEPOSITS	\$ [REDACTED]	\$ [REDACTED]
ACCRUED TAXES	[REDACTED]	[REDACTED]
DEFERRED INCOME	[REDACTED]	[REDACTED]
CONTRIBUTIONS IN AID OF CONST	[REDACTED]	[REDACTED]
ACCUM AMORT OF CIAC	[REDACTED]	[REDACTED]
Refundable Advances for Const	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 7 - Form 1120S, Page 4, Schedule M-1, Line 6 - Deductions on Return Not on Books

Description	Amount
Amortization Book/Tax Diff	\$ [REDACTED]
Total	\$ [REDACTED]

Federal Statements

Statement 8 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

<u>Description</u>	<u>Amount</u>
Interest Income	\$ [REDACTED]
Amortization Book/Tax Diff	[REDACTED]
Total	\$ [REDACTED]

Statement 9 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions

<u>Description</u>	<u>Amount</u>
Depreciation Book/Tax Diff	\$ [REDACTED]
Total	\$ [REDACTED]

Federal Statements

KW RESORT UTILITIES

Statement 10 - Form 4562, Part V, Line 26 - Property Used More Than 50% in Qualified Business

Property Type

	Date in Service	Busn Use %	Cost or Basis	Basis For Depr	Per	Meth	Deduct	Sec 179
RECEIVED IN TRADE			\$	\$			\$	\$
FOR ASSET # 72								
FORD TRUCK	10/20/03							
	12/31/04							
Total			\$	\$			\$	\$ 0

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Do not file this form unless the corporation has filed Form 2553 to elect to be an S corporation. See separate instructions.

2005

Department of the Treasury
Internal Revenue Service

For calendar year 2005, or tax year beginning ending

Effective date of S election 1/01/99	Use the IRS label. Otherwise, print or type.	Name WS UTILITY, INC.	C Employer identification number 36-3080794
Business code number (see instructions) 221300		Number, street, and room or suite no. If a P.O. box, see instructions. C/O WILLIAM L. SMITH, JR. 11 E. ADAM STREET, SUITE 1400	D Date incorporated 1/20/1998
		City or town, state, and ZIP code CHICAGO IL 60603	E Total assets (see instructions) \$ [REDACTED]

Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

Enter number of shareholders in the corporation at end of the tax year **4**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross rcppt. or sales [REDACTED]	b Less rtn. and allowances [REDACTED]	c Bal [REDACTED]
	2 Cost of goods sold (Schedule A, line 8)		
	3 Gross profit. Subtract line 2 from line 1c		
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		
	5 Other income (loss) (attach statement)	See Stmt 1	
	6 Total income (loss). Add lines 3 through 5		[REDACTED]

Deductions (see the instructions for limitations)	7 Compensation of officers		
	8 Salaries and wages (less employment credits)		
	9 Repairs and maintenance		
	10 Bad debts		
	11 Rents		
	12 Taxes and licenses		
	13 Interest		
	14a Depreciation (attach Form 4562)	14a [REDACTED]	
	b Depreciation claimed on Schedule A and elsewhere on return	14b [REDACTED]	
	c Subtract line 14b from line 14a		14c [REDACTED]
	15 Depletion (Do not deduct oil and gas depletion.)		
	16 Advertising		
	17 Pension, profit-sharing, etc., plans		
	18 Employee benefit programs		
19 Other deductions (attach statement)	See Stmt 2		
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19		[REDACTED]	
21 Ordinary business income (loss). Subtract line 20 from line 6		[REDACTED]	

Tax and Payments	22 Tax: a Excess net passive income tax (attach statement)	22a [REDACTED]	
	b Tax from Schedule D (Form 1120S)	22b [REDACTED]	
	c Add lines 22a and 22b (see the instructions for additional taxes)		22c [REDACTED]
	23 Payments: a 2005 estimated tax payments and amount applied from 2004 return	23a [REDACTED]	
	b Tax deposited with Form 7004	23b [REDACTED]	
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c [REDACTED]	
	d Add lines 23a through 23c		23d [REDACTED]
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		24 [REDACTED]
	25 Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed.		25 [REDACTED]
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid		26 [REDACTED]
27 Enter amount of line 26 you want: Credited to 2006 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>		27 [REDACTED]	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instr.)? Yes No

Signature of officer

Date

Title

Paid

Preparer's signature

Date

8/23/07

Check if self-employed

Preparer's SSN or PTIN

P00224195

Preparer's Use Only

Firm's name (or yours if self-employed), address, and ZIP code

Carlstedt, Jackson, Nixon & Wilson CPA's
2560 Gulf to Bay Blvd., #200
Clearwater, FL 33765

EIN **59-1680455**

Phone no. **727-791-4020**

Schedule A Cost of Goods Sold (see instructions)

Form with 8 numbered rows for inventory and cost of goods sold. Includes checkboxes for valuation methods and LIFO adoption.

Schedule B Other Information (see instructions)

Form with 9 numbered rows for accounting method, business activity (PUBLIC UTILITY), and other information. Includes Yes/No columns.

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Deductions, Credits, etc.

Table with 10 rows for Shareholders' Pro Rata Share Items and Total amount. Includes categories like Ordinary business income, Net rental real estate income, Dividends, and Other income.

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
	d Other deductions (see instructions) Type ▶	12d	
Credits & Credit Recapture	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits and credit recapture (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level:		
	d Passive	14d	
	e Listed categories (attach statement)	14e	
	f General limitation	14f	
	Deductions allocated and apportioned at shareholder level:		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income:		
	i Passive	14i	
	j Listed categories (attach statement)	14j	
	k General limitation	14k	
Other information:			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties-gross income	15d	
	e Oil, gas, and geothermal properties-deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
	e Income/loss reconciliation. (Required only if Schedule M-1 must be completed.) Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	17e	

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets Stmt 3				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments Stmt 4				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets Stmt 5				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities Stmt 6				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$ Stmt 7	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 14l, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$ Stmt 8	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3		8	Income (loss) (Schedule K, line 17e). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21		
3	Other additions Stmt 9		
4	Loss from page 1, line 21		
5	Other reductions Stmt 10		
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6		

Schedule K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

2005

For calendar year 2005, or tax
year beginning _____
ending _____

Final K-1 Amended K-1

Shareholder's Share of Income, Deductions,
Credits, etc. See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits & credit recapture
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information
		A	

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

C IRS Center where corporation filed return
Cincinnati, OH 45999

D Tax shelter registration number, if any _____

E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state and ZIP code
**WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year
[REDACTED]



For IRS Use Only

* See attached statement for additional information.

Schedule K-1 (Form 1120S) Department of the Treasury Internal Revenue Service

2005

Final K-1 Amended K-1

For calendar year 2005, or tax year beginning ending

Shareholder's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Line number, and Amount/Description. Rows include Ordinary business income, Net rental real estate income, Other net rental income, Interest income, Ordinary dividends, Qualified dividends, Foreign transactions, Royalties, Net short-term capital gain, Net long-term capital gain, Collectibles (28%) gain, Unrecaptured section 1250 gain, Net section 1231 gain, Other income, Alternative minimum tax (AMT) items, Section 179 deduction, Items affecting shareholder basis, Other deductions, and Other information.

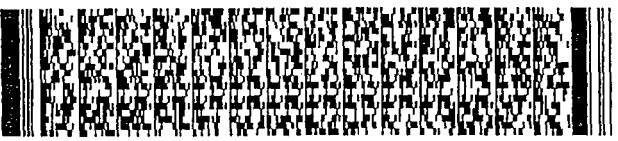
* See attached statement for additional information.

Part I Information About the Corporation

A Corporation's employer identification number 36-3080794
B Corporation's name, address, city, state, and ZIP code WS UTILITY, INC. C/O WILLIAM L. SMITH, JR. 11 E. ADAM STREET, SUITE 1400 CHICAGO IL 60603
C IRS Center where corporation filed return Cincinnati, OH 45999
D Tax shelter registration number, if any
E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
G Shareholder's name, address, city, state and ZIP code LESLIE S. SMITH 11 E. ADAM STREET, SUITE 1400 CHICAGO IL 60603
H Shareholder's percentage of stock ownership for tax year



For IRS Use Only

Schedule K-1
Form 1120S
Department of the Treasury
Internal Revenue Service

2005

For calendar year 2005, or tax
year beginning _____
ending _____

Final K-1

Amended K-1

Shareholder's Share of Income, Deductions,
Credits, etc. See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

C IRS Center where corporation filed return
Cincinnati, OH 45999

D Tax shelter registration number, if any _____

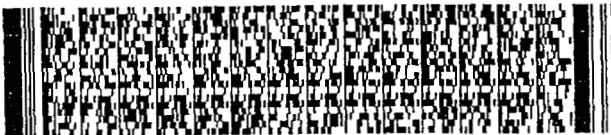
E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state and ZIP code
**ALEXANDER C. SMITH
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

H Shareholder's percentage of stock
ownership for tax year [REDACTED] %



For IRS Use Only

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	13	Credits & credit recapture
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other
		A	[REDACTED]

* See attached statement for additional information.

Schedule K-1
Form 1120S
Department of the Treasury
Internal Revenue Service

2005

For calendar year 2005, or tax
year beginning _____
ending _____

Final K-1 Amended K-1

Shareholder's Share of Income, Deductions,
Credits, etc. **▶ See back of form and separate instructions.**

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits & credit recapture
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information
		A	

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

C IRS Center where corporation filed return
Cincinnati, OH 45999

D Tax shelter registration number, if any _____

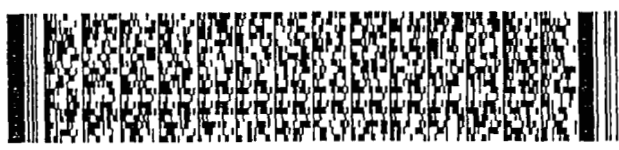
E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state and ZIP code
**BARTON W. SMITH
11 E. ADAM STREET, SUITE 1400
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year
[REDACTED]



For IRS Use Only

* See attached statement for additional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:	<u>Enter on</u>
Passive loss	See the Shareholder's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	Schedule E, line 28, column (h)
Nonpassive income	Schedule E, line 28, column (j)
Net rental real estate income (loss)	See the Shareholder's Instructions
Other net rental income (loss)	
Net income	Schedule E, line 28, column (g)
Net loss	See the Shareholder's Instructions
Interest income	Form 1040, line 8a
Ordinary dividends	Form 1040, line 9a
Qualified dividends	Form 1040, line 9b
Royalties	Schedule E, line 4
Net short-term capital gain (loss)	Schedule D, line 5, column (f)
Net long-term capital gain (loss)	Schedule D, line 12, column (f)
Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)
Unrecaptured section 1250 gain	See the Shareholder's Instructions
Net section 1231 gain (loss)	See the Shareholder's Instructions
Other income (loss)	
<u>Code</u>	
A Other portfolio income (loss)	See the Shareholder's Instructions
B Involuntary conversions	See the Shareholder's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Other income (loss)	See the Shareholder's Instructions
11. Section 179 deduction	See the Shareholder's Instructions
12. Other deductions	
A Cash contributions (50%)	Schedule A, line 15a
B Cash contributions (30%)	Schedule A, line 15a
C Noncash contributions (50%)	Schedule A, line 16
D Noncash contributions (30%)	Schedule A, line 16
E Capital gain property to a 50% organization (30%)	Schedule A, line 16
F Capital gain property (20%)	Schedule A, line 16
G Cash contributions (100%)	See the Shareholder's Instructions
H Investment interest expense	Form 4952, line 1
I Deductions-royalty income	Schedule E, line 18
J Section 59(e)(2) expenditures	See the Shareholder's Instructions
K Deductions-portfolio (2% floor)	Schedule A, line 22
L Deductions-portfolio (other)	Schedule A, line 27
M Reforestation expense deduction	See the Shareholder's Instructions
N Preproductive period expenses	See the Shareholder's Instructions
O Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
P Domestic production activities information	See Form 8903 Instructions
Q Qualified production activities income	Form 8903, line 7
R Employer's W-2 wages	Form 8903, line 13
S Other deductions	See the Shareholder's Instructions
13. Credits & credit recapture	
A Low-income housing credit (section 42(j)(5))	Form 8586, line 4
B Low-income housing credit (other)	Form 8586, line 4
C Qualified rehabilitation expenditures (rental real estate)	Form 3468, line 1
D Qualified rehabilitation expenditures (other than rental real estate)	Form 3468, line 1
E Basis of energy property	See the Shareholder's Instructions
F Other rental real estate credits	See the Shareholder's Instructions
G Other rental credits	See the Shareholder's Instructions
H Undistributed capital gains credit	Form 1040, line 70, check box a
I Credit for alcohol used as fuel	Form 6478, line 4
J Work opportunity credit	Form 5884, line 3
K Welfare-to-work credit	Form 8861, line 3
L Disabled access credit	Form 8826, line 7

