

Pine Harbour Waterworks, Inc.

August 23, 2016

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

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COMMISSION
CLERK

Re: Docket No. 160169-WU -Pine Harbour Waterworks, Inc, application for approval of transfer of Pine Harbour Water Utilities, LLC in Lake County, Florida – Deficiency Letter Response

Dear Commission Clerk,

Pine Harbour Waterworks, Inc. (Pine Harbour) hereby submits its response to staff's Deficiency Letter dated August 17, 2016 in the above referenced docket.

- 1. Assets and Liabilities.** Rule 25-30.037(2)(j)(3), Florida Administrative Code (F.A.C.), requires a list of and the dollar amount of the assets and liabilities assumed or not assumed, including those of non-regulated operations or entities. Please provide a list of the specific assets assumed including the dollar amounts allocated to each.

Response: This was previously submitted in Pine Harbour's application. See Exhibit N of the Application. Also see Exhibit O – the 2015 Tax Return – Assets by Classification. Attached is the Depreciation Schedule that Pine Harbour compiled utilizing the 2015 Annual Report. As demonstrated by the current depreciation schedule, several assets were over-depreciated by the previous owner (seller). Pine Harbour requests that adjustments be made to remove the over-depreciated amount.

- 2. Records and Reports.** Rule 25.30.037(2)(p), F.A.C., requires a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the Utility was first established or the rate base was last established by the Commission, whichever is later. Although the applicant provided that the Buyer has obtained the federal tax returns from 2011 to 2015, please provide a statement that the buyer has, or will obtain copies, of all of the federal income tax returns from the date the Utility was first established or the rate base was last established by the Commission, whichever is later.

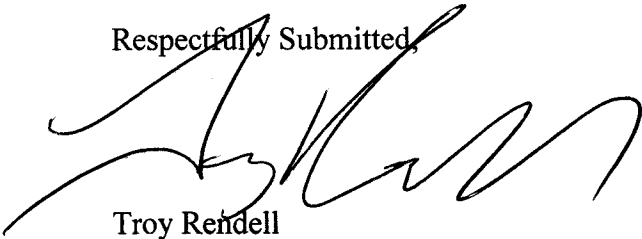
Response: Pine Harbour Water Utilities, LLC obtained Certificate No. 450-W by PSC Order No. PSC-08-0645-FOF-WU, issued October 6, 2008. Please find attached, the federal income tax returns for the years 2008 – 2011. According to the Seller, prior to that date, no income tax records exist. The previous owner prior to Pine Harbour Utilities, LLC is deceased and the records were destroyed. These records were shredded after seven years.

Pine Harbour Waterworks, Inc.
Deficiency Letter Response
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- 3. Contact Information for Utility/Seller.** Rule 25-30.037(2)(d), F.A.C., requires the seller's complete name, address, telephone number, authorized representative, and, if available, email address and fax number. Part 1 (A) of the Application is incorrect. It should have the seller's contact information listed.

Response: Please find attached the revised Part 1 (A) of the application. This error has been corrected.

Respectfully Submitted,



Troy Rendell
Manager of Regulated Utilities
//For Pine Harbour Waterworks, Inc.

Accumulated Depreciation - Depreciation Expense		January-16			February-16			March-16			April-16			May-16			June-16				
Account Number	Account	Depreciation Rate	Balance 12/31/2015	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance	Additions	Retirements	Balance
301	Organization	2.50%		\$ 1.04	\$ -	\$ 1.04	\$ 1.04	\$ -	\$ 2.08	\$ 1.04	\$ -	\$ 3.13	\$ 1.04	\$ -	\$ 4.17	\$ 1.04	\$ -	\$ 5.21	\$ 1.04	\$ -	\$ 6.25
304	Structures and Improvements	3.70%	\$ 4,981.00	\$ 17.86	\$ -	\$ 4,998.86	\$ 17.86	\$ -	\$ 5,016.73	\$ 17.86	\$ -	\$ 5,034.59	\$ 17.86	\$ -	\$ 5,052.46	\$ 17.86	\$ -	\$ 5,070.32	\$ 17.86	\$ -	\$ 5,088.19
305	Collectors and Impounding Reservoirs	2.50%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
306	Lake, River and Other Intakes	2.50%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307	Wells and Springs	3.70%	\$ 7,930.00	\$ -	\$ -	\$ 7,930.00	\$ -	\$ -	\$ 7,930.00	\$ -	\$ -	\$ 7,930.00	\$ -	\$ -	\$ 7,930.00	\$ -	\$ -	\$ 7,930.00	\$ -	\$ -	\$ 7,930.00
308	Infiltration Galleries & Tunnels	2.50%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
309	Supply Mains	3.13%	\$ 10,269.00	\$ -	\$ -	\$ 10,269.00	\$ -	\$ -	\$ 10,269.00	\$ -	\$ -	\$ 10,269.00	\$ -	\$ -	\$ 10,269.00	\$ -	\$ -	\$ 10,269.00	\$ -	\$ -	\$ 10,269.00
310	Power Generating Equipment	5.88%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
311	Pumping Equipment	5.88%	\$ 25,506.00	\$ -	\$ -	\$ 25,506.00	\$ -	\$ -	\$ 25,506.00	\$ -	\$ -	\$ 25,506.00	\$ -	\$ -	\$ 25,506.00	\$ -	\$ -	\$ 25,506.00	\$ -	\$ -	\$ 25,506.00
320	Water Treatment Equipment	5.88%	\$ 584.00	\$ -	\$ -	\$ 584.00	\$ -	\$ -	\$ 584.00	\$ -	\$ -	\$ 584.00	\$ -	\$ -	\$ 584.00	\$ -	\$ -	\$ 584.00	\$ -	\$ -	\$ 584.00
330	Distribution Reservoirs & Standpipes	3.03%	\$ 13,981.00	\$ 39.92	\$ -	\$ 14,020.92	\$ 39.92	\$ -	\$ 14,060.85	\$ 39.92	\$ -	\$ 14,100.77	\$ 39.92	\$ -	\$ 14,140.69	\$ 39.92	\$ -	\$ 14,180.61	\$ 39.92	\$ -	\$ 14,220.54
331	Trans. & Dist. Mains	2.63%	\$ 17,537.00	\$ 49.27	\$ -	\$ 17,586.27	\$ 49.27	\$ -	\$ 17,635.54	\$ 49.27	\$ -	\$ 17,684.82	\$ 49.27	\$ -	\$ 17,734.09	\$ 49.27	\$ -	\$ 17,783.36	\$ 49.27	\$ -	\$ 17,832.63
333	Services	2.86%	\$ 4,468.00	\$ 13.55	\$ -	\$ 4,481.55	\$ 13.55	\$ -	\$ 4,495.10	\$ 13.55	\$ -	\$ 4,508.66	\$ 13.55	\$ -	\$ 4,522.21	\$ 13.55	\$ -	\$ 4,535.76	\$ 13.55	\$ -	\$ 4,549.31
334	Meter & Meter Installations	5.88%	\$ 5,214.00	\$ -	\$ -	\$ 5,214.00	\$ -	\$ -	\$ 5,214.00	\$ -	\$ -	\$ 5,214.00	\$ -	\$ -	\$ 5,214.00	\$ 0.22	\$ -	\$ 5,214.22	\$ 0.22	\$ -	\$ 5,214.44
335	Hydrants	2.50%	\$ 3,916.00	\$ 9.47	\$ -	\$ 3,925.47	\$ 9.47	\$ -	\$ 3,934.95	\$ 9.47	\$ -	\$ 3,944.42	\$ 9.47	\$ -	\$ 3,953.89	\$ 9.47	\$ -	\$ 3,963.36	\$ 9.47	\$ -	\$ 3,972.84
336	Backflow Prevention Devices	10.00%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
339	Other Plant and Miscellaneous Equipment	5.00%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
340	Office Furniture and Equipment	6.67%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342	Stores Equipment	7.14%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343	Tools, Shop and Garage Equipment	6.67%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
344	Laboratory Equipment	6.67%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
345	Power Operated Equipment	10.00%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
346	Communication Equipment	10.00%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
347	Miscellaneous Equipment	6.67%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
301	Intangible Plant	2.50%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total		\$ 94,386.00	\$ 131.13	\$ -	\$ 94,517.13	\$ 131.13	\$ -	\$ 94,648.25	\$ 131.13	\$ -	\$ 94,779.38	\$ 131.13	\$ -	\$ 94,910.51	\$ 131.35	\$ -	\$ 95,041.85	\$ 131.35	\$ -	\$ 95,173.20

Composite Rate - CIAC	0.001466	0.001466	0.001466001	0.00146846	0.0014685
CIAC	33453	33453	33453	33453	33453
CIAC Amortization Expense	49.0421475	49.04215	49.04214753	49.1244289	49.124429

U.S. Return of Partnership Income

For calendar year 2008, or tax year beginning _____, 2008, ending _____, 20__

OMB No. 1545-0099

2008

Department of the Treasury Internal Revenue Service

See separate instructions.

A Principal busn. activity Water Treatment
B Principal product/service All other pers
C Business code number 812990

Name of partnership Pine Harbour Water Utilities LLC
Number, street, and room or suite no. P O BOX 447
City or town, state, and ZIP code Fruitland Park, FL 34731

D Employer ID number 26-3839121
E Date business started 01-01-2008
F Total assets (see instructions) \$ 126,768

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
H Check accounting method: (1) Cash (2) Accrual (3) Other
I Number of Schedules K-1 Attach one for each person who was a partner at any time during the tax year 3
J Check if Schedule M-3 attached

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Table with 22 rows and 4 columns (line number, description, sub-column, amount). Includes Income (lines 1a-8), Deductions (lines 9-21), and Ordinary business income (loss) (line 22).

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 general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.
Signature of general partner or limited liability company member manager Date
May the IRS discuss this return with the preparer shown below (see inst.?) Yes No

Paid Preparer's Use Only

Preparer's signature Date
Firm's name (or yours if self-employed), address, & ZIP code Astutant Leesburg, LLC 1035 W Dixie Avenue Leesburg, FL 34748
Check if self-employed Preparer's SSN or PTIN P00744395
EIN 20-5288749
Phone no. (352) 728-0980

For Privacy Act and Paperwork Reduction Act Notice, see separate Instructions.

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	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 this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c). Yes No
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). Yes No
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No
- e 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

- 1 What type of entity is filing this return? Check the applicable box:
- | | | | | | | | | | | |
|--|---|---|-----|----|--|--|--|--|--|--|
| a <input type="checkbox"/> Domestic general partnership | b <input type="checkbox"/> Domestic limited partnership | <table border="1" style="width: 100px; height: 100px;"> <tr><td>Yes</td><td>No</td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> </table> | Yes | No | | | | | | |
| Yes | No | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| c <input checked="" type="checkbox"/> Domestic limited liability company | d <input type="checkbox"/> Domestic limited liability partnership | | | | | | | | | |
| e <input type="checkbox"/> Foreign partnership | f <input type="checkbox"/> Other ▶ | | | | | | | | | |
- 2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? Yes No
- 3 At the end of the tax year:
- a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below Yes No

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below Yes No

(i) Name of Individual or Estate	(ii) Social Security Number or Employer Identification Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

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4 At the end of the tax year, did the partnership:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below Yes No

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below	Yes	No
		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5 Did the partnership file Form 8893, Election of Partnership-Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3	X	
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2008, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election?		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (including a disregarded entity)	<input type="checkbox"/>	
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		

Designation of Tax Matters Partner (see instructions)
Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	Identifying number of TMP
Address of designated TMP	

Schedule K Partners' Distributive Share Items

Table with columns for category (Income, Deductions, Self-Employment, Credits, Foreign Transactions, Alternative Min. Tax Items, Other Information), line number, description, and total amount. Includes entries like 'Ordinary business income (loss)', 'Net rental real estate income', and 'Adjusted gain or loss'.

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Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1	-9,558
2 Analysis by partner type:		(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners							
b Limited partners				-9,558			

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				3,782
2a	Trade notes and accounts receivable			4,855	
b	Less allowance for bad debts				4,855
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets			127,197	
b	Less accumulated depreciation			14,533	112,664
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				5,000
12a	Intangible assets (amortizable only)			500	
b	Less accumulated amortization			33	467
13	Other assets (attach statement)				
14	Total assets				126,768
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				126,768
22	Total liabilities and capital				126,768

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

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books	-9,558	6	Income recorded on books this year not included on Sch. K, lines 1-11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt int. \$	
3	Guaranteed pymts. (other than health ins.)		7	Deductions included on Sch. K, lines 1 through 13d, and 16l, not charged against book inc. this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):			Depr. \$	
a	Depreciation \$		8	Add lines 6 and 7	
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-9,558
5	Add lines 1 through 4	-9,558			

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year		6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property	136,326	7	Other decreases (itemize):	
3	Net income (loss) per books	-9,558			
4	Other increases (itemize):		8	Add lines 6 and 7	
5	Add lines 1 through 4	126,768	9	Balance at end of year. Subtract line 8 from line 5	126,768

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return Pine Harbour Water Utilities LP	Business or activity to which this form relates FOR FORM 1065	Identifying number 26-3839121
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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	250,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
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	250,000
6 (a) Description of property	(b) Cost (busn. use only)	(c) Elected cost
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 2007 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	250,000
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 2009. 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.) (See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

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 2008	17	
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"/>		

Section B -- Assets Placed In Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business/investment use only -- see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property <i>See Statement</i>						13,775
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property	01-2008	25,000	39 yrs.	MM	S/L	615
	01-2008	5,794	39	MM	S/L	143

Section C -- Assets Placed In Service During 2008 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 instructions.)

21 Listed property. Enter amount from line 28	21	
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 instructions	22	14,533
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	

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.)

Table with columns for property type, date placed in service, busn./investment use percentage, cost or other basis, basis for depr., recovery period, method/convention, depreciation deduction, and elected section 179 cost. Includes rows 25-29.

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.

Table with columns for miles driven (30-33) and availability for personal use (34-36) for six vehicles.

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).

Table with questions 37-41 regarding employer policies and requirements for vehicle use by employees.

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

Table with columns for description of costs, date amortization begins, amount, code section, amortization period, and amortization for this year. Includes rows 42-44.

2008 SELF-EMPLOYMENT WORKSHEET

Pine Harbour Water Utilities LLC
26-3839121

1a	Ordinary income (loss) (Schedule K, line 1)	1a	-9,558		
b	Net income (loss) from CERTAIN rental real estate activities (see instr)	1b			
c	Net income (loss) from other rental activities (Schedule K, line 3c)	1c			
d	Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount	1d			
e	Combine lines 1a through 1d	1e	-9,558		
2	Net gain from Form 4797, Part II, line 17, included on line 1a above	2			
3a	Subtract line 2 from line 1e. If line 1e is a loss, increase the loss on line 1e by the amount on line 2	3a	-9,558		
b	Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs	3b			
c	Subtract line 3b from line 3a. If line 3a is a loss, reduce the loss on line 3a by the amount on line 3b. Include each individual general partner's share on line 14a of Schedule K-1			3c	-9,558
4a	Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c) (see instructions)	4a			
b	Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs	4b			
c	Subtract line 4b from line 4a. Include each individual general partner's share and each individual limited partner's share on line 14a of Schedule K-1			4c	
5	Net earning (loss) from self-employment. Combine line 3c and 4c. Enter here and on Schedule K, line 14a .	5			-9,558

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2008 PARTNERS CAPITAL ACCOUNT SUMMARY

Pine Harbour Water Utiliti 26-3839121

Partner Number	Profit Sharing Percentage	Capital at Beginning of Year	Capital Contributed	Partners' Share of Lines 3, 4 & 7, Sch M-2	Withdrawals & Distribution	Capital at End of Year
#1	33.33	0	45,442	-3,186	0	42,256
#2	33.33	0	45,442	-3,186	0	42,256
#3	33.33	0	45,442	-3,186	0	42,256
TOTALS	100.00	0	136,326	-9,558	0	126,768

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1

Schedule K-1 (Form 1065)

2008

Final K-1

Amended K-1

OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ending, 2008

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

See page 2 and separate instructions.

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

Table with 2 columns: Description and Amount. Rows include Ordinary business inc. (loss) -3,186, Credits, Net rental real estate inc. (loss), Foreign transactions, Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term cap. gain (loss), Net long-term cap. gain (loss) 1,150, Collectibles (28%) gain (loss), Unrecaptured sec. 1250 gain, Net section 1231 gain (loss), Tax-exempt income and nondeductible expenses, Other income (loss), Distributions, Section 179 deduction, Other deductions, Other information, Self-employment earnings (loss) -3,186.

Part I Information About the Partnership

Part I Information About the Partnership. A Partnership's employer identification number 26-3839121. B Partnership's name, address, city, state, and ZIP code Pine Harbour Water Utilities LLC, P O BOX 447, Fruitland Park FL 34731. C IRS Center where partnership filed return OGDEN. D Check if this is a publicly traded partnership (PTP).

Part II Information About the Partner

Part II Information About the Partner. E Partner's identifying number 288-56-3387. F Partner's name, address, city, state, and ZIP code ROBERT STEWART, P O BOX 447, Fruitland Park FL 34731. G General partner or LLC member-manager or Limited partner or other LLC member. H Domestic partner or Foreign partner. I What type of entity is this partner? INDIVIDUAL PASSIVE. J Partner's share of profit, loss, and capital (see instructions):

Table for Partner's share of profit, loss, and capital. Columns: Beginning, Ending. Rows: Profit, Loss, Capital. Values: 33.3333 %

K Partner's share of liabilities at year end: Nonrecourse, Qualified nonrecourse financing, Recourse.

L Partner's capital account analysis: Beginning capital account, Capital contributed during the year 45,442, Current year increase (decrease) -3,186, Withdrawals & distributions, Ending capital account 42,256. Tax basis, GAAP, Section 704(b) book, Other (explain).

*See attached statement for additional information. F O R E I G N O N L Y

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

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

Table with 2 columns: Code and Report on. Rows include Passive loss, Passive income, Nonpassive loss, Nonpassive income, Net rental real estate income (loss), Other net rental income (loss), Net income, Net loss, Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss).

Table with 2 columns: Code and Report on. Rows include Other portfolio income (loss), Involuntary conversions, Sec. 1256 contracts & straddles, Mining exploration costs recapture, Cancellation of debt, Other income (loss), Section 179 deduction, Other deductions (A-M), Educational assistance benefits, Dependent care benefits, Preproductive period expenses, Commercial revitalization deduction, Pensions and IRAs, Reforestation expense deduction, Domestic production activities information, Qualified production activities income, Employer's Form W-2 wages, Other deductions.

14. Self-employment earnings (loss). Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

Table with 2 columns: Code and Report on. Rows include Net earnings (loss) from self-employment, Gross farming or fishing income, Gross non-farm income.

Table with 2 columns: Code and Report on. Rows include Credits (A-I), Low-income housing credit, Qualified rehabilitation expenditures, Other rental real estate credits, Undistributed capital gains credit, Alcohol and cellulosic biofuel fuels credit.

Table with 2 columns: Code and Report on. Rows include Work opportunity credit, Disabled access credit, Empowerment zone and renewal community employment credit, Credit for increasing research activities, Credit for employer social security and Medicare taxes, Backup with holding, Other credits.

Table with 2 columns: Code and Report on. Rows include Foreign transactions (A-F), Deductions allocated and apportioned at partner level, Interest expense, Other, Deductions allocated and apportioned at partnership level to foreign source income, Passive category, General category, Other, Total foreign taxes paid, Total foreign taxes accrued, Reduction in taxes available for credit, Foreign trading gross receipts, Extraterritorial income exclusion, Other foreign transactions.

Table with 2 columns: Code and Report on. Rows include Alternative minimum tax (AMT) items (A-F), Post-1986 depreciation adjustment, Adjusted gain or loss, Depletion (other than oil & gas), Oil, gas, & geothermal -- gross income, Oil, gas, & geothermal -- deductions, Other AMT items.

Table with 2 columns: Code and Report on. Rows include Tax-exempt income and nondeductible expenses (A-C), Tax-exempt interest income, Other tax-exempt income, Nondeductible expenses.

Table with 2 columns: Code and Report on. Rows include Distributions (A-C), Cash and marketable securities, Other property, Distribution subject to Section 737.

Table with 2 columns: Code and Report on. Rows include Other information (A-W), Investment income, Investment expenses, Fuel tax credit information, Qualified rehabilitation expenditures (other than rental real estate), Basis of energy property, Recapture of low-income housing credit (section 42(j)(5)), Recapture of low-income housing credit (other), Recapture of investment credit, Recapture of other credits, Look-back interest -- completed long-term contracts, Look-back interest -- income forecast method, Dispositions of property with section 179 deductions, Recapture of section 179 deduction, Interest expense for corporate partners, Section 453(i)(3) information, Section 453A(c) information, Section 1280(b) information, Interest allocable to production expenditures, CCF nonqualified withdrawals, Depletion information -- oil and gas, Amortization of reforestation costs, Unrelated business taxable income, Precontribution gain (loss), Other information.

2
Schedule K-1
(Form 1065)

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

Final K-1 Amended K-1 OMB No. 1545-0099

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

See page 2 and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
26-3839121

B Partnership's name, address, city, state, and ZIP code
Pine Harbour Water Utilities LLC
P O BOX 447
Fruitland Park FL 34731

C IRS Center where partnership filed return
OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
334-50-8852

F Partner's name, address, city, state, and ZIP code
MADELINE LIPSKY
P O BOX 447
Fruitland Park FL 34731

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL PASSIVE

Table with 2 columns: Beginning, Ending. Rows: Profit, Loss, Capital.

K Partner's share of liabilities at year end:
Nonrecourse
Qualified nonrecourse financing
Recourse

L Partner's capital account analysis:
Beginning capital account
Capital contributed during the year
Current year increase (decrease)
Withdrawals & distributions
Ending capital account

Tax basis GAAP Section 704(b) book
Other (explain)

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

Table with 2 columns: Description, Amount. Rows: 1 Ordinary business inc. (loss) -3,186; 15 Credits; 2 Net rental real estate inc. (loss); 3 Other net rental income (loss); 16 Foreign transactions; 4 Guaranteed payments; 5 Interest income; 6a Ordinary dividends; 6b Qualified dividends; 7 Royalties; 8 Net short-term cap. gain (loss); 9a Net long-term cap. gain (loss) 17 Alternative min tax (AMT) items 1,150; 9b Collectibles (28%) gain (loss); 9c Unrecaptured sec. 1250 gain; 10 Net section 1231 gain (loss); 18 Tax-exempt income and nondeductible expenses; 11 Other income (loss); 19 Distributions; 12 Section 179 deduction; 13 Other deductions; 20 Other information; 14 Self-employment earnings (loss) -3,186

*See attached statement for additional information.

FOR USE ONLY

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

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

- Passive loss
Passive income
Nonpassive loss
Nonpassive income
2. Net rental real estate income (loss)
3. Other net rental income (loss)
4. Guaranteed payments
5. Interest income
6a. Ordinary dividends
6b. Qualified dividends
7. Royalties
8. Net short-term capital gain (loss)
9a. Net long-term capital gain (loss)
9b. Collectibles (28%) gain (loss)

9c. Unrecaptured section 1250 gain
10. Net section 1231 gain (loss)
11. Other income (loss)

- Code
A Other portfolio income (loss)
B Involuntary conversions
C Sec. 1256 contracts & straddles
D Mining exploration costs recapture
E Cancellation of debt
F Other income (loss)

12. Section 179 deduction
13. Other deductions

- A Cash contributions (50%)
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%)
G Contributions (100%)
H Investment interest expense
I Deductions--royalty income
J Section 59(e)(2) expenditures
K Deductions--portfolio (2% floor)
L Deductions--portfolio (other)
M Amounts paid for medical insurance
N Educational assistance benefits
O Dependent care benefits
P Preproductive period expenses
Q Commercial revitalization deduction from rental real estate activities
R Pensions and IRAs
S Reforestation expense deduction
T Domestic production activities information
U Qualified production activities income
V Employer's Form W-2 wages
W Other deductions

14. Self-employment earnings (loss)
Note. If you have a section 179 deduction on a partner-level deduction, see the Partner's Instructions before completing Schedule SE.

- A Net earnings (loss) from self-employment
B Gross farming or fishing income
C Gross non-farm income

15. Credits

- A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings
B Low-income housing credit (other) from pre-2008 buildings
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings
D Low-income housing credit (other) from post-2007 buildings
E Qualified rehabilitation expenditures (rental real estate)
F Other rental real estate credits
G Other rental credits
H Undistributed capital gains credit
I Alcohol and cellulosic biofuel fuels credit

- Code
J Work opportunity credit
K Disabled access credit
L Empowerment zone and renewal community employment credit
M Credit for increasing research activities
N Credit for employer social security and Medicare taxes
O Backup with holding
P Other credits

16. Foreign transactions

- A Name of country or U.S. possession
B Gross income from all sources
C Gross income sourced at partner level
Foreign gross income sourced at partnership level
D Passive category
E General category
F Other
Deductions allocated and apportioned at partner level
G Interest expense
H Other
Deductions allocated and apportioned at partnership level to foreign source income
I Passive category
J General category
K Other
Other information
L Total foreign taxes paid
M Total foreign taxes accrued
N Reduction in taxes available for credit
O Foreign trading gross receipts
P Extraterritorial income exclusion
Q Other foreign transactions

17. 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 -- gross income
E Oil, gas, & geothermal -- deductions
F Other AMT items

18. Tax-exempt income and nondeductible expenses

- A Tax-exempt interest income
B Other tax-exempt income
C Nondeductible expenses

19. Distributions

- A Cash and marketable securities
B Other property
C Distribution subject to Section 737

20. Other information

- A Investment income
B Investment expenses
C Fuel tax credit information
D Qualified rehabilitation expenditures (other than rental real estate)
E Basis of energy property
F Recapture of low-income housing credit (section 42(j)(5))
G Recapture of low-income housing credit (other)
H Recapture of investment credit
I Recapture of other credits
J Look-back interest -- completed long-term contracts
K Look-back interest -- income forecast method
L Dispositions of property with section 179 deductions
M Recapture of section 179 deduction
N Interest expense for corporate partners
O Section 453(I)(3) information
P Section 453A(c) information
Q Section 1260(b) information
R Interest allocable to production expenditures
S CCF nonqualified withdrawals
T Depletion information -- oil and gas
U Amortization of reforestation costs
V Unrelated business taxable income
W Precontribution gain (loss)
X Other information

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3

Schedule K-1 (Form 1065)

2008

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ending 2008 20

651108

Final K-1

Amended K-1

OMB No. 1545-0099

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

See page 2 and separate instructions.

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

Table with 2 columns: Description and Amount. Rows include: 1 Ordinary business inc. (loss) -3,186; 15 Credits; 2 Net rental real estate inc. (loss); 3 Other net rental income (loss); 16 Foreign transactions; 4 Guaranteed payments; 5 Interest income; 6a Ordinary dividends; 6b Qualified dividends; 7 Royalties; 8 Net short-term cap. gain (loss); 9a Net long-term cap. gain (loss); 17 Alternative min tax (AMT) items 1,151; 9b Collectibles (28%) gain (loss); 9c Unrecaptured sec. 1250 gain; 10 Net section 1231 gain (loss); 18 Tax-exempt income and nondeductible expenses; 11 Other income (loss); 19 Distributions; 12 Section 179 deduction; 13 Other deductions; 20 Other information; 14 Self-employment earnings (loss) -3,186

Part I Information About the Partnership

A Partnership's employer identification number 26-3839121; B Partnership's name, address, city, state, and ZIP code Pine Harbour Water Utilities LLC P O BOX 447 Fruitland Park FL 34731; C IRS Center where partnership filed return OGDEN; D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 056-44-2710; F Partner's name, address, city, state, and ZIP code SANDRA WESSON P O BOX 447 Fruitland Park FL 34731; G General partner or LLC member-manager Limited partner or other LLC member; H Domestic partner Foreign partner; I What type of entity is this partner? INDIVIDUAL PASSIV; J Partner's share of profit, loss, and capital (see instructions): Beginning Ending Profit 33.3333 % 33.3333 % Loss 33.3333 % 33.3333 % Capital 33.3333 % 33.3333 %; K Partner's share of liabilities at year end: Nonrecourse Qualified nonrecourse financing Recourse; L Partner's capital account analysis: Beginning capital account Capital contributed during the year Current year increase (decrease) Withdrawals & distributions Ending capital account

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*See attached statement for additional information.