<u>Code</u>		<u>Enter on</u>
M	Empowerment zone and renewal community employment credit	Form 8844, line 3
N	Credit for increasing research activities	Form 6765, line 42
O	New markets credit	Form 8874, line 2
P	Credit for employer social security and Medicare taxes	Form 8846, line 5
Q	Backup withholding	Form 1040, line 64
R	Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
S	Recapture of low-income housing credit (other)	Form 8611, line 8
T	Recapture of investment credit	See Form 4255
U	Other credits	See the Shareholder's Instructions
V	Recapture of other credits	See the Shareholder's Instructions
14. Foreign transactions		
A	Name of country or U.S. possession	Form 1116, Part I
B	Gross income from all sources	Form 1116, Part I
C	Gross income sourced at shareholder level	Form 1116, Part I
<u>Foreign gross income sourced at corporate level</u>		
D	Passive	Form 1116, Part I
E	Listed categories	Form 1116, Part I
F	General limitation	Form 1116, Part I
<u>Deductions allocated and apportioned at shareholder level</u>		
G	Interest expense	Form 1116, Part I
H	Other	Form 1116, Part I
<u>Deductions allocated and apportioned at corporate level to foreign source income</u>		
I	Passive	Form 1116, Part I
J	Listed categories	Form 1116, Part I
K	General limitation	Form 1116, Part I
<u>Other information</u>		
L	Total foreign taxes paid	Form 1116, Part II
M	Total foreign taxes accrued	Form 1116, Part II
N	Reduction in taxes available for credit	Form 1116, line 12
O	Foreign trading gross receipts	Form 8873
P	Extraterritorial income exclusion	Form 8873
Q	Other foreign transactions	See the Shareholder's Instructions
15. Alternative minimum tax (AMT) items		
A	Post-1986 depreciation adjustment	See the Shareholder's Instructions and the instructions for Form 6251
B	Adjusted gain or loss	
C	Depletion (other than oil & gas)	
D	Oil, gas, & geothermal properties - gross income	
E	Oil, gas, & geothermal properties - deductions	
F	Other AMT items	
16. Items affecting shareholder basis		
A	Tax-exempt interest income	Form 1040, line 8b
B	Other tax-exempt income	See the Shareholder's Instructions
C	Nondeductible expenses	See the Shareholder's Instructions
D	Property distributions	See the Shareholder's Instructions
E	Repayment of loans from shareholders	See the Shareholder's Instructions
17. Other information		
A	Investment income	Form 4952, line 4a
B	Investment expenses	Form 4952, line 5
C	Look-back interest-completed long-term contracts	See Form 8697
D	Look-back interest-income forecast method	See Form 8866
E	Dispositions of property with section 179 deductions	See the Shareholder's Instructions
F	Recapture of section 179 deduction	
G	Section 453(i)(3) information	
H	Section 453A(c) information	
I	Section 1260(b) information	
J	Interest allocable to production expenditures	
K	CCF nonqualified withdrawal	
L	Information needed to figure depletion-oil and gas	
M	Amortization of reforestation costs	
N	Other information	

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:	<u>Enter on</u>
Passive loss	See the Shareholder's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	Schedule E, line 28, column (h)
Nonpassive income	Schedule E, line 28, column (i)
Net rental real estate income (loss)	See the Shareholder's Instructions
Other net rental income (loss)	See the Shareholder's Instructions
Net income	Schedule E, line 28, column (g)
Net loss	See the Shareholder's Instructions
Interest income	Form 1040, line 8a
a. Ordinary dividends	Form 1040, line 9a
b. Qualified dividends	Form 1040, line 9b
Royalties	Schedule E, line 4
Net short-term capital gain (loss)	Schedule D, line 5, column (f)
a. Net long-term capital gain (loss)	Schedule D, line 12, column (f)
b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)
Unrecaptured section 1250 gain	See the Shareholder's Instructions
Net section 1231 gain (loss)	See the Shareholder's Instructions
Other income (loss)	
<u>Code</u>	
A Other portfolio income (loss)	See the Shareholder's Instructions
B Involuntary conversions	See the Shareholder's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Other income (loss)	See the Shareholder's Instructions
11. Section 179 deduction	See the Shareholder's Instructions
12. Other deductions	
A Cash contributions (50%)	Schedule A, line 15a
B Cash contributions (30%)	Schedule A, line 15a
C Noncash contributions (50%)	Schedule A, line 16
D Noncash contributions (30%)	Schedule A, line 16
E Capital gain property to a 50% organization (30%)	Schedule A, line 16
F Capital gain property (20%)	Schedule A, line 16
G Cash contributions (100%)	See the Shareholder's Instructions
H Investment interest expense	Form 4952, line 1
I Deductions-royalty income	Schedule E, line 18
J Section 59(e)(2) expenditures	See the Shareholder's Instructions
K Deductions-portfolio (2% floor)	Schedule A, line 22
L Deductions-portfolio (other)	Schedule A, line 27
M Reforestation expense deduction	See the Shareholder's Instructions
N Preproductive period expenses	See the Shareholder's Instructions
O Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
P Domestic production activities information	See Form 8903 Instructions
Q Qualified production activities income	Form 8903, line 7
R Employer's W-2 wages	Form 8903, line 13
S Other deductions	See the Shareholder's Instructions
13. Credits & credit recapture	
A Low-income housing credit (section 42(j)(5))	Form 5886, line 4
B Low-income housing credit (other)	Form 5886, line 4
C Qualified rehabilitation expenditures (rental real estate)	Form 3468, line 1
D Qualified rehabilitation expenditures (other than rental real estate)	Form 3468, line 1
E Basis of energy property	See the Shareholder's Instructions
F Other rental real estate credits	See the Shareholder's Instructions
G Other rental credits	See the Shareholder's Instructions
H Undistributed capital gains credit	Form 1040, line 70, check box a
I Credit for alcohol used as fuel	Form 6478, line 4
J Work opportunity credit	Form 5884, line 3
K Welfare-to-work credit	Form 8861, line 3
L Disabled access credit	Form 8826, line 7

<u>Code</u>	<u>Enter on</u>
M Empowerment zone and renewal community employment credit	Form 8844, line 3
N Credit for increasing research activities	Form 6765, line 42
O New markets credit	Form 8874, line 2
P Credit for employer social security and Medicare taxes	Form 8846, line 5
Q Backup withholding	Form 1040, line 64
R Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
S Recapture of low-income housing credit (other)	Form 8611, line 8
T Recapture of investment credit	See Form 4255
U Other credits	See the Shareholder's Instructions
V Recapture of other credits	See the Shareholder's Instructions
14. Foreign transactions	
A Name of country or U.S. possession	Form 1116, Part I
B Gross income from all sources	Form 1116, Part I
C Gross income sourced at shareholder level	Form 1116, Part I
<u>Foreign gross income sourced at corporate level</u>	
D Passive	Form 1116, Part I
E Listed categories	Form 1116, Part I
F General limitation	Form 1116, Part I
<u>Deductions allocated and apportioned at shareholder level</u>	
G Interest expense	Form 1116, Part I
H Other	Form 1116, Part I
<u>Deductions allocated and apportioned at corporate level to foreign source income</u>	
I Passive	Form 1116, Part I
J Listed categories	Form 1116, Part I
K General limitation	Form 1116, Part I
<u>Other information</u>	
L Total foreign taxes paid	Form 1116, Part II
M Total foreign taxes accrued	Form 1116, Part II
N Reduction in taxes available for credit	Form 1116, line 12
O Foreign trading gross receipts	Form 8873
P Extraterritorial income exclusion	Form 8873
Q Other foreign transactions	See the Shareholder's Instructions
15. Alternative minimum tax (AMT) items	
A Post-1986 depreciation adjustment	} See the Shareholder's Instructions and the instructions for Form 6251
B Adjusted gain or loss	
C Depletion (other than oil & gas)	
D Oil, gas, & geothermal properties - gross income	
E Oil, gas, & geothermal properties - deductions	
F Other AMT items	
16. Items affecting shareholder basis	
A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Shareholder's Instructions
C Nondeductible expenses	See the Shareholder's Instructions
D Property distributions	See the Shareholder's Instructions
E Repayment of loans from shareholders	See the Shareholder's Instructions
17. Other information	
A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Look-back interest-completed long-term contracts	See Form 8697
D Look-back interest-income forecast method	See Form 8866
E Dispositions of property with section 179 deductions	} See the Shareholder's Instructions
F Recapture of section 179 deduction	
G Section 453(l)(3) information	
H Section 453A(c) information	
I Section 1260(b) information	
J Interest allocable to production expenditures	
K CCF nonqualified withdrawal	
L Information needed to figure depletion-oil and gas	
M Amortization of reforestation costs	
N Other information	

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:	<u>Enter on</u>
Passive loss	See the Shareholder's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	Schedule E, line 28, column (h)
Nonpassive income	Schedule E, line 28, column (j)
Net rental real estate income (loss)	See the Shareholder's Instructions
Other net rental income (loss)	
Net income	Schedule E, line 28, column (g)
Net loss	See the Shareholder's Instructions
Interest income	Form 1040, line 8a
a. Ordinary dividends	Form 1040, line 9a
b. Qualified dividends	Form 1040, line 9b
c. Royalties	Schedule E, line 4
d. Net short-term capital gain (loss)	Schedule D, line 5, column (f)
e. Net long-term capital gain (loss)	Schedule D, line 12, column (f)
f. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)
g. Unrecaptured section 1250 gain	See the Shareholder's Instructions
h. Net section 1231 gain (loss)	See the Shareholder's Instructions
i. Other income (loss)	
<u>Code</u>	
A Other portfolio income (loss)	See the Shareholder's Instructions
B Involuntary conversions	See the Shareholder's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Other income (loss)	See the Shareholder's Instructions
11. Section 179 deduction	See the Shareholder's Instructions
12. Other deductions	
A Cash contributions (50%)	Schedule A, line 15a
B Cash contributions (30%)	Schedule A, line 15a
C Noncash contributions (50%)	Schedule A, line 16
D Noncash contributions (30%)	Schedule A, line 16
E Capital gain property to a 50% organization (30%)	Schedule A, line 16
F Capital gain property (20%)	Schedule A, line 16
G Cash contributions (100%)	See the Shareholder's Instructions
H Investment interest expense	Form 4952, line 1
I Deductions-royalty income	Schedule E, line 18
J Section 59(e)(2) expenditures	See the Shareholder's Instructions
K Deductions-portfolio (2% floor)	Schedule A, line 22
L Deductions-portfolio (other)	Schedule A, line 27
M Reforestation expense deduction	See the Shareholder's Instructions
N Preproductive period expenses	See the Shareholder's Instructions
O Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
P Domestic production activities information	See Form 8903 Instructions
Q Qualified production activities income	Form 8903, line 7
R Employer's W-2 wages	Form 8903, line 13
S Other deductions	See the Shareholder's Instructions
13. Credits & credit recapture	
A Low-income housing credit (section 42(j)(5))	Form 8586, line 4
B Low-income housing credit (other)	Form 8586, line 4
C Qualified rehabilitation expenditures (rental real estate)	Form 3468, line 1
D Qualified rehabilitation expenditures (other than rental real estate)	Form 3468, line 1
E Basis of energy property	See the Shareholder's Instructions
F Other rental real estate credits	See the Shareholder's Instructions
G Other rental credits	See the Shareholder's Instructions
H Undistributed capital gains credit	Form 1040, line 70, check box a
I Credit for alcohol used as fuel	Form 6478, line 4
J Work opportunity credit	Form 5884, line 3
K Welfare-to-work credit	Form 8861, line 3
L Disabled access credit	Form 8826, line 7