FOR USE ONLY

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

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

Passive loss	Report on See the Partner'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)
3. Other net rental income (loss)

Net income	Schedule E, line 28, column (g)
Net loss	See the Partner's Instructions

4. Guaranteed payments

	Schedule E, line 28, column (j)
--	---------------------------------

5. Interest income

	Form 1040, line 8a
--	--------------------

6a. Ordinary dividends

	Form 1040, line 9a
--	--------------------

6b. Qualified dividends

	Form 1040, line 9b
--	--------------------

7. Royalties

	Schedule E, line 4
--	--------------------

8. Net short-term capital gain (loss)

	Schedule D, line 5, column (f)
--	--------------------------------

9a. Net long-term capital gain (loss)

	Schedule D, line 12, column (f)
--	---------------------------------

9b. Collectibles (28%) gain (loss)

	28% Rate Gain Worksheet, line 4
--	---------------------------------

(Schedule D instructions)

See the Partner's Instructions

See the Partner's Instructions

See the Partner's Instructions

See the Partner's Instructions

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See the Partner's Instructions

See the Partner's Instructions

Code	Report on
J Work opportunity credit	Form 5884, line 3
K Disabled access credit	See the Partner's Instructions
L Empowerment zone and renewal community employment credit	Form 8844, line 3
M Credit for increasing research activities	See the Partner's Instructions
N Credit for employer social security and Medicare taxes	Form 8846, line 5
O Backup with holding	Form 1040, line 62
P Other credits	See the Partner's Instructions

16. Foreign transactions

A Name of country or U.S. possession	
B Gross income from all sources	Form 1116, Part I
C Gross income sourced at partner level	
Foreign gross income sourced at partnership level	
D Passive category	Form 1116, Part I
E General category	
F Other	
Deductions allocated and apportioned at partner level	
G Interest expense	Form 1116, Part I
H Other	Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income	
I Passive category	Form 1116, Part I
J General category	
K Other	
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 Partner's Instructions

17. Alternative minimum tax (AMT) items

A Post-1986 depreciation adjustment	See the Partner'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	

18. Tax-exempt income and nondeductible expenses

A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Partner's Instructions
C Nondeductible expenses	See the Partner's Instructions

19. Distributions

A Cash and marketable securities	See the Partner's Instructions
B Other property	
C Distribution subject to Section 737	

20. Other information

A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Fuel tax credit information	Form 4138
D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
E Basis of energy property	See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))	Form 8811, line 8
G Recapture of low-income housing credit (other)	Form 8811, line 8
H Recapture of investment credit	See Form 4255
I Recapture of other credits	See the Partner's Instructions
J Look-back interest -- completed long-term contracts	See Form 8897
K Look-back interest -- income forecast method	See Form 8886
L Dispositions of property with section 179 deductions	See the Partner's Instructions
M Recapture of section 179 deduction	
N Interest expense for corporate partners	
O Section 453(l)(3) information	
P Section 453A(c) information	
Q Section 1260(b) information	
R Interest allocable to production expenditures	
S CCF nonqualified withdrawals	
T Depletion information -- oil and gas	
U Amortization of reforestation costs	
V Unrelated business taxable income	
W Precontribution gain (loss)	
X Other information	

14. Self-employment earnings (loss)
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A Net earnings (loss) from self-employment	Schedule SE, Section A or B
B Gross farming or fishing income	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions

15. Credits

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings	See the Partner's Instructions
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	Form 8586, line 11
D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11
E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions
F Other rental real estate credits	
G Other rental credits	
H Undistributed capital gains credit	Form 1040, line 68; check box a
I Alcohol and cellulosic biofuel fuels credit	Form 6478, line 9

**7-YEAR ASSETS PLACED IN SERVICE DURING 2008
USING GENERAL DEPRECIATION SYSTEM**

Pine Harbour Water Utilities LLC
26-3839121

19c Asset Description	(b) Date in Service	(c) Basis	(d) Period	(e) Convention	(f) Method	(g) Depreciation
Hydrants	01-01-2008	4,547	7	HY	200 DB	650
Meters	01-01-2008	5,270	7	HY	200 DB	753
Pumping Equip	01-01-2008	16,314	7	HY	200 DB	2,331
Services	01-01-2008	5,692	7	HY	200 DB	813
Standpipes	01-01-2008	15,800	7	HY	200 DB	2,259
Supply Mains	01-01-2008	6,188	7	HY	200 DB	884
Transmission Lines	01-01-2008	22,468	7	HY	200 DB	3,211
Water Treat Equip	01-01-2008	350	7	HY	200 DB	50
Wells & Springs	01-01-2008	19,763	7	HY	200 DB	2,824

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Total 13,775

2008 PARTNERSHIP AMENDED RETURN ATTACHMENT

Pine Harbour Water Utilities LLC
26-3839121

REASON FOR AMENDING RETURN

Original filing was on Form 1120S, which turned out to be the wrong form.

This business was set up as a partnershep.

This Form 1065 amends the Form 1120S that was origanaly filed.

2008 DETAIL STATEMENTS

Pine Harbour Water Utilities L
26-3839121

STATEMENT #1 - Taxes (1065 PG 1 LINE 14)

Taxes:

Other Tax.....	2,025	
TOTAL Taxes.....		2,025

TOTAL CARRIED TO 1065 PG 1 LINE 14.....		2,025
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STATEMENT #2 - Other Deductions (1065 PG 1 LINE 20)

Other Deductions:

Advertising.....	68	
Amortization.....	33	
Bank Charges.....	344	
Dues & Subscriptions.....	312	
Legal & Professional Fees.....	825	
Outside Services.....	8,875	
Supplies.....	1,531	
Utilities.....	1,069	
Yard Maintenance.....	2,210	
Education.....	50	
TOTAL Other Deductions.....		15,317

TOTAL CARRIED TO 1065 PG 1 LINE 20.....		15,317
---	--	--------

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2008 SCHEDULE M-1 EXPLANATION ATTACHMENT

Pine Harbour Water Utilities LLC
26-3839121

Computation of Net Income (Loss) Per Books
Form 1065, Schedule M-1, Line 1

Income (loss) (Schedule M-1, line 9) carries from Analysis of Net Income (loss), line 1	<u>-9,558</u>
Increases:	
Deductions on return not charged against book income (Schedule M-1, line 7)	_____
Income recorded on books not included on return (Schedule M-1, line 6)	_____
Decreases:	
Expenses recorded on books not included on return (Schedule M-1, line 4)	_____
Guaranteed Payments (Schedule M-1, line 3)	_____
Income subject to tax not recorded on books (Schedule M-1, line 2)	_____
Computed net income (loss) per books (Schedule M-1, line 1)	<u>-9,558</u>

Client Copy - Do Not File

Client Copy - Do Not File

2008 Federal Depreciation Schedule

Pine Harbour Water Utilities LLC
26-3839121

06-18-2009

Description	Date	Method	Year	Cost	Land/ Other	§179	Spec Allow	Basis	Prior	Current
Form 1065										
Structures	01-01-08	S/LMM	39	25,000	0	0	0	25,000	0	615
Land rights	01-01-08	Land	0	5,000	5,000	0	0	0	0	0
Pumping Equip	01-01-08	200DBHY	7	16,314	0	0	0	16,314	0	2,331
Standpipes	01-01-08	200DBHY	7	15,811	0	0	0	15,811	0	2,259
Hydrants	01-01-08	200DBHY	7	4,547	0	0	0	4,547	0	650
Wells & Springs	01-01-08	200DBHY	7	19,763	0	0	0	19,763	0	2,824
Supply Mains	01-01-08	200DBHY	7	6,188	0	0	0	6,188	0	884
Services	01-01-08	200DBHY	7	5,692	0	0	0	5,692	0	813
Structures	01-01-08	S/LMM	39	5,794	0	0	0	5,794	0	143
Transmission Lines	01-01-08	200DBHY	7	22,468	0	0	0	22,468	0	3,211
Organization Costs	01-01-08	AMORT	15	500	0	0	0	500	0	33
Water Treat Equip	01-01-08	200DBHY	7	350	0	0	0	350	0	50
Meters	01-01-08	200DBHY	7	5,270	0	0	0	5,270	0	753
13 Assets			Totals:	132,697	5,000	0	0	127,697	0	14,566
13 Assets			Grand Totals:	132,697	5,000	0	0	127,697	0	14,566

Balance Sheet Reconciliation

	Grand Totals:		132,697	5,000	0	0	127,697	0	14,566
	Less Future Purchases:		0	0	0	0	0	0	0
	Less Current Year Disposals:		0	0	0	0	0	0	0
	End of Year Totals:		132,697	5,000	0	0	127,697	0	14,566
Buildings and Other Depreciable Assets:			127,197					Prior Depreciation:	0
								Current Depreciation:	14,533
								179:	0
								Special Depreciation Allowance:	0
								Ending Accumulated Depreciation (Per Balance Sheet):	14,533
Land:			5,000					Prior Amortization:	0
Intangible Assets (Amortizable Only):			500					Current Amortization:	33
								179:	0
								Special Depreciation Allowance:	0
								Ending Accumulated Amortization (Per Balance Sheet):	33

* Asset disposed this year
 -C Carryover basis in like-kind exchange transaction
 -B Excess basis in like-kind exchange transaction

Pine Harbour Water Utilities LLC
P O BOX 447
Fruitland Park FL 34731

June 18, 2009

MADELINE LIPSKY
P O BOX 447
Fruitland Park FL 34731

Dear MADELINE LIPSKY,

Enclosed is your 2008 federal Schedule K-1, Partner's Share of Income, Credits, Deductions from Pine Harbour Water Utilities LLC. Included on Schedule K-1 is your distributive share of income, deductions, credits, and other tax items that should be reported on your return. This information was included in the 2008 federal return, Form 1065, that was filed with the Internal Revenue Service.

The Federal Partner's Instructions for Schedule K-1 (Form 1065) have also been enclosed to assist you in completing your income tax return.

Your business is appreciated. Please call if you have any questions.

Sincerely,

2

**Schedule K-1
(Form 1065)**

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

Final K-1 Amended K-1 OMB No. 1545-0099

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

▶ See page 2 and separate instructions.

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

Part I Information About the Partnership

A Partnership's employer identification number
26-3839121

B Partnership's name, address, city, state, and ZIP code
Pine Harbour Water Utilities LLC
P O BOX 447
Fruitland Park FL 34731

C IRS Center where partnership filed return
OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
334-50-8852

F Partner's name, address, city, state, and ZIP code
MADELINE LIPSKY
P O BOX 447
Fruitland Park FL 34731

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL PASSIV

J Partner's share of profit, loss, and capital (see instructions):

	Beginning		Ending	
Profit	33.3330	%	33.3333	%
Loss	33.3333	%	33.3333	%
Capital	33.3333	%	33.3333	%

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing ... \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account	\$ _____
Capital contributed during the year	\$ 45,442
Current year increase (decrease)	\$ -3,186
Withdrawals & distributions	\$ (_____)
Ending capital account	\$ 42,256

Tax basis GAAP Section 704(b) book

Other (explain)

1 Ordinary business inc. (loss)	-3,186	15 Credits
2 Net rental real estate inc. (loss)		
3 Other net rental income (loss)		16 Foreign transactions
4 Guaranteed payments		
5 Interest income		
6a Ordinary dividends		
6b Qualified dividends		
7 Royalties		
8 Net short-term cap. gain (loss)		
9a Net long-term cap. gain (loss)		17 Alternative min tax (AMT) items
9b Collectibles (28%) gain (loss)		A 1,150
9c Unrecaptured sec. 1250 gain		
10 Net section 1231 gain (loss)		18 Tax-exempt income and nondeductible expenses
11 Other income (loss)		
12 Section 179 deduction		19 Distributions
13 Other deductions		
14 Self-employment earnings (loss)	A -3,186	20 Other information

***See attached statement for additional information.**

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

	Code	Report on
1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		
Passive loss		See the Partner'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 Partner's Instructions
3. Other net rental income (loss)		See the Partner's Instructions
Net income		Schedule E, line 28, column (g)
Net loss		See the Partner's Instructions
4. Guaranteed payments		Schedule E, line 28, column (j)
5. Interest income		Form 1040, line 8a
6a. Ordinary dividends		Form 1040, line 9a
6b. Qualified dividends		Form 1040, line 9b
7. Royalties		Schedule E, line 4
8. Net short-term capital gain (loss)		Schedule D, line 5, column (f)
9a. Net long-term capital gain (loss)		Schedule D, line 12, column (f)
9b. Collectibles (28%) gain (loss)		28% Rate Gain Worksheet, line 4 (Schedule D instructions)
9c. Unrecaptured section 1250 gain		See the Partner's Instructions
10. Net section 1231 gain (loss)		See the Partner's Instructions
11. Other income (loss)		See the Partner's Instructions
Code		
A Other portfolio income (loss)		See the Partner's Instructions
B Involuntary conversions		See the Partner's Instructions
C Sec. 1256 contracts & straddles		Form 6781, line 1
D Mining exploration costs recapture		See Pub. 535
E Cancellation of debt		Form 1040, line 21 or Form 982
F Other income (loss)		See the Partner's Instructions
12. Section 179 deduction		See the Partner's Instructions
13. Other deductions		See the Partner's Instructions
A Cash contributions (50%)		See the Partner'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%)		
G Contributions (100%)		
H Investment interest expense		Form 4952, line 1
I Deductions--royalty income		Schedule E, line 18
J Section 59(e)(2) expenditures		See the Partner's Instructions
K Deductions--portfolio (2% floor)		Schedule A, line 23
L Deductions--portfolio (other)		Schedule A, line 28
M Amounts paid for medical insurance		Schedule A, line 1 or Form 1040, line 29
N Educational assistance benefits		See the Partner's Instructions
O Dependent care benefits		Form 2441, line 14
P Preproductive period expenses		See the Partner's Instructions
Q Commercial revitalization deduction from rental real estate activities		See Form 8582 Instructions
R Pensions and IRAs		See the Partner's Instructions
S Reforestation expense deduction		See the Partner's Instructions
T Domestic production activities information		See Form 8903 instructions
U Qualified production activities income		Form 8903, line 7
V Employer's Form W-2 wages		Form 8903, line 15
W Other deductions		See the Partner's Instructions
14. Self-employment earnings (loss)		See the Partner's Instructions
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
A Net earnings (loss) from self-employment		Schedule SE, Section A or B
B Gross farming or fishing income		See the Partner's Instructions
C Gross non-farm income		See the Partner's Instructions
15. Credits		
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings		See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings		See the Partner's Instructions
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		Form 8586, line 11
D Low-income housing credit (other) from post-2007 buildings		Form 8586, line 11
E Qualified rehabilitation expenditures (rental real estate)		See the Partner's Instructions
F Other rental real estate credits		
G Other rental credits		
H Undistributed capital gains credit		Form 1040, line 68; check box a
I Alcohol and cellulosic biofuel fuels credit		Form 6478, line 9
J Work opportunity credit		Form 5884, line 3
K Disabled access credit		See the Partner's Instructions
L Empowerment zone and renewal community employment credit		Form 8844, line 3
M Credit for increasing research activities		See the Partner's Instructions
N Credit for employer social security and Medicare taxes		Form 8846, line 5
O Backup withholding		Form 1040, line 62
P Other credits		See the Partner's Instructions
16. 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 partner level		
Foreign gross income sourced at partnership level		
D Passive category		Form 1116, Part I
E General category		
F Other		
Deductions allocated and apportioned at partner level		
G Interest expense		Form 1116, Part I
H Other		Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income		
I Passive category		Form 1116, Part I
J General category		
K Other		
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 Partner's Instructions
17. Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment		See the Partner'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		
18. Tax-exempt income and nondeductible expenses		
A Tax-exempt interest income		Form 1040, line 8b
B Other tax-exempt income		See the Partner's Instructions
C Nondeductible expenses		See the Partner's Instructions
19. Distributions		
A Cash and marketable securities		See the Partner's Instructions
B Other property		
C Distribution subject to Section 737		
20. Other information		
A Investment income		Form 4952, line 4a
B Investment expenses		Form 4952, line 5
C Fuel tax credit information		Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)		See the Partner's Instructions
E Basis of energy property		See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))		Form 8611, line 8
G Recapture of low-income housing credit (other)		Form 8611, line 8
H Recapture of investment credit		See Form 4255
I Recapture of other credits		See the Partner's Instructions
J Look-back interest -- completed long-term contracts		See Form 8697
K Look-back interest -- income forecast method		See Form 8666
L Dispositions of property with section 179 deductions		See the Partner's Instructions
M Recapture of section 179 deduction		
N Interest expense for corporate partners		
O Section 453(l)(3) information		
P Section 453A(c) information		
Q Section 1260(b) information		
R Interest allocable to production expenditures		
S CCF nonqualified withdrawals		
T Depletion information -- oil and gas		
U Amortization of reforestation costs		
V Unrelated business taxable income		
W Precontribution gain (loss)		
X Other information		

Pine Harbour Water Utilities LLC
P O BOX 447
Fruitland Park, FL 34731

June 18, 2009

ROBERT STEWART
P O BOX 447
Fruitland Park FL 34731

Dear ROBERT STEWART,

Enclosed is your 2008 federal Schedule K-1, Partner's Share of Income, Credits, Deductions from Pine Harbour Water Utilities LLC. Included on Schedule K-1 is your distributive share of income, deductions, credits, and other tax items that should be reported on your return. This information was included in the 2008 federal return, Form 1065, that was filed with the Internal Revenue Service.

The Federal Partner's Instructions for Schedule K-1 (Form 1065) have also been enclosed to assist you in completing your income tax return.

Your business is appreciated. Please call if you have any questions.

Sincerely,

1

Schedule K-1 (Form 1065)

2008

Final K-1 Amended K-1 OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ending 2008

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

See page 2 and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 26-3839121
B Partnership's name, address, city, state, and ZIP code Pine Harbour Water Utilities LLC P O BOX 447 Fruitland Park FL 34731
C IRS Center where partnership filed return OGDEN
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 288-56-3387
F Partner's name, address, city, state, and ZIP code ROBERT STEWART P O BOX 447 Fruitland Park FL 34731
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I What type of entity is this partner? INDIVIDUAL PASSIVE
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 33.3333 % 33.3333 %
Loss 33.3333 % 33.3333 %
Capital 33.3333 % 33.3333 %
K Partner's share of liabilities at year end:
Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$
L Partner's capital account analysis:
Beginning capital account \$
Capital contributed during the year \$ 45,442
Current year increase (decrease) \$ -3,186
Withdrawals & distributions \$ ()
Ending capital account \$ 42,256
Tax basis GAAP Section 704(b) book Other (explain)

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

Table with 2 columns: Item number and Description. Rows include: 1 Ordinary business inc. (loss) -3,186; 2 Net rental real estate inc. (loss); 3 Other net rental income (loss); 4 Guaranteed payments; 5 Interest income; 6a Ordinary dividends; 6b Qualified dividends; 7 Royalties; 8 Net short-term cap. gain (loss); 9a Net long-term cap. gain (loss) 1,150; 9b Collectibles (28%) gain (loss); 9c Unrecaptured sec. 1250 gain; 10 Net section 1231 gain (loss); 11 Other income (loss); 12 Section 179 deduction; 13 Other deductions; 14 Self-employment earnings (loss) -3,186; 15 Credits; 16 Foreign transactions; 17 Alternative min tax (AMT) items; 18 Tax-exempt income and nondeductible expenses; 19 Distributions; 20 Other information.

*See attached statement for additional information.
FOR ONLY

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

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

Passive loss	See the Partner'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)

2. Net rental real estate income (loss)

See the Partner's Instructions

3. Other net rental income (loss)

Net income	Schedule E, line 28, column (g)
Net loss	See the Partner's Instructions

4. Guaranteed payments

Schedule E, line 28, column (j)

5. Interest income

Form 1040, line 8a

6a. Ordinary dividends

Form 1040, line 9a

6b. Qualified dividends

Form 1040, line 9b

7. Royalties

Schedule E, line 4

8. Net short-term capital gain (loss)

Schedule D, line 5, column (f)

9a. Net long-term capital gain (loss)

Schedule D, line 12, column (f)

9b. Collectibles (28%) gain (loss)

28% Rate Gain Worksheet, line 4 (Schedule D instructions)

9c. Unrecaptured section 1250 gain

See the Partner's Instructions

10. Net section 1231 gain (loss)

See the Partner's Instructions

11. Other income (loss)

Code	
A Other portfolio income (loss)	See the Partner's Instructions
B Involuntary conversions	See the Partner's Instructions
C Sec. 1256 contracts & straddles	Form 8781, line 1
D Mining exploration costs recapture	See Pub. 535
E Cancellation of debt	Form 1040, line 21 or Form 982
F Other income (loss)	See the Partner's Instructions

12. Section 179 deduction

See the Partner's Instructions

13. Other deductions

A Cash contributions (50%)	See the Partner'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%)	See the Partner's Instructions
G Contributions (100%)	
H Investment interest expense	
I Deductions--royalty income	
J Section 59(e)(2) expenditures	
K Deductions--portfolio (2% floor)	
L Deductions--portfolio (other)	
M Amounts paid for medical insurance	
N Educational assistance benefits	
O Dependent care benefits	
P Preproductive period expenses	Form 4952, line 1
Q Commercial revitalization deduction from rental real estate activities	Schedule E, line 18
R Pensions and IRAs	See the Partner's Instructions
S Reforestation expense deduction	See the Partner's Instructions
T Domestic production activities information	Schedule A, line 23
U Qualified production activities income	Schedule A, line 28
V Employer's Form W-2 wages	Schedule A, line 1 or Form 1040, line 29
W Other deductions	See the Partner's Instructions

14. Self-employment earnings (loss)

Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A Net earnings (loss) from self-employment	Schedule SE, Section A or B
B Gross farming or fishing income	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions

15. Credits

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings	See the Partner's Instructions
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	Form 8586, line 11
D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11
E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions
F Other rental real estate credits	
G Other rental credits	Form 1040, line 68; check box a
H Undistributed capital gains credit	
I Alcohol and cellulosic biofuel fuels credit	

Code		Report on
J Work opportunity credit		Form 5884, line 3
K Disabled access credit		See the Partner's Instructions
L Empowerment zone and renewal community employment credit		Form 8844, line 3
M Credit for increasing research activities		See the Partner's Instructions
N Credit for employer social security and Medicare taxes		Form 8846, line 5
O Backup withholding		Form 1040, line 82
P Other credits		See the Partner's Instructions

16. 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 partner level	
Foreign gross income sourced at partnership level	
D Passive category	Form 1116, Part I
E General category	
F Other	
Deductions allocated and apportioned at partner level	
G Interest expense	Form 1116, Part I
H Other	Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income	
I Passive category	Form 1116, Part I
J General category	
K Other	
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 Partner's Instructions

17. Alternative minimum tax (AMT) items

A Post-1986 depreciation adjustment	See the Partner'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	

18. Tax-exempt income and nondeductible expenses

A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Partner's Instructions
C Nondeductible expenses	See the Partner's Instructions

19. Distributions

A Cash and marketable securities	See the Partner's Instructions
B Other property	
C Distribution subject to Section 737	

20. Other information

A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Fuel tax credit information	Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
E Basis of energy property	See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
G Recapture of low-income housing credit (other)	Form 8611, line 8
H Recapture of investment credit	See Form 4255
I Recapture of other credits	See the Partner's Instructions
J Look-back interest -- completed long-term contracts	See Form 8697
K Look-back interest -- income forecast method	See Form 8866
L Dispositions of property with section 179 deductions	See the Partner's Instructions
M Recapture of section 179 deduction	
N Interest expense for corporate partners	
O Section 453(l)(3) information	
P Section 453A(c) information	
Q Section 1260(b) information	
R Interest allocable to production expenditures	
S CCF nonqualified with draws	
T Depletion information -- oil and gas	
U Amortization of reforestation costs	
V Unrelated business taxable income	
W Precontribution gain (loss)	
X Other information	

Pine Harbour Water Utilities LLC
P O BOX 447
Fruitland Park FL 34731

June 18, 2009

SANDRA WESSON
P O BOX 447
Fruitland Park FL 34731

Dear SANDRA WESSON,

Enclosed is your 2008 federal Schedule K-1, Partner's Share of Income, Credits, Deductions from Pine Harbour Water Utilities LLC. Included on Schedule K-1 is your distributive share of income, deductions, credits, and other tax items that should be reported on your return. This information was included in the 2008 federal return, Form 1065, that was filed with the Internal Revenue Service.

The Federal Partner's Instructions for Schedule K-1 (Form 1065) have also been enclosed to assist you in completing your income tax return.

Your business is appreciated. Please call if you have any questions.

Sincerely,

3

Schedule K-1 (Form 1065)

2008

Final K-1

Amended K-1

OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ... 2008 ending ... 20

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

See page 2 and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 26-3839121

B Partnership's name, address, city, state, and ZIP code Pine Harbour Water Utilities LLC P O BOX 447 Fruitland Park FL 34731

C IRS Center where partnership filed return OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 056-44-2710

F Partner's name, address, city, state, and ZIP code SANDRA WESSON P O BOX 447 Fruitland Park FL 34731

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL PASSIVE

J Partner's share of profit, loss, and capital (see instructions):

Table with columns: Beginning, Ending, Profit, Loss, Capital. Values: 33.3333 %

K Partner's share of liabilities at year end: Nonrecourse, Qualified nonrecourse financing, Recourse

L Partner's capital account analysis: Beginning capital account, Capital contributed during the year, Current year increase (decrease), Withdrawals & distributions, Ending capital account

Tax basis GAAP Section 704(b) book Other (explain)

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

Table with 2 columns: Item number and Description. Items include Ordinary business inc. (loss), Net rental real estate inc. (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term cap. gain (loss), Net long-term cap. gain (loss), Collectibles (28%) gain (loss), Unrecaptured sec. 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss), Credits, Foreign transactions, Alternative min tax (AMT) items, Tax-exempt income and nondeductible expenses, Distributions, Other information.

*See attached statement for additional information.

FOR IRS ONLY

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

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

Table with 2 columns: Code and Report on. Codes include Passive loss, Passive income, Nonpassive loss, Nonpassive income.

2. Net rental real estate income (loss)
3. Other net rental income (loss)

Table with 2 columns: Code and Report on. Codes include Net income, Net loss.

4. Guaranteed payments
5. Interest income

6a. Ordinary dividends
6b. Qualified dividends

7. Royalties

8. Net short-term capital gain (loss)

9a. Net long-term capital gain (loss)
9b. Collectibles (28%) gain (loss)

9c. Unrecaptured section 1250 gain

10. Net section 1231 gain (loss)

11. Other income (loss)

Table with 2 columns: Code and Report on. Codes include A Other portfolio income (loss), B involuntary conversions, C Sec. 1256 contracts & straddles, D Mining exploration costs recapture, E Cancellation of debt, F Other income (loss).

12. Section 179 deduction

13. Other deductions

Table with 2 columns: Code and Report on. Codes include A Cash contributions (50%), 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%), G Contributions (100%), H Investment interest expense, I Deductions--royalty income, J Section 59(e)(2) expenditures, K Deductions--portfolio (2% floor), L Deductions--portfolio (other), M Amounts paid for medical insurance.

See the Partner's Instructions

Table with 2 columns: Code and Report on. Codes include N Educational assistance benefits, O Dependent care benefits, P Preproductive period expenses, Q Commercial revitalization deduction from rental real estate activities, R Pensions and IRAs, S Reforestation expense deduction, T Domestic production activities information, U Qualified production activities income, V Employer's Form W-2 wages, W Other deductions.

Form 4952, line 1
Schedule E, line 18

See the Partner's Instructions

Schedule A, line 23

Schedule A, line 28

Schedule A, line 1 or Form 1040, line 29

See the Partner's Instructions

Form 2441, line 14

See the Partner's Instructions

See the Partner's Instructions

Form 8903, line 7

Form 8903, line 15

See the Partner's Instructions

14. Self-employment earnings (loss)

Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

Table with 2 columns: Code and Report on. Codes include A Net earnings (loss) from self-employment, B Gross farming or fishing income, C Gross non-farm income.

15. Credits

Table with 2 columns: Code and Report on. Codes include A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings, B Low-income housing credit (other) from pre-2008 buildings, C Low-income housing credit (section 42(j)(5)) from post-2007 buildings, D Low-income housing credit (other) from post-2007 buildings, E Qualified rehabilitation expenditures (rental real estate), F Other rental real estate credits, G Other rental credits, H Undistributed capital gains credit, I Alcohol and cellulosic biofuel fuels credit.