<u>Code</u>	<u>Enter on</u>
M Empowerment zone and renewal community employment credit	Form 8844, line 3
N Credit for increasing research activities	Form 6765, line 42
O New markets credit	Form 8874, line 2
P Credit for employer social security and Medicare taxes	Form 8846, line 5
Q Backup withholding	Form 1040, line 64
R Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
S Recapture of low-income housing credit (other)	Form 8611, line 8
T Recapture of investment credit	See Form 4255
U Other credits	See the Shareholder's Instructions
V Recapture of other credits	See the Shareholder's Instructions
14. Foreign transactions	
A Name of country or U.S. possession	Form 1116, Part I
B Gross income from all sources	Form 1116, Part I
C Gross income sourced at shareholder level	Form 1116, Part I
<u>Foreign gross income sourced at corporate level</u>	
D Passive	Form 1116, Part I
E Listed categories	Form 1116, Part I
F General limitation	Form 1116, Part I
<u>Deductions allocated and apportioned at shareholder level</u>	
G Interest expense	Form 1116, Part I
H Other	Form 1116, Part I
<u>Deductions allocated and apportioned at corporate level to foreign source income</u>	
I Passive	Form 1116, Part I
J Listed categories	Form 1116, Part I
K General limitation	Form 1116, Part I
<u>Other information</u>	
L Total foreign taxes paid	Form 1116, Part II
M Total foreign taxes accrued	Form 1116, Part II
N Reduction in taxes available for credit	Form 1116, line 12
O Foreign trading gross receipts	Form 8873
P Extraterritorial income exclusion	Form 8873
Q Other foreign transactions	See the Shareholder's Instructions
15. Alternative minimum tax (AMT) items	
A Post-1986 depreciation adjustment	} See the Shareholder's Instructions and the instructions for Form 6251
B Adjusted gain or loss	
C Depletion (other than oil & gas)	
D Oil, gas, & geothermal properties - gross income	
E Oil, gas, & geothermal properties - deductions	
F Other AMT items	
16. Items affecting shareholder basis	
A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Shareholder's Instructions
C Nondeductible expenses	See the Shareholder's Instructions
D Property distributions	See the Shareholder's Instructions
E Repayment of loans from shareholders	See the Shareholder's Instructions
17. Other information	
A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Look-back interest-completed long-term contracts	See Form 8697
D Look-back interest-income forecast method	See Form 8866
E Dispositions of property with section 179 deductions	} See the Shareholder's Instructions
F Recapture of section 179 deduction	
G Section 453(l)(3) information	
H Section 453A(c) information	
I Section 1250(b) information	
J Interest allocable to production expenditures	
K CCF nonqualified withdrawal	
L Information needed to figure depletion-oil and gas	
M Amortization of reforestation costs	
N Other information	

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1. Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:
 - Passive loss See the Shareholder's Instructions
 - Passive income Schedule E, line 28, column (g)
 - Nonpassive loss Schedule E, line 28, column (h)
 - Nonpassive income Schedule E, line 28, column (j)
- 2. Net rental real estate income (loss) See the Shareholder's Instructions
- 3. Other net rental income (loss)
 - Net income Schedule E, line 28, column (g)
 - Net loss See the Shareholder's Instructions
- 4. Interest income Form 1040, line 8a
- 5a. Ordinary dividends Form 1040, line 9a
- 5b. Qualified dividends Form 1040, line 9b
- 6. Royalties Schedule E, line 4
- 7. Net short-term capital gain (loss) Schedule D, line 5, column (f)
- 8a. Net long-term capital gain (loss) Schedule D, line 12, column (f)
- 8b. Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- 9c. Unrecaptured section 1250 gain See the Shareholder's Instructions
- 9. Net section 1231 gain (loss) See the Shareholder's Instructions
- 10. Other income (loss)
 - Code
 - A Other portfolio income (loss) See the Shareholder's Instructions
 - B Involuntary conversions See the Shareholder's Instructions
 - C Sec. 1256 contracts & straddles Form 6781, line 1
 - D Mining exploration costs recapture See Pub. 535
 - E Other income (loss) See the Shareholder's Instructions
- 11. Section 179 deduction See the Shareholder's Instructions
- 12. Other deductions
 - A Cash contributions (50%) Schedule A, line 15a
 - B Cash contributions (30%) Schedule A, line 15a
 - C Noncash contributions (50%) Schedule A, line 16
 - D Noncash contributions (30%) Schedule A, line 16
 - E Capital gain property to a 50% organization (30%) Schedule A, line 16
 - F Capital gain property (20%) Schedule A, line 16
 - G Cash contributions (100%) See the Shareholder's Instructions
 - H Investment interest expense Form 4952, line 1
 - I Deductions-royalty income Schedule E, line 18
 - J Section 59(e)(2) expenditures See the Shareholder's Instructions
 - K Deductions-portfolio (2% floor) Schedule A, line 22
 - L Deductions-portfolio (other) Schedule A, line 27
 - M Reforestation expense deduction See the Shareholder's Instructions
 - N Preproductive period expenses See the Shareholder's Instructions
 - O Commercial revitalization deduction from rental real estate activities See Form 8582 Instructions
 - P Domestic production activities information See Form 8903 Instructions
 - Q Qualified production activities income Form 8903, line 7
 - R Employer's W-2 wages Form 8903, line 13
 - S Other deductions See the Shareholder's Instructions
- 13. Credits & credit recapture
 - A Low-income housing credit (section 42(j)(5)) Form 8586, line 4
 - B Low-income housing credit (other) Form 8586, line 4
 - C Qualified rehabilitation expenditures (rental real estate) Form 3468, line 1
 - D Qualified rehabilitation expenditures (other than rental real estate) Form 3468, line 1
 - E Basis of energy property See the Shareholder's Instructions
 - F Other rental real estate credits See the Shareholder's Instructions
 - G Other rental credits See the Shareholder's Instructions
 - H Undistributed capital gains credit Form 1040, line 70, check box a
 - I Credit for alcohol used as fuel Form 6478, line 4
 - J Work opportunity credit Form 5884, line 3
 - K Welfare-to-work credit Form 8861, line 3
 - L Disabled access credit Form 8826, line 7

- Code Enter on
- M Empowerment zone and renewal community employment credit Form 8844, line 3
- N Credit for increasing research activities Form 6765, line 42
- O New markets credit Form 8874, line 2
- P Credit for employer social security and Medicare taxes Form 8846, line 5
- Q Backup withholding Form 1040, line 64
- R Recapture of low-income housing credit (section 42(j)(5)) Form 8611, line 8
- S Recapture of low-income housing credit (other) Form 8611, line 8
- T Recapture of investment credit See Form 4255
- U Other credits See the Shareholder's Instructions
- V Recapture of other credits See the Shareholder's Instructions
- 14. Foreign transactions
 - A Name of country or U.S. possession Form 1116, Part I
 - B Gross income from all sources Form 1116, Part I
 - C Gross income sourced at shareholder level Form 1116, Part I
 - Foreign gross income sourced at corporate level
 - D Passive Form 1116, Part I
 - E Listed categories Form 1116, Part I
 - F General limitation Form 1116, Part I
 - Deductions allocated and apportioned at shareholder level
 - G Interest expense Form 1116, Part I
 - H Other Form 1116, Part I
 - Deductions allocated and apportioned at corporate level to foreign source income
 - I Passive Form 1116, Part I
 - J Listed categories Form 1116, Part I
 - K General limitation Form 1116, Part I
 - Other information
 - L Total foreign taxes paid Form 1116, Part II
 - M Total foreign taxes accrued Form 1116, Part II
 - N Reduction in taxes available for credit Form 1116, line 12
 - O Foreign trading gross receipts Form 8873
 - P Extraterritorial income exclusion Form 8873
 - Q Other foreign transactions See the Shareholder's Instructions
- 15. Alternative minimum tax (AMT) items
 - A Post-1986 depreciation adjustment
 - B Adjusted gain or loss
 - C Depletion (other than oil & gas)
 - D Oil, gas, & geothermal properties - gross income
 - E Oil, gas, & geothermal properties - deductions
 - F Other AMT items

See the Shareholder's Instructions and the instructions for Form 6251
- 16. Items affecting shareholder basis
 - A Tax-exempt interest income Form 1040, line 8b
 - B Other tax-exempt income See the Shareholder's Instructions
 - C Nondeductible expenses See the Shareholder's Instructions
 - D Property distributions See the Shareholder's Instructions
 - E Repayment of loans from shareholders See the Shareholder's Instructions
- 17. Other information
 - A Investment income Form 4952, line 4a
 - B Investment expenses Form 4952, line 5
 - C Look-back interest-completed long-term contracts See Form 8697
 - D Look-back interest-income forecast method See Form 8866
 - E Dispositions of property with section 179 deductions
 - F Recapture of section 179 deduction
 - G Section 453(l)(3) information
 - H Section 453A(c) information
 - I Section 1260(b) information
 - J Interest allocable to production expenditures See the Shareholder's Instructions
 - K CCF nonqualified withdrawal
 - L Information needed to figure depletion-oil and gas
 - M Amortization of reforestation costs
 - N Other information

Form **4797**
Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

OMB No. 1545-0184

2005

Attachment
Sequence No. **27**

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return

Identifying number

WS UTILITY, INC.