See the Partner's Instructions

See the Partner's Instructions

Form 8586, line 11

Form 8586, line 11

See the Partner's Instructions

Form 1040, line 68; check box a

Form 6478, line 9

Table with 2 columns: Code and Report on. Codes include J Work opportunity credit, K Disabled access credit, L Empowerment zone and renewal community employment credit, M Credit for increasing research activities, N Credit for employer social security and Medicare taxes, O Backup withholding, P Other credits.

16. Foreign transactions

Table with 2 columns: Code and Report on. Codes include A Name of country or U.S. possession, B Gross income from all sources, C Gross income sourced at partner level, Foreign gross income sourced at partnership level, D Passive category, E General category, F Other, Deductions allocated and apportioned at partner level, G Interest expense, H Other, Deductions allocated and apportioned at partnership level to foreign source income, I Passive category, J General category, K Other, Other information, L Total foreign taxes paid, M Total foreign taxes accrued, N Reduction in taxes available for credit, O Foreign trading gross receipts, P Extraterritorial income exclusion, Q Other foreign transactions.

Form 1116, Part I

Form 1116, Part I

Form 1116, Part I

Form 1116, Part I

Form 1116, Part I

Form 1116, Part II

Form 1116, Part II

Form 1116, line 12

Form 8873

Form 8873

17. Alternative minimum tax (AMT) items

Table with 2 columns: Code and Report on. Codes include A Post-1986 depreciation adjustment, 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.

See the Partner's Instructions and the Instructions for Form 6251

18. Tax-exempt income and nondeductible expenses

Table with 2 columns: Code and Report on. Codes include A Tax-exempt interest income, B Other tax-exempt income, C Nondeductible expenses.

Form 1040, line 8b

See the Partner's Instructions

See the Partner's Instructions

19. Distributions

Table with 2 columns: Code and Report on. Codes include A Cash and marketable securities, B Other property, C Distribution subject to Section 737.

See the Partner's Instructions

20. Other information

Table with 2 columns: Code and Report on. Codes include A Investment income, B Investment expenses, C Fuel tax credit information, D Qualified rehabilitation expenditures (other than rental real estate), E Basis of energy property, F Recapture of low-income housing credit (section 42(j)(5)), G Recapture of low-income housing credit (other), H Recapture of investment credit, I Recapture of other credits, J Look-back interest -- completed long-term contracts, K Look-back interest -- income forecast method, L Dispositions of property with section 179 deductions, M Recapture of section 179 deduction, N Interest expense for corporate partners, O Section 453(l)(3) information, P Section 453A(c) information, Q Section 1260(b) information, R Interest allocable to production expenditures, S CCF nonqualified withdrawals, T Depletion information -- oil and gas, U Amortization of reforestation costs, V Unrelated business taxable income, W Precontribution gain (loss), X Other information.

Form 4952, line 4a

Form 4952, line 5

Form 4136

See the Partner's Instructions

See the Partner's Instructions

Form 8611, line 8

Form 8611, line 8

See Form 4255

See the Partner's Instructions

See Form 8697

See Form 8866

See the Partner's Instructions

U.S. Income Tax Return for an S Corporation

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009 or tax year beginning _____, ending _____

A S election effective date 01/28/09	Use IRS label. Otherwise, print or type.	Name Pine Harbour Water Utilities LLC	D Employer identification number 26-3839121
B Business activity code number (see instructions) 221000		Number, street, and room or suite no. If a P.O. box, see instructions. P O BOX 447	E Date incorporated
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code Fruitland Park FL 34731	F Total assets (see instructions) \$ 97,303

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year ▶ **3**

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

	Income			
	1a	b	1c	
1a	Gross receipts or sales 24,275	Less returns and allowances	24,275	1c
2	Cost of goods sold (Schedule A, line 8)		19,418	2
3	Gross profit. Subtract line 2 from line 1c		4,857	3
4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			4
5	Other income (loss) (see instructions—attach statement)			5
6	Total income (loss). Add lines 3 through 5		4,857	6
7	Compensation of officers			7
8	Salaries and wages (less employment credits)			8
9	Repairs and maintenance			9
10	Bad debts			10
11	Rents			11
12	Taxes and licenses		2,003	12
13	Interest			13
14	Depreciation not claimed in Schedule A or elsewhere on return (attach Form 4562)		24,398	14
15	Depletion (do not deduct oil and gas depletion)			15
16	Advertising			16
17	Pension, profit-sharing, etc., plans			17
18	Employee benefit programs			18
19	Other deductions (attach statement) See Stmt 1		7,920	19
20	Total deductions. Add lines 7 through 19		34,321	20
21	Ordinary business income (loss). Subtract line 20 from line 6		-29,464	21

	Tax and Payments			
	22a	22b	22c	
22a	Excess net passive income or LIFO recapture tax (see instructions)			22a
22b	Tax from Schedule D (Form 1120S)			22b
22c	Add lines 22a and 22b (see instructions for additional taxes)			22c
23a	2009 estimated tax payments and 2008 overpayment credited to 2009			23a
23b	Tax deposited with Form 7004			23b
23c	Credit for federal tax paid on fuels (attach Form 4136)			23c
23d	Add lines 23a through 23c			23d
24	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24
25	Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26
27	Enter amount from line 26 Credited to 2010 estimated tax ▶ Refunded ▶			27

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 Astutant Leesburg, LLC 1035 W Dixie Ave Leesburg, FL	Date 01/25/10	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN 34748-6349	EIN 352-728-0980
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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) Stmt 2	4	19,418
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	19,418
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	19,418

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 checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the: a Business activity ▶ Utilities b Product or service ▶ Utilities		
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?		X
4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
6 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 ▶ \$		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
8 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"/>	X	

Schedule K Shareholders' Pro Rata Share Items

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	-29,464
	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 statement)	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) (attach Schedule D (Form 1120S))	7	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a		
b Collectibles (28%) gain (loss)	8b		
c Unrecaptured section 1250 gain (attach statement)	8c		
9 Net section 1231 gain (loss) (attach Form 4797)	9		
10 Other income (loss) (see instructions) Type ▶	10		

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 Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶	14b	
	b Gross income from all sources	14c	
	c Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14d	
	d Passive category	14e	
	e General category	14f	
	f Other (attach statement) Deductions allocated and apportioned at shareholder level	14g	
	g Interest expense	14h	
	h Other Deductions allocated and apportioned at corporate level to foreign source income	14i	
	i Passive category	14j	
	j General category	14k	
	k Other (attach statement) Other information	14l	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14m	
	m Reduction in taxes available for credit (attach statement)		
	n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	5,163
	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	-29,464

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		3,782		1,887
2a	Trade notes and accounts receivable	4,855		1,716	
b	Less allowance for bad debts		4,855		1,716
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	127,197		127,197	
b	Less accumulated depreciation	(14,533)	112,664	(38,931)	88,266
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		5,000		5,000
13a	Intangible assets (amortizable only)	500		500	
b	Less accumulated amortization	(33)	467	(66)	434
14	Other assets (attach statement)				
15	Total assets		126,768		97,303
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)				
22	Capital stock				
23	Additional paid-in capital		136,326		136,325
24	Retained earnings		-9,558		-39,022
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity		126,768		97,303

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	-29,464	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	-29,464	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	-29,464

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	-9,558	
2	Ordinary income from page 1, line 21		
3	Other additions		
4	Loss from page 1, line 21	(29,464)	
5	Other reductions		
6	Combine lines 1 through 5	-39,022	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-39,022	

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2009

For calendar year 2009, 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.

1	Ordinary business income (loss)	13	Credits
	-9,821		
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 A	Alternative minimum tax (AMT) items 1,721
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
26-3839121

B Corporation's name, address, city, state, and ZIP code
Pine Harbour Water Utilities LLC
P O BOX 447
Fruitland Park FL 34731

C IRS Center where corporation filed return
Ogden, UT 84201

Part II Information About the Shareholder

D Shareholder's identifying number
288-56-3387

E Shareholder's name, address, city, state, and ZIP code
Robert Stewart
P.O. Box 447
Fruitland Park FL 34731

F Shareholder's percentage of stock ownership for tax year **33.333300 %**

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

2009

For calendar year 2009, 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
26-3839121

B Corporation's name, address, city, state, and ZIP code
Pine Harbour Water Utilities LLC
P O BOX 447
Fruitland Park FL 34731

C IRS Center where corporation filed return
Ogden, UT 84201

Part II Information About the Shareholder

D Shareholder's identifying number
334-50-8852

E Shareholder's name, address, city, state, and ZIP code
Madeline Lipsky
P.O. Box 447
Fruitland Park FL 34731

F Shareholder's percentage of stock ownership for tax year **33.333300 %**

1	Ordinary business income (loss)	13	Credits
	-9,821		
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 A	Alternative minimum tax (AMT) items 1,721
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

2009

For calendar year 2009, 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.

1	Ordinary business income (loss) -9,822	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 A	Alternative minimum tax (AMT) items 1,721
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information

* See attached statement for additional information.

Part I Information About the Corporation

A Corporation's employer identification number
26-3839121

B Corporation's name, address, city, state, and ZIP code
Pine Harbour Water Utilities LLC
P O BOX 447
Fruitland Park FL 34731

C IRS Center where corporation filed return
Ogden, UT 84201

Part II Information About the Shareholder

D Shareholder's identifying number
056-44-2710

E Shareholder's name, address, city, state, and ZIP code
Sandra Wesson
P.O. Box 447
Fruitland Park FL 34731

F Shareholder's percentage of stock ownership for tax year **33.333300 %**

For IRS Use Only

Federal Statements

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

<u>Description</u>	<u>Amount</u>
Bank charges	\$ 467
Dues / subscriptions	212
Legal / professional	1,976
Supplies	200
Utilities	1,519
Yard Maintenance	2,210
Insurance	1,303
Amortization	33
Total	<u>\$ 7,920</u>

Federal Statements

Statement 2 - Form 1120S, Page 2, Schedule A, Line 4 - Additional 263A Costs

<u>Description</u>	<u>Amount</u>
Sub Contract	\$ 19,418
Total	<u>\$ 19,418</u>

Federal Asset Report

Form 1120S, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
Prior MACRS:									
1	Hydrants	1/01/08	4,547		X	3,897	7 HY 200DB	650	1,113
2	Services	1/01/08	5,692		X	4,879	7 HY 200DB	813	1,394
3	Standpipes	1/01/08	15,811		X	13,552	7 HY 200DB	2,259	3,872
4	Structures	1/01/08	5,794			5,794	39 MMS/L	143	149
5	Structures	1/01/08	25,000			25,000	39 MMS/L	615	641
6	Supply Mains	1/01/08	6,188		X	5,304	7 HY 200DB	884	1,515
7	Meters and Meters	1/01/08	5,270		X	4,517	7 HY 200DB	753	1,291
8	Pumping Equipment	1/01/08	16,314		X	13,983	7 HY 200DB	2,331	3,995
9	Wells and Springs	1/01/08	7,763		X	6,654	7 HY 200DB	1,109	1,901
10	Wells and Springs	1/01/08	12,000		X	10,285	7 HY 200DB	1,715	2,939
13	Transmission Lines	1/01/08	22,468		X	19,257	7 HY 200DB	3,211	5,502
14	Water Treatment Eq	1/01/08	350		X	300	7 HY 200DB	50	86
			<u>127,197</u>			<u>113,422</u>		<u>14,533</u>	<u>24,398</u>
Other Depreciation:									
11	Land - Land Rights	1/01/08	<u>5,000</u>			<u>5,000</u>	0 -- Land	<u>0</u>	<u>0</u>
	Total Other Depreciation		<u>5,000</u>			<u>5,000</u>		<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>5,000</u>			<u>5,000</u>		<u>0</u>	<u>0</u>
Amortization:									
12	Organization Costs	1/01/08	<u>500</u>			<u>500</u>	15 MOAmort	<u>33</u>	<u>33</u>
			<u>500</u>			<u>500</u>		<u>33</u>	<u>33</u>
	Grand Totals		132,697			118,922		14,566	24,431
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>132,697</u>			<u>118,922</u>		<u>14,566</u>	<u>24,431</u>

Depreciation Adjustment Report

All Business Activities

<u>Form</u>	<u>Unit</u>	<u>Asset</u>	<u>Description</u>	<u>Tax</u>	<u>AMT</u>	<u>AMT Adjustments/ Preferences</u>
MACRS Adjustments:						
Page 1	1	1	Hydrants	1,113	870	243
Page 1	1	2	Services	1,394	1,089	305
Page 1	1	3	Standpipes	3,872	3,025	847
Page 1	1	4	Structures	149	149	0
Page 1	1	5	Structures	641	641	0
Page 1	1	6	Supply Mains	1,515	1,184	331
Page 1	1	7	Meters and Meters	1,291	1,008	283
Page 1	1	8	Pumping Equipment	3,995	3,122	873
Page 1	1	9	Wells and Springs	1,901	1,485	416
Page 1	1	10	Wells and Springs	2,939	2,296	643
Page 1	1	13	Transmission Lines	5,502	4,299	1,203
Page 1	1	14	Water Treatment Eq	86	67	19
				<u>24,398</u>	<u>19,235</u>	<u>5,163</u>

Future Depreciation Report FYE: 12/31/10

Form 1120S, Page 1

Asset	Description	Date In Service	Cost	Tax	AMT
Prior MACRS:					
1	Hydrants	1/01/08	4,547	796	684
2	Services	1/01/08	5,692	996	856
3	Standpipes	1/01/08	15,811	2,766	2,377
4	Structures	1/01/08	5,794	148	148
5	Structures	1/01/08	25,000	641	641
6	Supply Mains	1/01/08	6,188	1,083	930
7	Meters and Meters	1/01/08	5,270	921	793
8	Pumping Equipment	1/01/08	16,314	2,854	2,452
9	Wells and Springs	1/01/08	7,763	1,358	1,168
10	Wells and Springs	1/01/08	12,000	2,099	1,804
13	Transmission Lines	1/01/08	22,468	3,930	3,378
14	Water Treatment Eq	1/01/08	350	61	53
			<u>127,197</u>	<u>17,653</u>	<u>15,284</u>
Other Depreciation:					
11	Land - Land Rights	1/01/08	5,000	0	0
	Total Other Depreciation		<u>5,000</u>	<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>5,000</u>	<u>0</u>	<u>0</u>
Amortization:					
12	Organization Costs	1/01/08	500	34	34
			<u>500</u>	<u>34</u>	<u>34</u>
	Grand Totals		<u>132,697</u>	<u>17,687</u>	<u>15,318</u>

Retained Earnings Reconciliation Worksheet

Form **1120S**

2009

For calendar year 2009 or tax year beginning _____, ending _____

Name

Employer Identification Number

Pine Harbour Water Utilities LLC

26-3839121

Schedule L - Retained Earnings

Retained Earnings - Unappropriated	<u>0</u>
Accumulated Adjustments Account	<u>-39,022</u>
Other Adjustments Account	<u>0</u>
Undistributed Previously Taxed Income	<u>0</u>
 Schedule L, Line 24 - Retained Earnings	 <u><u>-39,022</u></u>

Schedule M-2 - Retained Earnings

	Accumulated Adjustments Account	Other Adjustments Account	Undistributed Previously Taxed Income	Retained Earnings Unappropriated/ Timing Differences	Total Retained Earnings
Beg Yr Bal	<u>-9,558</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-9,558</u>
Ordinary Inc (Loss)	<u>-29,464</u>				<u>-29,464</u>
Other Additions					
Other Reductions					
Distributions					
 End Yr Bal	 <u><u>-39,022</u></u>	 <u><u>0</u></u>	 <u><u>0</u></u>	 <u><u>0</u></u>	 <u><u>-39,022</u></u>

Florida Form 405 Return Summary

For assessment period beginning **01/01/09** and ending **12/31/09**
Pine Harbour Water Utilities LLC **26-3839121**

	Fair Market Value	Original Installed Cost
Office furniture, office machines and library		
EDP Equipment, computers, word processors		
Store, bar and lounge, and restaurant furniture and equipment, etc.		
Machinery and manufacturing equipment		
Farm, grove, and dairy equipment		
Professional, medical, dental, and laboratory equipment		
Hotel, motel, and apartment complex		
Rental units - stove, refrigerator, furniture, drapes, and appliances		
Mobile home attachments		
Service station and bulk plant equipment		
Signs - billboard, pole, wall, portable, directional, etc.		
Leasehold improvements		
Pollution control equipment		
Equipment owned but rented, leased, or held by others		
Supplies - not held for resale		
Other property		
Assets removed during last year		
Leased, loaned, and rented equipment		

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

2010

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

Department of the Treasury
Internal Revenue Service

For calendar year 2010 or tax year beginning _____, ending _____

A S election effective date 01/28/09	Use IRS label. Otherwise, print or type.	Name Pine Harbour Water Utilities LLC	D Employer identification number 26-3839121
B Business activity code number (see instructions) 221000		Number, street, and room or suite no. If a P.O. box, see instructions. 101 Satellite Court	E Date incorporated
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code Leesburg FL 34748	F Total assets (see instructions) \$ 80,457

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **▶ 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 23,189	b Less returns and allowances	c Bal ▶	1c	23,189
	2 Cost of goods sold (Schedule A, line 8)			2	13,729
	3 Gross profit. Subtract line 2 from line 1c			3	9,460
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			4	
	5 Other income (loss) (see instructions - attach statement)			5	
	6 Total income (loss). Add lines 3 through 5			6	9,460
Deductions (see instructions for limitations)	7 Compensation of officers			7	
	8 Salaries and wages (less employment credits)			8	
	9 Repairs and maintenance			9	
	10 Bad debts			10	
	11 Rents			11	
	12 Taxes and licenses			12	1,927
	13 Interest			13	
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)			14	17,653
	15 Depletion (do not deduct oil and gas depletion)			15	
	16 Advertising			16	
	17 Pension, profit-sharing, etc., plans			17	
	18 Employee benefit programs			18	
	19 Other deductions (attach statement) See Stmt 1			19	6,726
	20 Total deductions. Add lines 7 through 19			20	26,306
	21 Ordinary business income (loss). Subtract line 20 from line 6			21	-16,846
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a			
	b Tax from Schedule D (Form 1120S)	22b			
	c Add lines 22a and 22b (see instructions for additional taxes)			22c	
	23a 2010 estimated tax payments and 2009 overpayment credited to 2010	23a			
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d Add lines 23a through 23c			23d	
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26	
27 Enter amount from line 26 Credited to 2011 estimated tax ▶ Refunded ▶			27		

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	Print/Type preparer's name Beryl N Stokes III, CPA	Preparer's signature	Date 01/19/11	Check if <input type="checkbox"/> self-employed	PTIN P01050094
	Firm's name ▶ Astutant Leesburg, LLC	Firm's EIN ▶ 20-5288749			
	Firm's address ▶ 1035 W Dixie Ave Leesburg, FL	34748-6349	Phone no. 352-728-0980		

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 Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶	14b	
	b Gross income from all sources	14c	
	c Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14d	
	d Passive category	14e	
	e General category	14f	
	f Other (attach statement) Deductions allocated and apportioned at shareholder level	14g	
	g Interest expense	14h	
	h Other Deductions allocated and apportioned at corporate level to foreign source income	14i	
	i Passive category	14j	
	j General category	14k	
	k Other (attach statement) Other information	14l	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14m	
	m Reduction in taxes available for credit (attach statement)		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) items	15a Post-1986 depreciation adjustment	15a	2,369
	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 Distributions (attach statement if required) (see instructions)	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	-16,846

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		1,887		3,943
2a	Trade notes and accounts receivable	1,716		501	
b	Less allowance for bad debts		1,716		501
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	127,197		127,197	
b	Less accumulated depreciation	(38,931)	88,266	(56,584)	70,613
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		5,000		5,000
13a	Intangible assets (amortizable only)	500		500	
b	Less accumulated amortization	(66)	434	(100)	400
14	Other assets (attach statement)				
15	Total assets		97,303		80,457
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)				
22	Capital stock				
23	Additional paid-in capital		136,325		136,325
24	Retained earnings		-39,022		-55,868
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity		97,303		80,457

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	-16,846	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	-16,846	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	-16,846

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	-39,022	
2	Ordinary income from page 1, line 21		
3	Other additions		
4	Loss from page 1, line 21	16,846	
5	Other reductions		
6	Combine lines 1 through 5	-55,868	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-55,868	

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

2010

For calendar year 2010, 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

Part I Information About the Corporation

A Corporation's employer identification number
26-3839121

B Corporation's name, address, city, state, and ZIP code
Pine Harbour Water Utilities LLC

101 Satellite Court
Leesburg FL 34748

C IRS Center where corporation filed return
Ogden, UT 84201

1	Ordinary business income (loss)	13	Credits
	-5,616		
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
		A	790

Part II Information About the Shareholder

D Shareholder's identifying number
056-44-2710

E Shareholder's name, address, city, state, and ZIP code
Sandra Wesson
P.O. Box 447

Fruitland Park FL 34731

F Shareholder's percentage of stock ownership for tax year **33.333300 %**

11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information

For IRS Use Only

* See attached statement for additional information.

Federal Statements**Statement 1 - Form 1120S, Page 1, Line 19 - Other Deductions**

<u>Description</u>	<u>Amount</u>
Bank charges	\$ 180
Dues / subscriptions	225
Legal / professional	925
Supplies	103
Utilities	960
Yard Maintenance	2,410
Insurance	1,870
Other Expenses	19
Amortization	34
Total	<u>\$ 6,726</u>

Federal Statements

Statement 2 - Form 1120S, Page 2, Schedule A, Line 4 - Additional 263A Costs

<u>Description</u>	<u>Amount</u>
Sub Contract	\$ 13,729
Total	<u>\$ 13,729</u>

26-3839121

Federal Asset Report

FYE: 12/31/2010

Form 1120S, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
Prior MACRS:									
1	Hydrants	1/01/08	4,547		X	2,784	7 HY 200DB	1,763	796
2	Services	1/01/08	5,692		X	3,485	7 HY 200DB	2,207	996
3	Standpipes	1/01/08	15,811		X	9,680	7 HY 200DB	6,131	2,766
4	Structures	1/01/08	5,794			5,794	39 MMS/L	292	148
5	Structures	1/01/08	25,000			25,000	39 MMS/L	1,256	641
6	Supply Mains	1/01/08	6,188		X	3,789	7 HY 200DB	2,399	1,083
7	Meters and Meters	1/01/08	5,270		X	3,226	7 HY 200DB	2,044	921
8	Pumping Equipment	1/01/08	16,314		X	9,988	7 HY 200DB	6,326	2,854
9	Wells and Springs	1/01/08	7,763		X	4,753	7 HY 200DB	3,010	1,358
10	Wells and Springs	1/01/08	12,000		X	7,346	7 HY 200DB	4,654	2,099
13	Transmission Lines	1/01/08	22,468		X	13,755	7 HY 200DB	8,713	3,930
14	Water Treatment Eq	1/01/08	350		X	214	7 HY 200DB	136	61
			<u>127,197</u>			<u>89,814</u>		<u>38,931</u>	<u>17,653</u>
Other Depreciation:									
11	Land - Land Rights	1/01/08	5,000			5,000	0 -- Land	0	0
	Total Other Depreciation		<u>5,000</u>			<u>5,000</u>		<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>5,000</u>			<u>5,000</u>		<u>0</u>	<u>0</u>
Amortization:									
12	Organization Costs	1/01/08	500			500	15 MO Amort	66	34
			<u>500</u>			<u>500</u>		<u>66</u>	<u>34</u>
	Grand Totals		132,697			95,314		38,997	17,687
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>132,697</u>			<u>95,314</u>		<u>38,997</u>	<u>17,687</u>

Bonus Depreciation Report

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Tax Sec 179 Exp	Current Bonus	Prior Bonus	Tax - Basis for Depr
Activity: Form 1120S, Page 1								
1	Hydrants	1/01/08	4,547	100	0	0	1,763	2,784
2	Services	1/01/08	5,692	100	0	0	2,207	3,485
3	Standpipes	1/01/08	15,811	100	0	0	6,131	9,680
6	Supply Mains	1/01/08	6,188	100	0	0	2,399	3,789
7	Meters and Meters	1/01/08	5,270	100	0	0	2,044	3,226
8	Pumping Equipment	1/01/08	16,314	100	0	0	6,326	9,988
9	Wells and Springs	1/01/08	7,763	100	0	0	3,010	4,753
10	Wells and Springs	1/01/08	12,000	100	0	0	4,654	7,346
13	Transmission Lines	1/01/08	22,468	100	0	0	8,713	13,755
14	Water Treatment Eq	1/01/08	350	100	0	0	136	214
	Form 1120S, Page 1		<u>96,403</u>		<u>0</u>	<u>0</u>	<u>37,383</u>	<u>59,020</u>
	Grand Total		<u>96,403</u>		<u>0</u>	<u>0</u>	<u>37,383</u>	<u>59,020</u>

AMT Asset Report

Form 1120S, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
Prior MACRS:									
1	Hydrants	1/01/08	4,547		X	3,190	7 HY 150DB	1,357	684
2	Services	1/01/08	5,692		X	3,993	7 HY 150DB	1,699	856
3	Standpipes	1/01/08	15,811		X	11,093	7 HY 150DB	4,718	2,377
4	Structures	1/01/08	5,794			5,794	39 MMS/L	292	148
5	Structures	1/01/08	25,000			25,000	39 MMS/L	1,256	641
6	Supply Mains	1/01/08	6,188		X	4,341	7 HY 150DB	1,847	930
7	Meters and Meters	1/01/08	5,270		X	3,698	7 HY 150DB	1,572	793
8	Pumping Equipment	1/01/08	16,314		X	11,445	7 HY 150DB	4,869	2,452
9	Wells and Springs	1/01/08	7,763		X	5,447	7 HY 150DB	2,316	1,168
10	Wells and Springs	1/01/08	12,000		X	8,419	7 HY 150DB	3,581	1,804
13	Transmission Lines	1/01/08	22,468		X	15,763	7 HY 150DB	6,705	3,378
14	Water Treatment Eq	1/01/08	350		X	246	7 HY 150DB	104	53
			<u>127,197</u>			<u>98,429</u>		<u>30,316</u>	<u>15,284</u>
Other Depreciation:									
11	Land - Land Rights	1/01/08	5,000			5,000	0 -- Land	0	0
	Total Other Depreciation		<u>5,000</u>			<u>5,000</u>		<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>5,000</u>			<u>5,000</u>		<u>0</u>	<u>0</u>
	Grand Totals		132,197			103,429		30,316	15,284
	Less: Dispositions and Transfers		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Net Grand Totals		<u>132,197</u>			<u>103,429</u>		<u>30,316</u>	<u>15,284</u>

26-3839121

Depreciation Adjustment Report

FYE: 12/31/2010

All Business Activities

<u>Form</u>	<u>Unit</u>	<u>Asset</u>	<u>Description</u>	<u>Tax</u>	<u>AMT</u>	<u>AMT Adjustments/ Preferences</u>
MACRS Adjustments:						
Page 1	1	1	Hydrants	796	684	112
Page 1	1	2	Services	996	856	140
Page 1	1	3	Standpipes	2,766	2,377	389
Page 1	1	4	Structures	148	148	0
Page 1	1	5	Structures	641	641	0
Page 1	1	6	Supply Mains	1,083	930	153
Page 1	1	7	Meters and Meters	921	793	128
Page 1	1	8	Pumping Equipment	2,854	2,452	402
Page 1	1	9	Wells and Springs	1,358	1,168	190
Page 1	1	10	Wells and Springs	2,099	1,804	295
Page 1	1	13	Transmission Lines	3,930	3,378	552
Page 1	1	14	Water Treatment Eq	61	53	8
				<u>17,653</u>	<u>15,284</u>	<u>2,369</u>