36-3080794

1 Enter the gross proceeds from sales or exchanges reported to you for 2005 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
SEE ATTACHED SCHEDULE						
2	Various	Various				

3 Gain, if any, from Form 4684, line 42

3

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37

4

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824

5

6 Gain, if any, from line 32, from other than casualty or theft

6

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

7

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions)

8

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)

9

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7

11

12 Gain, if any, from line 7 or amount from line 8, if applicable

12

13 Gain, if any, from line 31

13

14 Net gain or (loss) from Form 4684, lines 34 and 41a

14

15 Ordinary gain from installment sales from Form 6252, line 25 or 36

15

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824

16

17 Combine lines 10 through 16

17

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions

18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

18b

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2005)

There are no amounts for Page 2

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return **WS UTILITY, INC.** Identifying number **36-3080794**

Business or activity to which this form relates **KW RESORT UTILITIES**

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	[REDACTED]
2	Total cost of section 179 property placed in service (see instructions)	2	[REDACTED]
3	Threshold cost of section 179 property before reduction in limitation	3	[REDACTED]
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	[REDACTED]
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instr.	5	[REDACTED]
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter the amount from line 29	7	[REDACTED]
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	[REDACTED]
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	[REDACTED]
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10	[REDACTED]
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	[REDACTED]
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	[REDACTED]
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	▶ 13	[REDACTED]

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year (see instructions)	14	[REDACTED]
15	Property subject to section 168(f)(1) election	15	[REDACTED]
16	Other depreciation (including ACRS)	16	[REDACTED]

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005	17	[REDACTED]
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	[REDACTED]

Section B-Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property	[REDACTED]				
b	5-year property	[REDACTED]				
c	7-year property	[REDACTED]		MQ	200DB	[REDACTED]
d	10-year property	[REDACTED]				
e	15-year property	[REDACTED]		MQ	150DB	[REDACTED]
f	20-year property	[REDACTED]				
g	25-year property	[REDACTED]	25 yrs.	MM	S/L	[REDACTED]
h	Residential rental property		27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i	Nonresidential real property		39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

20a	Class life	[REDACTED]			S/L	
b	12-year	[REDACTED]	12 yrs.		S/L	
c	40-year	[REDACTED]	40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	[REDACTED]
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	[REDACTED]
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	[REDACTED]

For Paperwork Reduction Act Notice, see separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A-Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

4a Do you have evidence to support the business/investment use claimed?		Yes	No	24b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
5 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25								
6 Property used more than 50% in a qualified business use:								
RECEIVED IN TRADE ASSET #72								
	10/20/03	[REDACTED]	[REDACTED]	[REDACTED]	5.0	200DBMC	[REDACTED]	
FORD TRUCK	12/31/03	[REDACTED]	[REDACTED]	[REDACTED]	5.0	200DBMG	[REDACTED]	
7 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
8 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	[REDACTED]
9 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		X
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners	X	
39 Do you treat all use of vehicles by employees as personal use?		X
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		X
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)	X	

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year (see instructions):					
43 Amortization of costs that began before your 2005 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Federal Statements

General Footnote

Description

STATEMENT OF CIAC COLLECTIONS AND EXPENDITURES
PER CODE SECTION 118(C)

- 1. AMOUNT EXPENDED FOR QUALIFIED PROPERTY
- TOTAL CONTRIBUTIONS COLLECTED IN 2005
- UNEXPENDED COLLECTIONS 2004
- TOTAL CONTRIBUTIONS EXPENDED PER SECTION 118(C)(b)(4)
- UNEXPENDED CIAC COLLECTED
- 2. AMOUNT THAT WILL NOT BE EXPENDED ON QUALIFIED PROPERTY
- (ALL AMOUNTS HAVE BEEN EXPENDED)
- 3. CIAC NOT EXPENDED PER 118(c)(1)

\$ [REDACTED]

\$ [REDACTED]

\$ [REDACTED]

\$ [REDACTED]

Federal Statements

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

<u>Description</u>	<u>Amount</u>
Other Income	\$ [REDACTED]
Total	\$ [REDACTED]

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
Chemicals	\$ [REDACTED]
Computer expense	[REDACTED]
Sludge Removal	[REDACTED]
Materials & Supplies	[REDACTED]
LABORATORY TESTING	[REDACTED]
Contractual Services	[REDACTED]
Dues & subscriptions	[REDACTED]
Insurance	[REDACTED]
Utilities and telephone	[REDACTED]
Vehicle expense	[REDACTED]
Legal and accounting	[REDACTED]
Miscellaneous expense	[REDACTED]
Postage and supplies	[REDACTED]
Amortization	[REDACTED]
Total	\$ [REDACTED]

Federal Statements

Statement 3 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
PREPAID INSURANCE	\$ [REDACTED]	\$ [REDACTED]
UTILITY DEPOSITS	[REDACTED]	[REDACTED]
PREPAID EXPENSES/EDU'S	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 4 - Form 1120S, Page 4, Schedule L, Line 9 - Other Investments

Description	Beginning of Year	End of Year
CERTIFICATE OF DEPOSIT	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 5 - Form 1120S, Page 4, Schedule L, Line 14 - Other Assets

Description	Beginning of Year	End of Year
Navy plant	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 6 - Form 1120S, Page 4, Schedule L, Line 21 - Other Liabilities

Description	Beginning of Year	End of Year
CUSTOMER DEPOSITS	\$ [REDACTED]	\$ [REDACTED]
ACCRUED TAXES	[REDACTED]	[REDACTED]
DEFERRED INCOME	[REDACTED]	[REDACTED]
CONTRIBUTIONS IN AID OF CONST	[REDACTED]	[REDACTED]
ACCUM AMORT OF CIAC	[REDACTED]	[REDACTED]
Refundable Advances for Const	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 7 - Form 1120S, Page 4, Schedule M-1, Line 5 - Income on Books Not on Return

Description	Amount
Form 4797 Book/Tax Diff	\$ [REDACTED]
Total	\$ [REDACTED]

Federal Statements

Statement 8 - Form 1120S, Page 4, Schedule M-1, Line 6 - Deductions on Return Not on Books

Description	Amount
Amortization Book/Tax Diff	\$ [REDACTED]
Total	\$ [REDACTED]

Statement 9 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

Description	Amount
Interest Income	\$ [REDACTED]
Form 4797 Book/Tax Diff	[REDACTED]
Amortization Book/Tax Diff	[REDACTED]
Total	\$ [REDACTED]

Statement 10 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions

Description	Amount
Net Sec 1231 Loss	\$ [REDACTED]
Depreciation Book/Tax Diff	[REDACTED]
Total	\$ [REDACTED]

Form **1120S**

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has filed Form 2553 to elect to be an S corporation. See separate instructions.

OMB No. 1545-0130

2006

Department of the Treasury Internal Revenue Service

For calendar year 2006 or tax year beginning ending

Effective date of S election 1/01/99	Use IRS label. Otherwise, print or type.	Name WS UTILITY, INC.	C Employer identification number [REDACTED]
Business activity code number (see instructions) 221300		Number, street, and room or suite no. If a P.O. box, see instructions. C/O WILLIAM L. SMITH, JR. 10 LA SALLE ST., STE 2660	D Date incorporated [REDACTED]
		City or town, state, and ZIP code CHICAGO IL 60603	E Total assets (see instructions) \$ [REDACTED]

Check if: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

Enter the number of shareholders in the corporation at the end of the tax year **4**

Check if Schedule M-3 is required (attach Schedule M-3)

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	[REDACTED]	b Less returns and allowances	[REDACTED]	c Balance	[REDACTED]	1c	[REDACTED]
	2 Cost of goods sold (Schedule A, line 8)	[REDACTED]					2	[REDACTED]
	3 Gross profit. Subtract line 2 from line 1c						3	[REDACTED]
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)						4	[REDACTED]
	5 Other income (loss) (see instructions-attach statement)				See Stmt 1		5	[REDACTED]
	6 Total income (loss). Add lines 3 through 5						6	[REDACTED]
Deductions (see instructions for limitations)	7 Compensation of officers						7	[REDACTED]
	8 Salaries and wages (less employment credits)						8	[REDACTED]
	9 Repairs and maintenance						9	[REDACTED]
	10 Bad debts						10	[REDACTED]
	11 Rents						11	[REDACTED]
	12 Taxes and licenses						12	[REDACTED]
	13 Interest						13	[REDACTED]
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)						14	[REDACTED]
	15 Depletion (Do not deduct oil and gas depletion.)						15	[REDACTED]
	16 Advertising						16	[REDACTED]
	17 Pension, profit-sharing, etc., plans						17	[REDACTED]
	18 Employee benefit programs						18	[REDACTED]
	19 Other deductions (attach statement)				See Stmt 2		19	[REDACTED]
	20 Total deductions. Add lines 7 through 19						20	[REDACTED]
	21 Ordinary business income (loss). Subtract line 20 from line 6						21	[REDACTED]
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a	[REDACTED]					
	b Tax from Schedule D (Form 1120S)	22b	[REDACTED]					
	c Add lines 22a and 22b (see instructions for additional taxes)						22c	[REDACTED]
	23a 2006 estimated tax payments and 2005 overpayment credited to 2006	23a	[REDACTED]					
	b Tax deposited with Form 7004	23b	[REDACTED]					
	c Credit for federal tax paid on fuels (attach Form 4136)	23c	[REDACTED]					
	d Credit for federal telephone excise tax paid (attach Form 8913)	23d	[REDACTED]					
	e Add lines 23a through 23d						23e	[REDACTED]
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached						24	[REDACTED]
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed						25	[REDACTED]
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid						26	[REDACTED]	
27 Enter amount from line 26 Credited to 2007 estimated tax					Refunded	27	[REDACTED]	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Signature of officer

Date

Title

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP code

Carlstedt, Jackson, Nixon & Wilson CPA's
2560 Gulf to Bay Blvd., #200
Clearwater, FL 33765

Date **8/23/07**

Check if self-employed

Preparer's SSN or PTIN **P00224195**

Phone no. **727-791-4020**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

		Yes	No
1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) <input type="checkbox"/>		
2	See the instructions and enter the: a Business activity PUBLIC UTILITY b Product or service WATER & SEWER		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?		<input checked="" type="checkbox"/>
4	Was the corporation a member of a controlled group subject to the provisions of section 1561?		<input checked="" type="checkbox"/>
5	Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		<input checked="" type="checkbox"/>
6	Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
7	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years <input type="checkbox"/>		
8	Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
9	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1. <input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Pro Rata Share Items

		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1 [REDACTED]
	2 Net rental real estate income (loss) (attach Form 8825)	2 [REDACTED]
	3a Other gross rental income (loss)	3a [REDACTED]
	b Expenses from other rental activities (attach statement)	3b [REDACTED]
	c Other net rental income (loss). Subtract line 3b from line 3a	3c [REDACTED]
	4 Interest income	4 [REDACTED]
	5 Dividends: a Ordinary dividends	5a [REDACTED]
	b Qualified dividends	5b [REDACTED]
	6 Royalties	6 [REDACTED]
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7 [REDACTED]
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a [REDACTED]	
b Collectibles (28%) gain (loss)	8b [REDACTED]	
c Unrecaptured section 1250 gain (attach statement)	8c [REDACTED]	
9 Net section 1231 gain (loss) (attach Form 4797)	9 [REDACTED]	
10 Other income (loss) (see instructions) Type <input type="checkbox"/>	10 [REDACTED]	

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
	d Other deductions (see instructions) Type ▶	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transaction	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14c	
	d Passive	14d	
	e Listed categories (attach statement)	14e	
	f General limitation Deductions allocated and apportioned at shareholder level	14f	
	g Interest expense	14g	
	h Other Deductions allocated and apportioned at corporate level to foreign source income	14h	
	i Passive	14i	
	j Listed categories (attach statement)	14j	
	k General limitation Other information	14k	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	m Reduction in taxes available for credit (attach statement)	14m	
	n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties-gross income	15d	
	e Oil, gas, and geothermal properties-deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement) Stmt 3				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement) Stmt 4				
10a Buildings and other depreciable assets				
b Less accumulated depreciation				
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets (attach statement) Stmt 5				
15 Total assets				
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach statement)				
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach statement) Stmt 6				
22 Capital stock				
23 Additional paid-in capital				
24 Retained earnings				
25 Adjustments to shareholders' equity (attach statement)				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books		5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$		7 Add lines 5 and 6	
4 Add lines 1 through 3		8 Income (loss) (Schedule K, line 18). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year			
2 Ordinary income from page 1, line 21			
3 Other additions Stmt 7			
4 Loss from page 1, line 21			
5 Other reductions Stmt 8			
6 Combine lines 1 through 5			
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6			

Schedule K-1
Form 1120S
Department of the Treasury
Internal Revenue Service

2006

For calendar year 2006, or tax
year beginning _____
ending _____

Final K-1 Amended K-1

Shareholder's Share of Income, Deductions,
Credits, etc. See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
10 LA SALLE ST., STE 2660
CHICAGO IL 60603**

C IRS Center where corporation filed return
Ogden, UT 84201

D Tax shelter registration number, if any _____

E Check if Form 8271 is attached

Part II Information About the Shareholder

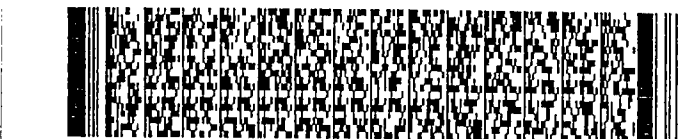
F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state and ZIP code
**WILLIAM L. SMITH, JR.
10 LA SALLE ST., STE 2660
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year
[REDACTED]

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information

* See attached statement for additional information.