Future Depreciation Report**FYE: 12/31/11**

<u>Asset</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>	<u>Tax</u>	<u>AMT</u>
<u>Prior MACRS:</u>					
1	Hydrants	1/01/08	4,547	568	557
2	Services	1/01/08	5,692	711	697
3	Standpipes	1/01/08	15,811	1,975	1,937
4	Structures	1/01/08	5,794	149	149
5	Structures	1/01/08	25,000	641	641
6	Supply Mains	1/01/08	6,188	773	758
7	Meters and Meters	1/01/08	5,270	659	645
8	Pumping Equipment	1/01/08	16,314	2,038	1,999
9	Wells and Springs	1/01/08	7,763	970	951
10	Wells and Springs	1/01/08	12,000	1,499	1,470
13	Transmission Lines	1/01/08	22,468	2,807	2,752
14	Water Treatment Eq	1/01/08	350	44	43
			<u>127,197</u>	<u>12,834</u>	<u>12,599</u>
<u>Other Depreciation:</u>					
11	Land - Land Rights	1/01/08	5,000	0	0
	Total Other Depreciation		<u>5,000</u>	<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>5,000</u>	<u>0</u>	<u>0</u>
<u>Amortization:</u>					
12	Organization Costs	1/01/08	500	33	33
			<u>500</u>	<u>33</u>	<u>33</u>
	Grand Totals		<u>132,697</u>	<u>12,867</u>	<u>12,632</u>

Form **1120S**

Schedule K-1 Summary Worksheet

2010

Name

Employer Identification Number

Pine Harbour Water Utilities LLC**26-3839121**

Shareholder Name

SSN/EIN

Column A **Robert Stewart**Column B **Madeline Lipsky**Column C **Sandra Wesson**

Column D

Schedule K Items	Column A	Column B	Column C	Column D	Sch K Total
1 Ordinary income	-5,615	-5,615	-5,616		-16,846
2 Net rental RE inc					
3c Net other rental inc					
4 Interest income					
5a Ordinary dividends					
5b Qualified dividends					
6 Royalties					
7 Net ST capital gain					
8a Net LT capital gain					
8b Collectibles 28% gain					
8c Unrecap Sec 1250					
9 Net Sec 1231 gain					
10 Other income (loss)					
11 Sec 179 deduction					
12a Contributions					
12b Invest interest exp					
12c Sec 59(e)(2) exp					
12d Other deductions					
13a,c Low-inc house 42j5					
13b,d Low-inc house other					
13e Qualif rehab exp					
13f Rental RE credits					
13g Other rental credits					
13h Fuel alcohol credit					
13i Other credits					
14b Gross inc all src					
14d-f Total foreign inc					
14g-k Total foreign deds					
14l Total foreign taxes					
14m Reduct in taxes					
15a Depr adjustment	790	789	790		2,369
15b Adjusted gain (loss)					
15c Depletion					
15d Inc-oil/gas/geoth					
15e Ded-oil/gas/geoth					
15f Other AMT items					
16a Tax-exempt interest					
16b Other tax-exempt					
16c Nonded expense					
16d Total property dist					
16e Shr loan repmts					
17a Investment income					
17b Investment expense					
18 Income (loss)	-5,615	-5,615	-5,616		-16,846

Retained Earnings Reconciliation Worksheet

Form **1120S****2010**

For calendar year 2010 or tax year beginning _____, ending _____

Name

Employer Identification Number

Pine Harbour Water Utilities LLC**26-3839121**

Schedule L - Retained Earnings

Retained Earnings - Unappropriated	<u>0</u>
Accumulated Adjustments Account	<u>-55,868</u>
Other Adjustments Account	<u>0</u>
Undistributed Previously Taxed Income	<u>0</u>
Schedule L, Line 24 - Retained Earnings	<u><u>-55,868</u></u>

Schedule M-2 - Retained Earnings

	Accumulated Adjustments Account	Other Adjustments Account	Undistributed Previously Taxed Income	Retained Earnings Unappropriated/ Timing Differences	Total Retained Earnings
Beg Yr Bal	<u>-39,022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-39,022</u>
Ordinary Inc (Loss)	<u>-16,846</u>				<u>-16,846</u>
Other Additions					
Other Reductions					
Distributions					
End Yr Bal	<u><u>-55,868</u></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u><u>-55,868</u></u>

Form 1120S	Two Year Comparison Worksheet Page 1	2009 & 2010
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Name Pine Harbour Water Utilities LLC	Employer Identification Number 26-3839121
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		2009	2010	Differences
Income	Gross profit percentage	20.0082	40.7952	20.7870
	Gross receipts less returns and allowances	24,275	23,189	-1,086
	Cost of goods sold	19,418	13,729	-5,689
	Gross profit	4,857	9,460	4,603
	Net gain (loss) from Form 4797			
	Other income (loss)			
	Total income (loss)	4,857	9,460	4,603
Deductions	Compensation of officers			
	Salaries and wages less employment credits			
	Repairs and maintenance			
	Bad debts			
	Rents			
	Taxes and licenses	2,003	1,927	-76
	Interest			
	Depreciation	24,398	17,653	-6,745
	Depletion			
	Advertising			
	Pension, profit-sharing, etc., plans			
	Employee benefit programs			
	Other deductions	7,920	6,726	-1,194
Total deductions	34,321	26,306	-8,015	
Ordinary business income (loss)	-29,464	-16,846	12,618	
Tax and Payments	Excess net passive income or LIFO recapture tax			
	Tax from Schedule D			
	Total tax	0	0	0
	Estimated tax and prior year overpayment credited			
	Tax deposited with Form 7004			
	Credit for federal tax paid on fuels			
	Refund applied for on Form 4466	()	()	
	Total payments and credits			
	Tax due (overpayment)	0	0	0
	Estimated tax penalty from Form 2220			
Penalties and interest				
Net tax due (overpayment)	0	0	0	
Overpayment credited to next year's estimated tax				
Overpayment refunded				

Form **1120S****Two Year Comparison Worksheet Page 2****2009 & 2010**

Name

Pine Harbour Water Utilities LLC

Employer Identification Number

26-3839121

		2009	2010	Differences
Income (Loss)	Ordinary business income (loss)	-29,464	-16,846	12,618
	Net rental real estate income (loss)			
	Other net rental income (loss)			
	Interest income			
	Dividends			
	Royalties			
	Net short-term capital gain (loss)			
	Net long-term capital gain (loss)			
	Net Section 1231 gain (loss)			
Other income (loss)				
Deductions	Section 179 deduction			
	Charitable contributions			
	Investment interest expense			
	Section 59(e)(2) expenditures			
	Other deductions			
Credits	Low-income housing credit (Section 42(j)(5))			
	Low-income housing credit (other)			
	Qualified rehabilitation expenditures (rental real estate)			
	Other rental real estate credits			
	Other rental credits			
	Alcohol and cellulosic biofuel fuels credit			
Other credits				
Foreign Transactions	Total foreign gross income			
	Total foreign deductions			
	Total foreign taxes			
	Reduction in taxes available for credit			
AMT Items	Post-1986 depreciation adjustment	5,163	2,369	-2,794
	Adjusted gain or loss			
	Depletion (other than oil and gas)			
	Oil, gas, and geothermal properties-gross income			
	Oil, gas, and geothermal properties-deductions			
	Other AMT items			
Items Affecting S/H Basis	Tax-exempt interest income			
	Other tax-exempt income			
	Nondeductible expenses			
	Distributions			
	Repayment of loans from shareholders			
Other Information	Investment income			
	Investment expenses			
	Dividend distributions paid from accumulated E&P			
	Income (loss) (if Schedule M-1 is required)	-29,464	-16,846	12,618

Form: 1120S	Two Year Comparison Worksheet Page 3	2009 & 2010
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Name Pine Harbour Water Utilities LLC	Employer Identification Number 26-3839121
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		2009	2010	Differences
Schedule L	Beginning assets	126,768	97,303	-29,465
	Beginning liabilities and equity	126,768	97,303	-29,465
	Ending assets	97,303	80,457	-16,846
	Ending liabilities and equity	97,303	80,457	-16,846
Schedule M-1	Net income (loss) per books	-29,464	-16,846	12,618
	Taxable income not on books			
	Book expenses not deducted			
	Income on books not on return			
	Return deductions not on books			
	Income (loss) per return	-29,464	-16,846	12,618
Schedule M-2 AAA	Balance at beginning of year	-9,558	-39,022	-29,464
	Ordinary income (loss) from page 1	-29,464	-16,846	12,618
	Other additions			
	Other reductions			
	Distributions other than dividend distributions			
	Balance at end of year	-39,022	-55,868	-16,846
Schedule M-2 OAA	Balance at beginning of year			
	Other additions			
	Other reductions			
	Distributions other than dividend distributions			
	Balance at end of year			
Schedule M-2 PTI	Balance at beginning of year			
	Distributions other than dividend distributions			
	Balance at end of year			
Schedule M-3	Total income (loss) items:			
	Income (loss) per income statement			
	Temporary difference			
	Permanent difference			
	Income (loss) per tax return			
	Total expense/deduction items:			
	Expense per income statement			
	Temporary difference			
	Permanent difference			
	Deduction per tax return			
	Other items with no differences:			
	Income (loss) per income statement			
	Income (loss) per tax return			
	Reconciliation totals:			
	Income (loss) per income statement			
Temporary difference				
Permanent difference				
Income (loss) per tax return				

Federal Statements**Form 1120S, Page 1, Line 1a - Gross Receipts**

<u>Description</u>	<u>Amount</u>
Gross Receipts	\$ <u>23,189</u>
Total	\$ <u><u>23,189</u></u>

Form 1120S, Page 1, Line 12 - Taxes and Licenses

<u>Description</u>	<u>Amount</u>
Taxes and Licenses	\$ <u>1,927</u>
Total	\$ <u><u>1,927</u></u>

Federal Statements**Form 1120S, Page 4, Schedule L, Line 2a - Trade Notes and Accounts Receivable**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Trade Notes and Accounts Rec.	\$ 1,716	\$ 501
Total	\$ 1,716	\$ 501

Form 1120S, Page 4, Schedule L, Line 23 - Additional Paid-In Capital

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Additional Paid-In Capital	\$ 136,325	\$ 136,325
Total	\$ 136,325	\$ 136,325

Florida Form 405 Return Summary

For assessment period beginning **01/01/10** and ending **12/31/10**
Pine Harbour Water Utilities LLC **26-3839121**

	Fair Market Value	Original Installed Cost
Office furniture, office machines and library		
EDP Equipment, computers, word processors		
Store, bar and lounge, and restaurant furniture and equipment, etc.		
Machinery and manufacturing equipment		
Farm, grove, and dairy equipment		
Professional, medical, dental, and laboratory equipment		
Hotel, motel, and apartment complex		
Rental units - stove, refrigerator, furniture, drapes, and appliances		
Mobile home attachments		
Service station and bulk plant equipment		
Signs - billboard, pole, wall, portable, directional, etc.		
Leasehold improvements		
Pollution control equipment		
Equipment owned but rented, leased, or held by others		
Supplies - not held for resale		
Other property		
Assets removed during last year		
Leased, loaned, and rented equipment		

Form 1120S Return Summary

For calendar year 2010 or tax year beginning , ending
Pine Harbour Water Utilities LLC 26-3839121

Ordinary Business Income (Loss)

Total income	9,460	
Total deductions	26,306	
Ordinary business income (loss)		<u>-16,846</u>
Total S Corporation taxes		<u>0</u>

Schedule K, Line 18

Ordinary business income (loss)	-16,846	
Net rental real estate income (loss)		
Other net rental income (loss)		
Interest income		
Dividends		
Royalties		
Short-term capital gain (loss)		
Long-term capital gain (loss)		
Net Section 1231 gain (loss)		
Other income (loss)		
Section 179 deduction		
Contributions		
Investment interest expense		
Section 59(e)(2) expenditures		
Other deductions		
Foreign taxes paid or accrued		
Income (loss) reconciliation (Schedule K, Line 18)		<u>-16,846</u>

Schedule L

	Prior Year	Current Year
Assets	97,303	80,457
Liabilities	97,303	80,457
Difference	<u>0</u>	<u>0</u>

Schedule M-1

Schedule M-1	-16,846
Schedule K, Line 18	-16,846
Difference	<u>0</u>

Retained Earnings

	Schedule L	Schedule M-2
AAA	-55,868	-55,868
OAA		
UTI		
R.E. Unapprop		
Total	<u>-55,868</u>	<u>-55,868</u>

Schedule M-3

Schedule M-3	
Schedule K, Line 18	
Difference	<u>0</u>

Total number of shareholders **3**
 Total ownership percentage **100.000000**

U.S. Income Tax Return for an S Corporation

COPY

OMB No. 1545-0130

2011

Department of the Treasury
Internal Revenue Service

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

For calendar year 2011 or tax year beginning _____, ending _____

A S election effective date 1/28/2009	TYPE OR PRINT	Name Pine Harbour Water Utilities LLC	D Employer identification number 26-3839121
B Business activity code number (see instructions) 221300		Number, street, and room or suite no. If a P.O. box, see instructions. 101 Satellite Court	E Date incorporated 1/1/2009
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town Leesburg	State ZIP code FL 34748
			F Total assets (see instructions) \$ 67,713

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year ▶ 3

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

Income	1a Merchant card and third-party payments. For 2011, enter -0-	1a		
	b Gross receipts or sales not reported on line 1a (see instructions)	1b	22,252	
	c Total. Add lines 1a and 1b	1c	22,252	
	d Returns and allowances plus any other adjustments (see instructions)	1d		
	e Subtract line 1d from line 1c	1e		22,252
	2 Cost of goods sold (attach Form 1125-A)	2		
3 Gross profit. Subtract line 2 from line 1e	3		22,252	
4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	4			
5 Other income (loss) (see instructions—attach statement)	5			
6 Total income (loss). Add lines 3 through 5	6		22,252	
Deductions (see instructions for limitations)	7 Compensation of officers	7		
	8 Salaries and wages (less employment credits)	8		
	9 Repairs and maintenance	9		
	10 Bad debts	10		2,565
	11 Rents	11		
	12 Taxes and licenses	12		1,804
	13 Interest	13		
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14		12,832
	15 Depletion (Do not deduct oil and gas depletion.)	15		
	16 Advertising	16		
	17 Pension, profit-sharing, etc., plans	17		
	18 Employee benefit programs	18		
	19 Other deductions (attach statement)	19		14,796
	20 Total deductions. Add lines 7 through 19	20		31,997
	21 Ordinary business income (loss). Subtract line 20 from line 6	21		-9,745
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		
	b Tax from Schedule D (Form 1120S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)	22c		
	23a 2011 estimated tax payments and 2010 overpayment credited to 2011	23a		
	b Tax deposited with Form 7004	23b		
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d Add lines 23a through 23c	23d		
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24		
25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25			
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26			
27 Enter amount from line 26 Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	27			

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.