For IRS Use Only

Schedule K-1
Form 1120S

Department of the Treasury
Internal Revenue Service

2006

For calendar year 2006, or tax
year beginning _____
ending _____

Final K-1

Amended K-1

Shareholder's Share of Income, Deductions,
Credits, etc. ▶ See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
17	Other information		

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
10 LA SALLE ST., STE 2660
CHICAGO IL 60603**

C IRS Center where corporation filed return
Ogden, UT 84201

D Tax shelter registration number, if any _____

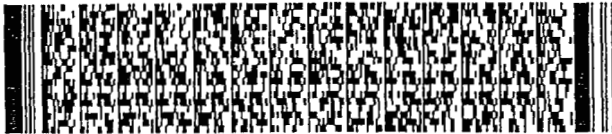
E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state and ZIP code
**LESLIE S. SMITH
10 LA SALLE ST., STE 2660
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year
[REDACTED]



For IRS Use Only

* See attached statement for additional information.

Final K-1 Amended K-1

Schedule K-1
(Form 1120S)
Department of the Treasury
Internal Revenue Service

2006

For calendar year 2006, or tax
year beginning _____
ending _____

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

Shareholder's Share of Income, Deductions,
Credits, etc. See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
10 LA SALLE ST., STE 2660
CHICAGO IL 60603**

C IRS Center where corporation filed return
Ogden, UT 84201

D Tax shelter registration number, if any _____

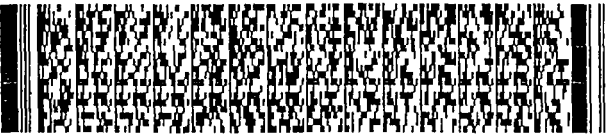
E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state and ZIP code
**ALEXANDER C. SMITH
10 LA SALLE ST., STE 2660
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year [REDACTED]



For IRS Use Only

1	Ordinary business income (loss)	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information

* See attached statement for additional information.

Schedule K-1
Form 1120S
Department of the Treasury
Internal Revenue Service

2006

For calendar year 2006, or tax
year beginning _____
ending _____

Final K-1 Amended K-1

Shareholder's Share of Income, Deductions,
Credits, etc. ▶ See back of form and separate instructions.

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information

Part I Information About the Corporation

A Corporation's employer identification number
36-3080794

B Corporation's name, address, city, state, and ZIP code
**WS UTILITY, INC.
C/O WILLIAM L. SMITH, JR.
10 LA SALLE ST., STE 2660
CHICAGO IL 60603**

C IRS Center where corporation filed return
Ogden, UT 84201

D Tax shelter registration number, if any _____

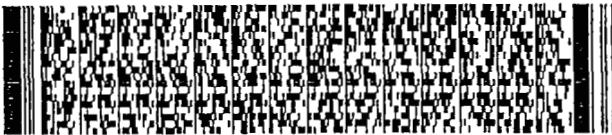
E Check if Form 8271 is attached

Part II Information About the Shareholder

F Shareholder's identifying number
[REDACTED]

G Shareholder's name, address, city, state and ZIP code
**BARTON W. SMITH
10 LA SALLE ST., STE 2660
CHICAGO IL 60603**

H Shareholder's percentage of stock ownership for tax year _____ [REDACTED]



For IRS Use Only

* See attached statement for additional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1. Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:
 - Passive loss Report on Schedule E, line 28, column (g)
 - Passive income Report on Schedule E, line 28, column (h)
 - Nonpassive loss Report on Schedule E, line 28, column (j)
 - Nonpassive income See the Shareholder's Instructions
- 2. Net rental real estate income (loss) See the Shareholder's Instructions
- 3. Other net rental income (loss)
 - Net income Schedule E, line 28, column (g)
 - Net loss See the Shareholder's Instructions
- 4. Interest income Form 1040, line 8a
 - a. Ordinary dividends Form 1040, line 9a
 - b. Qualified dividends Form 1040, line 9b
 - c. Royalties Schedule E, line 4
 - d. Net short-term capital gain (loss) Schedule D, line 5, column (f)
 - e. Net long-term capital gain (loss) Schedule D, line 12, column (f)
 - f. Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
 - g. Unrecaptured section 1250 gain See the Shareholder's Instructions
 - h. Net section 1231 gain (loss) See the Shareholder's Instructions
- 10. Other income (loss)
 - Code
 - A Other portfolio income (loss) See the Shareholder's Instructions
 - B Involuntary conversions See the Shareholder's Instructions
 - C Sec. 1256 contracts & straddles Form 6781, line 1
 - D Mining exploration costs recapture See Pub. 535
 - E Other income (loss) See the Shareholder's Instructions
- 11. Section 179 deduction See the Shareholder's Instructions
- 12. Other deductions
 - A Cash contributions (50%) See the Shareholder's Instructions
 - B Cash contributions (30%) See the Shareholder's Instructions
 - C Noncash contributions (50%) See the Shareholder's Instructions
 - D Noncash contributions (30%) See the Shareholder's Instructions
 - E Capital gain property to a 50% organization (30%) See the Shareholder's Instructions
 - F Capital gain property (20%) See the Shareholder's Instructions
 - G Investment interest expense Form 4952, line 1
 - H Deductions—royalty income Schedule E, line 18
 - I Section 59(e)(2) expenditures See the Shareholder's Instructions
 - J Deductions—portfolio (2% floor) Schedule A, line 22
 - K Deductions—portfolio (other) Schedule A, line 27
 - L Preproductive period expenses See the Shareholder's Instructions
 - M Commercial revitalization deduction from rental real estate activities See Form 8582 Instructions
 - N Reforestation expense deduction See the Shareholder's Instructions
 - O Domestic production activities information See Form 8903 Instructions
 - P Qualified production activities income Form 8903, line 7
 - Q Employer's W-2 wages Form 8903, line 13
 - R Other deductions See the Shareholder's Instructions
- 13. Credits
 - A Low-income housing credit (section 42(j)(5)) See the Shareholder's Instructions
 - B Low-income housing credit (other) See the Shareholder's Instructions
 - C Qualified rehabilitation expenditures (rental real estate) See the Shareholder's Instructions
 - D Other rental real estate credits See the Shareholder's Instructions
 - E Other rental credits See the Shareholder's Instructions
 - F Undistributed capital gains credit Form 1040, line 70, check box a
 - G Credit for alcohol used as fuel See the Shareholder's Instructions
 - H Work opportunity credit See the Shareholder's Instructions
 - I Welfare-to-work credit See the Shareholder's Instructions
 - J Disabled access credit See the Shareholder's Instructions
 - K Empowerment zone and renewal community employment credit Form 8844, line 3

- Code
- L Credit for increasing research activities Report on Form 1040, line 64
- M New markets credit See the Shareholder's Instructions
- N Credit for employer social security and Medicare taxes See the Shareholder's Instructions
- O Backup withholding
- P Other credits
- 14. Foreign transactions
 - A Name of country or U.S. possession Form 1116, Part I
 - B Gross income from all sources Form 1116, Part I
 - C Gross income sourced at shareholder level Form 1116, Part I
 - Foreign gross income sourced at corporate level
 - D Passive Form 1116, Part I
 - E Listed categories Form 1116, Part I
 - F General limitation Deductions allocated and apportioned at shareholder level
 - G interest expense Form 1116, Part I
 - H Other Form 1116, Part I
 - Deductions allocated and apportioned at corporate level to foreign source income
 - I Passive Form 1116, Part I
 - J Listed categories Form 1116, Part I
 - K General limitation
 - Other information
 - L Total foreign taxes paid Form 1116, Part II
 - M Total foreign taxes accrued Form 1116, Part II
 - N Reduction in taxes available for credit Form 1116, line 12
 - O Foreign trading gross receipts Form 8873
 - P Extraterritorial income exclusion Form 8873
 - Q Other foreign transactions See the Shareholder's Instructions
- 15. Alternative minimum tax (AMT) items
 - A Post-1986 depreciation adjustment See the Shareholder's Instructions and the Instructions for Form 6251
 - B Adjusted gain or loss
 - C Depletion (other than oil & gas)
 - D Oil, gas, & geothermal—gross income
 - E Oil, gas, & geothermal—deductions
 - F Other AMT items
- 16. Items affecting shareholder basis
 - A Tax-exempt interest income Form 1040, line 8b
 - B Other tax-exempt income
 - C Nondeductible expenses See the Shareholder's Instructions
 - D Property distributions
 - E Repayment of loans from shareholders
- 17. Other information
 - A Investment income Form 4952, line 4a
 - B Investment expenses Form 4952, line 5
 - C Qualified rehabilitation expenditures (other than rental real estate) See the Shareholder's Instructions
 - D Basis of energy property See the Shareholder's Instructions
 - E Recapture of low-income housing credit (section 42(j)(5)) Form 8611, line 8
 - F Recapture of low-income housing credit (other) Form 8611, line 8
 - G Recapture of investment credit See Form 4255
 - H Recapture of other credits See the Shareholder's Instructions
 - I Look-back interest—completed long-term contracts See Form 8697
 - J Look-back interest—income forecast method See Form 8866
 - K Dispositions of property with section 179 deductions
 - L Recapture of section 179 deduction
 - M Section 453(l)(3) information
 - N Section 453A(c) information
 - O Section 1250(b) information
 - P Interest allocable to production expenditures See the Shareholder's Instructions
 - Q CCF nonqualified withdrawal information needed to figure depletion—oil and gas
 - R Amortization of reforestation costs
 - S Other information

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:	Report on
Passive loss	See the Shareholder's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	Schedule E, line 28, column (h)
Nonpassive income	Schedule E, line 28, column (j)
Net rental real estate income (loss)	See the Shareholder's Instructions
Other net rental income (loss)	See the Shareholder's Instructions
Net income	Schedule E, line 28, column (g)
Net loss	See the Shareholder's Instructions
Interest income	Form 1040, line 8a
a. Ordinary dividends	Form 1040, line 9a
b. Qualified dividends	Form 1040, line 9b
Royalties	Schedule E, line 4
Net short-term capital gain (loss)	Schedule D, line 5, column (f)
Net long-term capital gain (loss)	Schedule D, line 12, column (f)
b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)
c. Unrecaptured section 1250 gain	See the Shareholder's Instructions
Net section 1231 gain (loss)	See the Shareholder's Instructions
d. Other income (loss)	See the Shareholder's Instructions
Code	
A Other portfolio income (loss)	See the Shareholder's Instructions
B Involuntary conversions	See the Shareholder's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Other income (loss)	See the Shareholder's Instructions
1. Section 179 deduction	See the Shareholder's Instructions
2. Other deductions	
A Cash contributions (50%)	See the Shareholder's Instructions
B Cash contributions (30%)	
C Noncash contributions (50%)	
D Noncash contributions (30%)	
E Capital gain property to a 50% organization (30%)	
F Capital gain property (20%)	Form 4952, line 1
G Investment interest expense	
H Deductions—royalty income	
I Section 59(e)(2) expenditures	
J Deductions—portfolio (2% floor)	
K Deductions—portfolio (other)	Schedule A, line 27
L Preproductive period expenses	See the Shareholder's Instructions
M Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
N Reforestation expense deduction	See the Shareholder's Instructions
O Domestic production activities information	See Form 8903 Instructions
P Qualified production activities income	Form 8903, line 7
Q Employer's W-2 wages	Form 8903, line 13
R Other deductions	See the Shareholder's Instructions
13. Credits	
A Low-income housing credit (section 42(j)(5))	See the Shareholder's Instructions
B Low-income housing credit (other)	
C Qualified rehabilitation expenditures (rental real estate)	
D Other rental real estate credits	Form 1040, line 70, check box 4
E Other rental credits	
F Undistributed capital gains credit	See the Shareholder's Instructions
G Credit for alcohol used as fuel	
H Work opportunity credit	
I Welfare-to-work credit	
J Disabled access credit	
K Empowerment zone and renewal community employment credit	

Code	Report on
L Credit for increasing research activities	See the Shareholder's Instructions
M New markets credit	
N Credit for employer social security and Medicare taxes	
O Backup withholding	Form 1040, line 64
P Other credits	See the Shareholder's Instructions
14. Foreign transactions	
A Name of country or U.S. possession	Form 1116, Part I
B Gross income from all sources	
C Gross income sourced at shareholder level	
Foreign gross income sourced at corporate level	Form 1116, Part I
D Passive	
E Listed categories	
F General limitation	Deductions allocated and apportioned at shareholder level
G Interest expense	
H Other	
I Deductions allocated and apportioned at corporate level to foreign source income	Form 1116, Part I
J Passive	
K Listed categories	
L General limitation	Form 1116, Part II
M Total foreign taxes paid	
N Total foreign taxes accrued	
O Reduction in taxes available for credit	Form 1116, line 12
P Foreign trading gross receipts	Form 8873
Q Extraterritorial income exclusion	Form 8873
R Other foreign transactions	See the Shareholder's Instructions
15. Alternative minimum tax (AMT) items	
A Post-1986 depreciation adjustment	See the Shareholder's Instructions and the Instructions for Form 6251
B Adjusted gain or loss	
C Depletion (other than oil & gas)	
D Oil, gas, & geothermal—gross income	
E Oil, gas, & geothermal—deductions	
F Other AMT items	
16. Items affecting shareholder basis	
A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Shareholder's Instructions
C Nondeductible expenses	
D Property distributions	
E Repayment of loans from shareholders	
17. Other information	
A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Qualified rehabilitation expenditures (other than rental real estate)	See the Shareholder's Instructions
D Basis of energy property	See the Shareholder's Instructions
E Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
F Recapture of low-income housing credit (other)	Form 8611, line 8
G Recapture of investment credit	See Form 4255
H Recapture of other credits	See the Shareholder's Instructions
I Look-back interest—completed long-term contracts	See Form 8697
J Look-back interest—income forecast method	See Form 8866
K Dispositions of property with section 179 deductions	See the Shareholder's Instructions
L Recapture of section 179 deduction	
M Section 453(l)(3) information	
N Section 453A(c) information	
O Section 1260(b) information	
P Interest allocable to production expenditures	
Q CCF nonqualified withdrawal	
R Information needed to figure depletion—oil and gas	
S Amortization of reforestation costs	
T Other information	

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for Schedule K-1 and the instructions for your income tax return. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the

- Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:
 - Passive loss Report on See the Shareholder's Instructions
 - Passive income Schedule E, line 28, column (g)
 - Nonpassive loss Schedule E, line 28, column (h)
 - Nonpassive income Schedule E, line 28, column (j)
- Net rental real estate income (loss) See the Shareholder's Instructions
- Other net rental income (loss)
 - Net income Schedule E, line 28, column (g)
 - Net loss See the Shareholder's Instructions
- Interest income Form 1040, line 8a
 - a. Ordinary dividends Form 1040, line 9a
 - b. Qualified dividends Form 1040, line 9b
- Royalties Schedule E, line 4
- Net short-term capital gain (loss) Schedule D, line 5, column (f)
- Net long-term capital gain (loss) Schedule D, line 12, column (f)
- Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
- Unrecaptured section 1250 gain See the Shareholder's Instructions
- Net section 1231 gain (loss) See the Shareholder's Instructions
- Other income (loss)

- Code
 - A Other portfolio income (loss) See the Shareholder's Instructions
 - B Involuntary conversions See the Shareholder's Instructions
 - C Sec. 1256 contracts & straddles Form 6781, line 1
 - D Mining exploration costs recapture See Pub. 535
 - E Other income (loss) See the Shareholder's Instructions
- 11. Section 179 deduction See the Shareholder's Instructions
- 12. Other deductions

- A Cash contributions (50%) See the Shareholder's Instructions
- B Cash contributions (30%) See the Shareholder's Instructions
- C Noncash contributions (50%) See the Shareholder's Instructions
- D Noncash contributions (30%) See the Shareholder's Instructions
- E Capital gain property to a 50% organization (30%) See the Shareholder's Instructions
- F Capital gain property (20%) See the Shareholder's Instructions
- G Investment interest expense Form 4952, line 1
- H Deductions—royalty income Schedule E, line 18
- I Section 59(e)(2) expenditures See the Shareholder's Instructions
- J Deductions—portfolio (2% floor) Schedule A, line 22
- K Deductions—portfolio (other) Schedule A, line 27
- L Preproductive period expenses See the Shareholder's Instructions
- M Commercial revitalization deduction from rental real estate activities See Form 8582 Instructions
- N Reforestation expense deduction See the Shareholder's Instructions
- O Domestic production activities information See Form 8903 Instructions
- P Qualified production activities income Form 8903, line 7
- Q Employer's W-2 wages Form 8903, line 13
- R Other deductions See the Shareholder's Instructions

- 13. Credits
 - A Low-income housing credit (section 42(j)(5)) See the Shareholder's Instructions
 - B Low-income housing credit (other) See the Shareholder's Instructions
 - C Qualified rehabilitation expenditures (rental real estate) See the Shareholder's Instructions
 - D Other rental real estate credits See the Shareholder's Instructions
 - E Other rental credits See the Shareholder's Instructions
 - F Undistributed capital gains credit Form 1040, line 70, check box a
 - G Credit for alcohol used as fuel See the Shareholder's Instructions
 - H Work opportunity credit See the Shareholder's Instructions
 - I Welfare-to-work credit See the Shareholder's Instructions
 - J Disabled access credit See the Shareholder's Instructions
 - K Empowerment zone and renewal community employment credit Form 8844, line 3

- Code Report on
 - L Credit for increasing research activities See the Shareholder's Instructions
 - M New markets credit See the Shareholder's Instructions
 - N Credit for employer social security and Medicare taxes See the Shareholder's Instructions
 - O Backup withholding Form 1040, line 64
 - P Other credits See the Shareholder's Instructions
- 14. Foreign transactions
 - A Name of country or U.S. possession Form 1116, Part I
 - B Gross income from all sources Form 1116, Part I
 - C Gross income sourced at shareholder level Form 1116, Part I
 - Foreign gross income sourced at corporate level
 - D Passive Form 1116, Part I
 - E Listed categories Form 1116, Part I
 - F General limitation Form 1116, Part I
 - Deductions allocated and apportioned at shareholder level
 - G Interest expense Form 1116, Part I
 - H Other Form 1116, Part I
 - Deductions allocated and apportioned at corporate level to foreign source income
 - I Passive Form 1116, Part I
 - J Listed categories Form 1116, Part I
 - K General limitation Form 1116, Part I
 - Other information
 - L Total foreign taxes paid Form 1116, Part II
 - M Total foreign taxes accrued Form 1116, Part II
 - N Reduction in taxes available for credit Form 1116, line 12
 - O Foreign trading gross receipts Form 8873
 - P Extraterritorial income exclusion Form 8873
 - Q Other foreign transactions See the Shareholder's Instructions

- 15. Alternative minimum tax (AMT) items
 - A Post-1986 depreciation adjustment See the Shareholder's Instructions
 - B Adjusted gain or loss See the Shareholder's Instructions
 - C Depletion (other than oil & gas) See the Shareholder's Instructions
 - D Oil, gas, & geothermal—gross income See the Shareholder's Instructions
 - E Oil, gas, & geothermal—deductions See the Shareholder's Instructions
 - F Other AMT items See the Shareholder's Instructions

- 16. Items affecting shareholder basis
 - A Tax-exempt interest income Form 1040, line 8b
 - B Other tax-exempt income See the Shareholder's Instructions
 - C Nondeductible expenses See the Shareholder's Instructions
 - D Property distributions See the Shareholder's Instructions
 - E Repayment of loans from shareholders See the Shareholder's Instructions

- 17. Other information
 - A Investment income Form 4952, line 4a
 - B Investment expenses Form 4952, line 5
 - C Qualified rehabilitation expenditures (other than rental real estate) See the Shareholder's Instructions
 - D Basis of energy property See the Shareholder's Instructions
 - E Recapture of low-income housing credit (section 42(j)(5)) Form 8611, line 8
 - F Recapture of low-income housing credit (other) Form 8611, line 8
 - G Recapture of investment credit See Form 4255
 - H Recapture of other credits See the Shareholder's Instructions
 - I Look-back interest—completed long-term contracts See Form 8697
 - J Look-back interest—income forecast method See Form 8866
 - K Dispositions of property with section 179 deductions See the Shareholder's Instructions
 - L Recapture of section 179 deduction See the Shareholder's Instructions
 - M Section 453(f)(3) information See the Shareholder's Instructions
 - N Section 453A(c) information See the Shareholder's Instructions
 - O Section 1260(b) information See the Shareholder's Instructions
 - P Interest allocable to production expenditures See the Shareholder's Instructions
 - Q CCF nonqualified withdrawal Information needed to figure depletion—oil and gas See the Shareholder's Instructions
 - R Amortization of reforestation costs See the Shareholder's Instructions
 - S Other information See the Shareholder's Instructions
 - T Other information See the Shareholder's Instructions

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

- Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:
 - Passive loss Report on See the Shareholder's Instructions
 - Passive income Schedule E, line 28, column (g)
 - Nonpassive loss Schedule E, line 28, column (h)
 - Nonpassive income Schedule E, line 28, column (i)
- Net rental real estate income (loss) See the Shareholder's Instructions
- Other net rental income (loss)
 - Net income Schedule E, line 28, column (g)
 - Net loss See the Shareholder's Instructions
- Interest income Form 1040, line 8a
 - a. Ordinary dividends Form 1040, line 9a
 - b. Qualified dividends Form 1040, line 9b
- Royalties Schedule E, line 4
- Net short-term capital gain (loss) Schedule D, line 5, column (f)
- a. Net long-term capital gain (loss) Schedule D, line 12, column (f)
- b. Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- c. Unrecaptured section 1250 gain See the Shareholder's Instructions
- Net section 1231 gain (loss) See the Shareholder's Instructions
- 0. Other income (loss)

- Code
 - A Other portfolio income (loss) See the Shareholder's Instructions
 - B Involuntary conversions See the Shareholder's Instructions
 - C Sec. 1256 contracts & straddles Form 6781, line 1
 - D Mining exploration costs recapture See Pub. 535
 - E Other income (loss) See the Shareholder's Instructions

- 1. Section 179 deduction See the Shareholder's Instructions
- 2. Other deductions
 - A Cash contributions (50%) See the Shareholder's Instructions
 - B Cash contributions (30%) See the Shareholder's Instructions
 - C Noncash contributions (50%) See the Shareholder's Instructions
 - D Noncash contributions (30%) See the Shareholder's Instructions
 - E Capital gain property to a 50% organization (30%) See the Shareholder's Instructions
 - F Capital gain property (20%) See the Shareholder's Instructions
 - G Investment interest expense Form 4952, line 1
 - H Deductions—royalty income Schedule E, line 18
 - I Section 59(e)(2) expenditures See the Shareholder's Instructions
 - J Deductions—portfolio (2% floor) Schedule A, line 22
 - K Deductions—portfolio (other) Schedule A, line 27
 - L Preproductive period expenses See the Shareholder's Instructions
 - M Commercial revitalization deduction from rental real estate activities See Form 8582 Instructions
 - N Reforestation expense deduction See the Shareholder's Instructions
 - O Domestic production activities information See Form 8903 Instructions
 - P Qualified production activities income Form 8903, line 7
 - Q Employer's W-2 wages Form 8903, line 13
 - R Other deductions See the Shareholder's Instructions

- 13. Credits
 - A Low-income housing credit (section 42(j)(5)) See the Shareholder's Instructions
 - B Low-income housing credit (other) See the Shareholder's Instructions
 - C Qualified rehabilitation expenditures (rental real estate) See the Shareholder's Instructions
 - D Other rental real estate credits See the Shareholder's Instructions
 - E Other rental credits See the Shareholder's Instructions
 - F Undistributed capital gains credit Form 1040, line 70, check box a
 - G Credit for alcohol used as fuel See the Shareholder's Instructions
 - H Work opportunity credit See the Shareholder's Instructions
 - I Welfare-to-work credit See the Shareholder's Instructions
 - J Disabled access credit See the Shareholder's Instructions
 - K Empowerment zone and renewal community employment credit Form 8844, line 3

- Code Report on
 - L Credit for increasing research activities See the Shareholder's Instructions
 - M New markets credit See the Shareholder's Instructions
 - N Credit for employer social security and Medicare taxes See the Shareholder's Instructions
 - O Backup withholding Form 1040, line 64
 - P Other credits See the Shareholder's Instructions

- 14. Foreign transactions
 - A Name of country or U.S. possession Form 1116, Part I
 - B Gross income from all sources Form 1116, Part I
 - C Gross income sourced at shareholder level Form 1116, Part I
 - Foreign gross income sourced at corporate level
 - D Passive Form 1116, Part I
 - E Listed categories Form 1116, Part I
 - F General limitation Deductions allocated and apportioned at shareholder level
 - G Interest expense Form 1116, Part I
 - H Other Form 1116, Part I
 - Deductions allocated and apportioned at corporate level to foreign source income
 - I Passive Form 1116, Part I
 - J Listed categories Form 1116, Part I
 - K General limitation Other information
 - L Total foreign taxes paid Form 1116, Part II
 - M Total foreign taxes accrued Form 1116, Part II
 - N Reduction in taxes available for credit Form 1116, line 12
 - O Foreign trading gross receipts Form 8873
 - P Extraterritorial income exclusion Form 8873
 - Q Other foreign transactions See the Shareholder's Instructions

- 15. Alternative minimum tax (AMT) items
 - A Post-1986 depreciation adjustment See the Shareholder's Instructions
 - B Adjusted gain or loss See the Shareholder's Instructions
 - C Depletion (other than oil & gas) See the Shareholder's Instructions
 - D Oil, gas, & geothermal—gross income See the Shareholder's Instructions
 - E Oil, gas, & geothermal—deductions See the Shareholder's Instructions
 - F Other AMT items See the Shareholder's Instructions

- 16. Items affecting shareholder basis
 - A Tax-exempt interest income Form 1040, line 8b
 - B Other tax-exempt income See the Shareholder's Instructions
 - C Nondeductible expenses See the Shareholder's Instructions
 - D Property distributions See the Shareholder's Instructions
 - E Repayment of loans from shareholders See the Shareholder's Instructions

- 17. Other information
 - A Investment income Form 4952, line 4a
 - B Investment expenses Form 4952, line 5
 - C Qualified rehabilitation expenditures (other than rental real estate) See the Shareholder's Instructions
 - D Basis of energy property See the Shareholder's Instructions
 - E Recapture of low-income housing credit (section 42(j)(5)) Form 8611, line 8
 - F Recapture of low-income housing credit (other) Form 8611, line 8
 - G Recapture of investment credit See Form 4255
 - H Recapture of other credits See the Shareholder's Instructions
 - I Look-back interest—completed long-term contracts See Form 8697
 - J Look-back interest—income forecast method See Form 8866
 - K Dispositions of property with section 179 deductions See the Shareholder's Instructions
 - L Recapture of section 179 deduction See the Shareholder's Instructions
 - M Section 453(l)(3) information See the Shareholder's Instructions
 - N Section 453A(c) information See the Shareholder's Instructions
 - O Section 1260(b) information See the Shareholder's Instructions
 - P Interest allocable to production expenditures See the Shareholder's Instructions
 - Q CCF nonqualified withdrawal Information needed to figure depletion—oil and gas See the Shareholder's Instructions
 - R Amortization of reforestation costs See the Shareholder's Instructions
 - S Other information See the Shareholder's Instructions
 - T Other information See the Shareholder's Instructions

SCHEDULE M-3
Form 1120S

Net Income (Loss) Reconciliation for S Corporations
with Total Assets of \$10 Million or More

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120S.
▶ See separate instructions.

2006

Name of corporation
WS UTILITY, INC.

Employer identification number
36-3080794

Part I Financial Information and Net Income (Loss) Reconciliation

1a Did the corporation prepare a certified audited income statement for the period ending with or within this taxable year?

Yes. Skip line 1b and complete lines 2 through 11 with respect to that income statement.

No. Go to line 1b.

b Did the corporation prepare an income statement for that period?

Yes. Complete lines 2 through 11 with respect to that income statement.

No. Skip lines 2 through 3b and enter the corporation's net income (loss) per its books and records on line 4.

2 Enter the income statement period: Beginning [redacted] Ending [redacted]

3a Has the corporation's income statement been restated for the income statement period on line 2?

Yes. (If "Yes," attach an explanation and the amount of each item restated.)

No.

3b Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2?

Yes. (If "Yes," attach an explanation and the amount of each item restated.)

No.

4 Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 4 [redacted]

5a Net income from nonincludible foreign entities (attach schedule) 5a ()

b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) 5b

6a Net income from nonincludible U.S. entities (attach schedule) 6a ()

b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) 6b

7a Net income of other includible entities (attach schedule) 7a

b Net loss of other includible entities (attach schedule) 7b ()

8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule) 8

9 Adjustment to reconcile income statement period to tax year (attach schedule) 9

10 Other adjustments to reconcile to amount on line 11 (attach schedule) 10

11 Net income (loss) per income statement of the corporation. Combine lines 4 through 10 11 [redacted]

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule M-3 (Form 1120S) 2006

Name of corporation
WS UTILITY, INC.

Employer identification number
36-3080794

Part II Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return

Income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return (optional)
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Gross foreign distributions previously taxed				
5 Income (loss) from equity method U.S. corporations				
6 U.S. dividends not eliminated in tax consolidation				
7 Income (loss) from U.S. partnerships (attach schedule)				
8 Income (loss) from foreign partnerships (attach schedule)				
9 Income (loss) from other pass-through entities (attach schedule)				
10 Items relating to reportable transactions (attach details)				
11 Interest income				
12 Total accrual to cash adjustment				
13 Hedging transactions				
14 Mark-to-market income (loss)				
15 Cost of goods sold (attach Form 8916-A)				
16 Sale versus lease (for sellers and/or lessors)				
17 Section 481(a) adjustments				
18 Unearned/deferred revenue				
19 Income recognition from long-term contracts				
20 Original issue discount and other imputed interest				
21 a income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (att. details)				
g Other gain/loss on disposition of assets other than inventory				
22 Other income (loss) items with diff.				
23 Total income (loss) items. Combine lines 1 - 22				
24 Total expense/deduction items (from Part III, line 30)				
25 Other items with no differences				
26 Reconciliation totals. Combine lines 23 through 25				

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120S, Schedule K, line 18.

Employer identification number
36-3080794

Part III Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return-Expense/Deduction Items

Expense/Deduction Items	(a) Expense per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return (optional)
1 U.S. current income tax expense				
2 U.S. deferred income tax expense				
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Equity-based compensation				
8 Meals and entertainment				
9 Fines and penalties				
0 Judgments, damages, awards, and similar costs				
1 Pension and profit-sharing				
2 Other post-retirement benefits				
3 Deferred compensation				
4 Charitable contribution of cash and tangible property				
5 Charitable contribution of intangible property				
6 Current year acquisition or reorganization investment banking fees				
7 Current year acquisition or reorganization legal and accounting fees				
8 Current year acquisition/reorganization other costs				
9 Amortization/impairment of goodwill				
0 Amortization of acquisition, reorganization, and start-up costs				
1 Other amortization or impairment write-offs				
2 Section 198 environmental remediation costs				
23a Depletion-Oil & Gas				
b Depletion-Other than Oil & Gas				
24 Depreciation				
25 Bad debt expense				
26 Interest expense				
27 Corporate owned life insurance premiums				
28 Purchase versus lease (for purchasers and/or lessees)				
29 Other expense/deduction items with differences (attach schedule) Stmt 9				
30 Total expense/deduction items. Combine lines 1 through 29. Enter here and on Part II, line 24				

Form **4797**
Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

OMB No. 1545-0164

2006

Attachment
Sequence No. **27**

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return

Identifying number

WS UTILITY, INC.

36-3080794

1 Enter the gross proceeds from sales or exchanges reported to you for 2006 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
TRANSPORTATION EQUIPMENT						
2 750KW GENERATOR	6/30/02	1/01/06				
	9/02/03	12/31/06				

3 Gain, if any, from Form 4684, line 42	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6 Gain, if any, from line 32, from other than casualty or theft	6	
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.	7	
8 Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	9	

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):						

11 Loss, if any, from line 7	11	
12 Gain, if any, from line 7 or amount from line 8, if applicable	12	
13 Gain, if any, from line 31	13	
14 Net gain or (loss) from Form 4684, lines 34 and 41a	14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17 Combine lines 10 through 16	17	
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
a If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions	18a	
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2006)

There are no amounts for Page 2

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization (Including Information on Listed Property)

OMB No. 1545-0172

2006

Attachment
Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return
WS UTILITY, INC.

Identifying number
36-3080794

Business or activity to which this form relates
KW RESORT UTILITIES

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	[REDACTED]
2	Total cost of section 179 property placed in service (see instructions)	2	[REDACTED]
3	Threshold cost of section 179 property before reduction in limitation	3	[REDACTED]
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	[REDACTED]
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	[REDACTED]
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	[REDACTED]
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	[REDACTED]
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	[REDACTED]
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10	[REDACTED]
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	[REDACTED]
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	[REDACTED]
13	Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12	▶ 13	[REDACTED]

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	[REDACTED]
15	Property subject to section 168(f)(1) election	15	[REDACTED]
16	Other depreciation (including ACRS)	16	[REDACTED]

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	[REDACTED]
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	[REDACTED]

Section B-Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
b	5-year property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
c	7-year property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
d	10-year property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
e	15-year property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
f	20-year property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
g	25-year property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
h	Residential rental property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
i	Nonresidential real property	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Section C-Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

20a	Class life	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
b	12-year	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
c	40-year	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	[REDACTED]
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	[REDACTED]
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	[REDACTED]

For Paperwork Reduction Act Notice, see separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A-Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

23 Do you have evidence to support the business/investment use claimed?		Yes	No	24b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
5 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
6 Property used more than 50% in a qualified business use: See Statement 10								
		%						
		%						
7 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
8 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
9 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a)	(b)	(c)	(d)	(e)	(f)
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?	Yes	No	Yes	No	Yes	No
36 Is another vehicle available for personal use?	Yes	No	Yes	No	Yes	No

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2006 tax year (see instructions):					
43 Amortization of costs that began before your 2006 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Federal Statements

General Footnote

Description

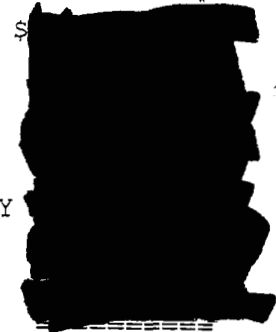
STATEMENT OF CIAC COLLECTIONS AND EXPENDITURES

PER CODE SECTION 118(C)

1. AMOUNT EXPENDED FOR QUALIFIED PROPERTY
TOTAL CONTRIBUTIONS COLLECTED IN 2006
UNEXPENDED COLLECTIONS 2005
TOTAL CONTRIBUTIONS EXPENDED PER SECTION 118(C)(b)(4)

UNEXPENDED CIAC COLLECTED
2. AMOUNT THAT WILL NOT BE EXPENDED ON QUALIFIED PROPERTY

(ALL AMOUNTS HAVE BEEN EXPENDED)
3. CIAC NOT EXPENDED PER 118(c)(1)



Federal Statements

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

<u>Description</u>	<u>Amount</u>
OTHER INCOME	\$ [REDACTED]
Total	\$ [REDACTED]

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
Chemicals	\$ [REDACTED]
Computer expense	[REDACTED]
Sludge Removal	[REDACTED]
Laboratory Supplies	[REDACTED]
Materials & Supplies	[REDACTED]
Contractual Services	[REDACTED]
Dues & subscriptions	[REDACTED]
Insurance	[REDACTED]
Utilities and telephone	[REDACTED]
Vehicle expense	[REDACTED]
Legal and accounting	[REDACTED]
Miscellaneous expense	[REDACTED]
Postage and supplies	[REDACTED]
Amortization	[REDACTED]
Total	\$ [REDACTED]

Federal Statements

Statement 3 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
PREPAID INSURANCE	\$ [REDACTED]	\$ [REDACTED]
UTILITY DEPOSITS	[REDACTED]	[REDACTED]
PREPAID EXPENSES/EDU'S	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 4 - Form 1120S, Page 4, Schedule L, Line 9 - Other Investments

Description	Beginning of Year	End of Year
CERTIFICATE OF DEPOSIT	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 5 - Form 1120S, Page 4, Schedule L, Line 14 - Other Assets

Description	Beginning of Year	End of Year
Navy plant	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 6 - Form 1120S, Page 4, Schedule L, Line 21 - Other Liabilities

Description	Beginning of Year	End of Year
CUSTOMER DEPOSITS	\$ [REDACTED]	\$ [REDACTED]
ACCRUED TAXES	[REDACTED]	[REDACTED]
DEFERRED INCOME	[REDACTED]	[REDACTED]
CONTRIBUTIONS IN AID OF CONST	[REDACTED]	[REDACTED]
ACCUM AMORT OF CIAC	[REDACTED]	[REDACTED]
Refundable Advances for Const	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

Statement 7 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

Description	Amount
Interest Income	\$ [REDACTED]
Total	[REDACTED]

Statement 8 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions

<u>Description</u>	<u>Amount</u>
Net Sec 1231 Loss	\$ [REDACTED]
Schedule M-3 Adjustments	[REDACTED]
Total	\$ [REDACTED]

Federal Statements

Statement 9 - Sch M-3, P3, Part III, Line 29 - Other Expense/Deduction Items With Differences

Description	Expense per Inc Stmt	Temporary Difference	Permanent Difference	Deduction per Tax Return
[REDACTED]	[REDACTED]	[REDACTED]	\$ [REDACTED]	[REDACTED]
Total	\$ [REDACTED]	[REDACTED]	\$ 0	[REDACTED]

Federal Statements

KW RESORT UTILITIES

Statement 10 - Form 4562, Part V, Line 26 - Property Used More Than 50% in Qualified Business

Property Type	Date in Service	Busn Use %	Cost or Basis	Basis For Depr	Per	Meth	Deduct	Sec 179
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total							\$ [REDACTED]	0

CONFIDENTIAL INDEX

<u>Workpaper Number</u>	<u>Description</u>	<u>Number of Pages</u>
8	Minutes of Annual Meeting of Board of Directors	2
16-5/2-2/4	Letter from Weiss, Sugar, Dvorak and Dusek, Ltd.	1
20-3	Review of tax returns	1
20-3/1	Tax Returns	58
43-1/2-4	KEI Statement of Income & Exps.	2

PBC

MINUTES OF ANNUAL MEETING
 of
BOARD OF DIRECTORS
 of
KW Resort Utilities Corp., a Florida Corporation

Confidential

The annual Meeting of the Board of Directors of the above named Corporation was held at:

Place: [REDACTED]

Date: [REDACTED]

Time: [REDACTED]

The following Directors were present and constituted a quorum:

[REDACTED]

The meeting was called to order by [REDACTED]

Upon motion duly made and seconded the [REDACTED] was elected Chairperson and [REDACTED] elected as Secretary.

The Secretary presented and read a waiver of time, place, and purpose of the meeting, signed by all shareholders, which was ordered filed.

The Secretary read the minutes of the proceeding meeting of the Board of Directors held on April 25, 2005 which was then adopted.

The President reported on the business and affairs of the Corporation generally.

The Treasurer reported on the business and affairs of the Corporation generally.


The Secretary presented her report.

[REDACTED]

[REDACTED]

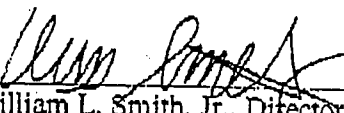
[REDACTED]

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously adopted the meeting was adjourned.


Secretary

Attest:

Board of Directors


William L. Smith, Jr., Director

WEISS, SUGAR, DVORAK & DUSEK, LTD.

Certified Public Accountants & Consultants

20 North Wacker Drive, Suite 2250

Chicago, Illinois 60606

Telephone: (312) 332-6622

Facsimile: (312) 332-3707

Stanley H. Weiss, CPA

David S. Sugar, CPA

Kenneth G. Dvorak, CPA

Frank A. Dusek, CPA

Robert Rehayem, CPA

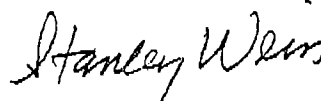
CONFIDENTIAL

October 2, 2007

To Whom It May Concern:

I have prepared the individual income tax returns for Mr. William L. Smith, Jr. for more than [REDACTED] years. Mr. Smith's adjusted gross income (AGI) for 2006 was [REDACTED]

Sincerely yours,



Stanley H. Weiss

SHW:md

KW RESORT UTILITIES

RATE CASE

Test Year Ended 12/31/2006

Docket No. 070293

Audit Control No. 07-233-4-1

Title: Review of Tax Return

DL
10/20/07

Kw

10/15/07

1	Per tax return - Bldgs 12/04	[REDACTED]	20-3/1
2	Land 12/04	[REDACTED]	
3		[REDACTED]	
4		[REDACTED]	
5	Per filing 12/04 16-1	[REDACTED]	
6	CWIP 16-1/18	[REDACTED]	
7		[REDACTED]	
8		[REDACTED]	
9	Difference - immaterial	[REDACTED]	
10		[REDACTED]	
11		[REDACTED]	
12	Does not indicate CIAC	[REDACTED]	
13		[REDACTED]	
14		[REDACTED]	
15	2005 Tax	[REDACTED]	20-3/1
16	Bldgs	[REDACTED]	
17	Land	[REDACTED]	
18		[REDACTED]	
19		[REDACTED]	
20	Per Books	[REDACTED]	
21	Plant	[REDACTED]	16-3/1
22	CWIP	[REDACTED]	
23		[REDACTED]	
24		[REDACTED]	
25		[REDACTED]	
26	Diff.	[REDACTED]	
27		[REDACTED]	
28	2006 Tax	[REDACTED]	20-3/1
29	Bldgs	[REDACTED]	
30	Land	[REDACTED]	
31		[REDACTED]	
32		[REDACTED]	
33	Per Books	[REDACTED]	16-3/1
34	Plant	[REDACTED]	
35	CWIP	[REDACTED]	
36		[REDACTED]	
37		[REDACTED]	
38	Difference - immaterial	[REDACTED]	
39		[REDACTED]	
40		[REDACTED]	
41		[REDACTED]	
42	Source: 20-3/1, 16-1 & 16-1/18	[REDACTED]	
43		[REDACTED]	
44		[REDACTED]	
45		[REDACTED]	
46		[REDACTED]	
47		[REDACTED]	
48		[REDACTED]	
49		[REDACTED]	
50		[REDACTED]	
51		[REDACTED]	
52		[REDACTED]	
53		[REDACTED]	
54		[REDACTED]	
55		[REDACTED]	
56		[REDACTED]	
57		[REDACTED]	
58		[REDACTED]	
59		[REDACTED]	
60		[REDACTED]	
61		[REDACTED]	

CONFIDENTIAL
STATEMENT OF INCOME & EXPENSES
December 31, 2006

Current Period Amounts		Budget	Account Reference	This Year	Year to Date		Amounts
This Year	Prior Year				Prior Year	Budget	
			INCOME				
\$		\$	KWRU MANAGEMENT	\$	\$	\$	
			AIRVAC OPERATIONS				
			OTHER CONTRACT WORK				
			CALL OUTS				
			OTHER - OUTSIDE WORK				
			SLUDGE HAULING				
			STORM DRAIN CLEANING				
			INTEREST INCOME				
			MISC INCOME/RESALES				
\$		\$	INSPECTION FEES	\$	\$	\$	
			TOTAL INCOME	\$	\$	\$	
			EXPENSES				
			P/R SALARIES				
			P/R WAGES				
			P/R OVERTIME				
			P/R TAXES				
			TOTAL PAYROLL				
			WORKERS COMP INSUR				
			EMPLOYEE RELATIONS				
			COMMISSIONS				
			401K				
			TRAILER RENTAL				
			LEASE EQUIPMENT				
			EQUIPMENT RENTAL				
			HEALTH INSURANCE				
			EQUIP REPAIRS & MAINT				
			COMPUTER				
			CHEMICALS/CHLORINE				
			SUPPLIES				
			SLUDGE HAULING				
			OFFICE SUPPLIES				
			SMALL TOOLS & EQUIP				
			VEHICLE EXPENSE				
			GASOLINE				
			POSTAGE/COURIER				
			TELEPHONE & RADIO				
			ANSWERING SERVICE				
			TRAVEL				
			GEN LIAB INSURANCE				
			PROF SERVICES - LAB				
			PROF SERVICES - ACCTG				
			PROF SERVS-LEGAL/ENG				
			MISC OUTSIDE SERVICE				
			LICENSES & PERMITS				
			INTEREST EXPENSE				
			PAYROLL SERVICE FEES				
			ROTARY FEES				
			TRAINING				
			BANK FEES				
			SALES TAX/FEDERAL TAX				
			DEPRECIATION				
			OTHER/MISC				
\$		\$	TOTAL OTHER EXPENSES	\$	\$	\$	
\$		\$	TOTAL EXPENSES	\$	\$	\$	
\$		\$	NET INCOME	\$	\$	\$	

cannot determine what profit relates to utility because
KET has other revenues.

Confidential