Sign Here ▶ Signature of officer _____ Date _____ Title _____

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

Paid Preparer Use Only	Print/Type preparer's name Loren A. Moore	Preparer's signature	Date 2/20/2012	Check <input type="checkbox"/> if self-employed	PTIN P00511487	
	Firm's name ▶ RICHARD C SCHULTHEIS, P.A.	Firm's EIN ▶ 59-3216170	Phone no. (352) 326-5000			
	Firm's address ▶ 911 W DIXIE AVE	City LEESBURG	State FL	ZIP code 34748		

Schedule B Other Information (see instructions)

	Yes	No
1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the: a Business activity ▶ <u>Utilities</u> b Product or service ▶ <u>Utility Service</u>		
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 qualified subchapter S subsidiary election made?		X
4 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
5 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.		
6 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 the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain 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 (see instructions) ▶ \$		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
8 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.	X	
9 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
10 a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?	X	
b If "Yes," did the corporation file or will it file all required Forms 1099?	X	

Schedule K Shareholders' Pro Rata Share Items

		Total amount
1 Ordinary business income (loss) (page 1, line 21)	1	-9,745
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 statement) 3b		
c Other net rental income (loss). Subtract line 3b from line 3a 3c		
4 Interest income 4	4	1
5 Dividends: a Ordinary dividends 5a		
b Qualified dividends 5b		
6 Royalties. 6		
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) 7	7	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) 8a		
b Collectibles (28%) gain (loss) 8b		
c Unrecaptured section 1250 gain (attach statement) 8c		
9 Net section 1231 gain (loss) (attach Form 4797) 9	9	
10 Other income (loss) (see instructions) Type ▶ 10	10	

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 Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶ -----	14a	
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level <i>Foreign gross income sourced at corporate level</i>	14c	
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement)	14f	
	<i>Deductions allocated and apportioned at shareholder level</i>	14g	
	g Interest expense	14g	
	h Other	14h	
	<i>Deductions allocated and apportioned at corporate level to foreign source income</i>	14i	
	i Passive category	14j	
	j General category	14k	
	k Other (attach statement)	14k	
	<i>Other information</i>	14l	
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)	14n		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	233
	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 Distributions (attach statement if required) (see instructions)	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	1
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)	17d	
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	-9,744

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		3,943		4,565
2a Trade notes and accounts receivable	501			
b Less allowance for bad debts		501		
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets	127,197		127,197	
b Less accumulated depreciation	56,584	70,613	69,416	57,781
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)		5,000		5,000
13a Intangible assets (amortizable only)	500		500	
b Less accumulated amortization	100	400	133	367
14 Other assets (attach statement)				
15 Total assets		80,457		67,713
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)				
22 Capital stock				
23 Additional paid-in capital		136,325		136,325
24 Retained earnings		(55,868)		(68,612)
25 Adjustments to shareholders' equity (attach statement)				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity		80,457		67,713

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	-9,744	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	-9,744	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	-9,744

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	(55,868)		
2 Ordinary income from page 1, line 21			
3 Other additions	1		
4 Loss from page 1, line 21	(9,745)		
5 Other reductions			
6 Combine lines 1 through 5	(65,612)		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	(65,612)		

Final K-1

 Amended K-1

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2011

For calendar year 2011, or tax
year beginning _____, 2011
ending _____, 20____

**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
26-3839121

B Corporation's name, address, city, state, and ZIP code

Pine Harbour Water Utilities LLC
101 Satellite Court
Leesburg FL 34748

C IRS Center where corporation filed return
Ogden, UT 84201-0013

Part II Information About the Shareholder

D Shareholder's identifying number Shareholder: 1
288-56-3387

E Shareholder's name, address, city, state, and ZIP code

Robert G Stewart
PO Box 447
Fruitland Park, FL 34731

F Shareholder's percentage of stock
ownership for tax year 33.333334%

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

1	Ordinary business income (loss)	13	Credits
	-3,249		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income	1	
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 A	Alternative minimum tax (AMT) items 77
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17 A	Other information 1

* See attached statement for additional information.

For IRS Use Only

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288-56-3387

Robert G Stewart

K-1 Statement (Sch K-1, Form 1120S)

Line 15 - AMT Items

A Code A - Post-1986 depreciation adjustment A 77

Line 17 - Other Information

A Code A - Investment income A 1

Income Items

1	Ordinary income from trade or business activities	1	_____
2	Net income from rental real estate activities	2	_____
3	Net income from other rental activities	3	_____
4	Interest	4	_____ 1
5	Ordinary dividends	5	_____
6	Royalties	6	_____
7	Net short-term capital gain	7	_____
8	Net long-term capital gain	8	_____
9	Net section 1231 gain	9	_____
10	Other income	10	_____
11	Tax-exempt interest income	11	_____
12	Other tax-exempt income	12	_____
	Total income items		_____ 1

Loss and Expense Items

1	Ordinary loss from trade or business activities	1	_____ 3,249
2	Net loss from rental real estate activities	2	_____
3	Net loss from other rental activities	3	_____
4	Net short-term capital loss	4	_____
5	Net long-term capital loss	5	_____
6	Net section 1231 loss	6	_____
7	Other loss	7	_____
8	Section 179 expense deduction	8	_____
9	Charitable contributions	9	_____
10	Investment interest expense	10	_____
11	Section 59(e)(2) expenditures	11	_____
12	Other deductions	12	_____
13	Total foreign taxes	13	_____
14	Carryforward of prior losses	14	_____
	Total loss and expense items		_____ 3,249

Nondeductible Expense Items

1	Nondeductible expenses	1	_____
2	Carryforward of prior nondeductible expenses	2	_____
	Total nondeductible expense items		_____

Loss Carryovers

1	Loss items	1	_____
2	Nondeductible expense items	2	_____

Shareholder's Basis Statement

Note to Shareholder: Keep for your records

Shareholder's name Robert G Stewart	Shareholder: 1	Identifying Number 288-56-3387
S Corporation's name Pine Harbour Water Utilities LLC		Employer ID Number 26-3839121

Summary

	Beginning Balance	Increases	Decreases	Distributions	Ending Balance
Stock	26,819	1	3,249		23,571
Loan					
Total	26,819	1	3,249		23,571

Election

Check if special ordering election under Reg. Section 1.1367-1(g) has been made.

Stock Basis

1	Beginning of year stock basis	1	26,819
2	Capital contributions	2	
3	Other increases	3	
4	Income items	4	1
5	Add lines 1 through 4	5	26,820
6	Other decreases	6	
7	Distributions (not to exceed the sum of line 5 and line 6)	7	
	Distributions in excess of basis		
8	Subtract the sum of line 6 and line 7 from line 5 (if zero or less enter 0)	8	26,820
9	<input type="checkbox"/> Loss items (not to exceed line 8) OR <input type="checkbox"/> Nondeductible expenses (not to exceed line 8)	9	
10	Subtract line 9 from line 8	10	26,820
11	<input type="checkbox"/> Nondeductible expenses (not to exceed line 10) OR <input checked="" type="checkbox"/> Loss items (not to exceed line 10)	11	3,249
12	Subtract line 11 from line 10	12	23,571
13	Loan basis restoration	13	
14	End of year stock basis (subtract line 13 from line 12)	14	23,571

Loan Balance

1	Beginning of year loan balance	1	
2	Current year loans to corporation	2	
3	Loan repayments	3	
4	End of year loan balance	4	

Loan Basis

1	Beginning of year loan basis	1	
2	Loan basis restoration	2	
3	Current year loans to corporation	3	
4	Add lines 1 through 3	4	
5	Loan repayments (not to exceed line 4)	5	
6	Subtract line 5 from line 4	6	
7	<input type="checkbox"/> Excess loss items (not to exceed line 6) OR <input type="checkbox"/> Excess nondeductible expense items (not to exceed line 6)	7	
8	Subtract line 7 from line 6	8	
9	<input type="checkbox"/> Excess nondeductible expense items (not to exceed line 8) OR <input checked="" type="checkbox"/> Excess loss items (not to exceed line 8)	9	
10	End of year loan basis (subtract line 9 from line 8)	10	

Final K-1

Amended K-1

Schedule K-1 (Form 1120S)

Department of the Treasury Internal Revenue Service

2011

For calendar year 2011, or tax year beginning _____, 2011 ending _____, 20_____

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

See back of form and separate instructions.

Table with 4 columns: Line number, Description, Column number, and Detail. Rows include: 1 Ordinary business income (loss) -3,248; 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 A 78; 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 26-3839121
B Corporation's name, address, city, state, and ZIP code Pine Harbour Water Utilities LLC 101 Satellite Court Leesburg FL 34748
C IRS Center where corporation filed return Ogden, UT 84201-0013

Part II Information About the Shareholder

D Shareholder's identifying number Shareholder: 2 334-50-8852
E Shareholder's name, address, city, state, and ZIP code Madeline J Lipsky PO Box 447 Fruitland Park, FL 34741
F Shareholder's percentage of stock ownership for tax year 33.333333%

For IRS Use Only

* See attached statement for additional information.

Madeline J Lipsky

K-1 Statement (Sch K-1, Form 1120S)

Line 15 - AMT Items

A Code A - Post-1986 depreciation adjustment A 78

Income Items

1	Ordinary income from trade or business activities	1	_____
2	Net income from rental real estate activities	2	_____
3	Net income from other rental activities	3	_____
4	Interest	4	_____
5	Ordinary dividends	5	_____
6	Royalties	6	_____
7	Net short-term capital gain	7	_____
8	Net long-term capital gain	8	_____
9	Net section 1231 gain	9	_____
10	Other income	10	_____
11	Tax-exempt interest income	11	_____
12	Other tax-exempt income	12	_____
	Total income items		_____

Loss and Expense Items

1	Ordinary loss from trade or business activities	1	_____ 3,248
2	Net loss from rental real estate activities	2	_____
3	Net loss from other rental activities	3	_____
4	Net short-term capital loss	4	_____
5	Net long-term capital loss	5	_____
6	Net section 1231 loss	6	_____
7	Other loss	7	_____
8	Section 179 expense deduction	8	_____
9	Charitable contributions	9	_____
10	Investment interest expense	10	_____
11	Section 59(e)(2) expenditures	11	_____
12	Other deductions	12	_____
13	Total foreign taxes	13	_____
14	Carryforward of prior losses	14	_____
	Total loss and expense items		_____ 3,248

Nondeductible Expense Items

1	Nondeductible expenses	1	_____
2	Carryforward of prior nondeductible expenses	2	_____
	Total nondeductible expense items		_____

Loss Carryovers

1	Loss items	1	_____
2	Nondeductible expense items	2	_____

Shareholder's Basis Statement

Note to Shareholder: Keep for your records

Shareholder's name Madeline J Lipsky	Shareholder: 2	Identifying Number 334-50-8852
S Corporation's name Pine Harbour Water Utilities LLC		Employer ID Number 26-3839121

Summary

	Beginning Balance	Increases	Decreases	Distributions	Ending Balance
Stock	26,819		3,248		23,571
Loan					
Total	26,819		3,248		23,571

Election

Check if special ordering election under Reg. Section 1.1367-1(g) has been made.

Stock Basis

1	Beginning of year stock basis	1	26,819
2	Capital contributions	2	
3	Other increases	3	
4	Income items	4	
5	Add lines 1 through 4	5	26,819
6	Other decreases	6	
7	Distributions (not to exceed the sum of line 5 and line 6)	7	
	Distributions in excess of basis		
8	Subtract the sum of line 6 and line 7 from line 5 (if zero or less enter 0)	8	26,819
9	<input type="checkbox"/> Loss items (not to exceed line 8) OR <input type="checkbox"/> Nondeductible expenses (not to exceed line 8)	9	
10	Subtract line 9 from line 8	10	26,819
11	<input type="checkbox"/> Nondeductible expenses (not to exceed line 10) OR <input checked="" type="checkbox"/> Loss items (not to exceed line 10)	11	3,248
12	Subtract line 11 from line 10	12	23,571
13	Loan basis restoration	13	
14	End of year stock basis (subtract line 13 from line 12)	14	23,571

Loan Balance

1	Beginning of year loan balance	1	
2	Current year loans to corporation	2	
3	Loan repayments	3	
4	End of year loan balance	4	

Loan Basis

1	Beginning of year loan basis	1	
2	Loan basis restoration	2	
3	Current year loans to corporation	3	
4	Add lines 1 through 3	4	
5	Loan repayments (not to exceed line 4)	5	
6	Subtract line 5 from line 4	6	
7	<input type="checkbox"/> Excess loss items (not to exceed line 6) OR <input type="checkbox"/> Excess nondeductible expense items (not to exceed line 6)	7	
8	Subtract line 7 from line 6	8	
9	<input type="checkbox"/> Excess nondeductible expense items (not to exceed line 8) OR <input checked="" type="checkbox"/> Excess loss items (not to exceed line 8)	9	
10	End of year loan basis (subtract line 9 from line 8)	10	

Sandra S Wesson

K-1 Statement (Sch K-1, Form 1120S)

Line 15 - AMT Items

A Code A - Post-1986 depreciation adjustment A 78

Sandra S Wesson

Income Items

1	Ordinary income from trade or business activities	1	_____
2	Net income from rental real estate activities	2	_____
3	Net income from other rental activities	3	_____
4	Interest	4	_____
5	Ordinary dividends	5	_____
6	Royalties	6	_____
7	Net short-term capital gain	7	_____
8	Net long-term capital gain	8	_____
9	Net section 1231 gain	9	_____
10	Other income	10	_____
11	Tax-exempt interest income	11	_____
12	Other tax-exempt income	12	_____
	Total income items		_____

Loss and Expense Items

1	Ordinary loss from trade or business activities	1	_____ 3,248
2	Net loss from rental real estate activities	2	_____
3	Net loss from other rental activities	3	_____
4	Net short-term capital loss	4	_____
5	Net long-term capital loss	5	_____
6	Net section 1231 loss	6	_____
7	Other loss	7	_____
8	Section 179 expense deduction	8	_____
9	Charitable contributions	9	_____
10	Investment interest expense	10	_____
11	Section 59(e)(2) expenditures	11	_____
12	Other deductions	12	_____
13	Total foreign taxes	13	_____
14	Carryforward of prior losses	14	_____
	Total loss and expense items		_____ 3,248

Nondeductible Expense Items

1	Nondeductible expenses	1	_____
2	Carryforward of prior nondeductible expenses	2	_____
	Total nondeductible expense items		_____

Loss Carryovers

1	Loss items	1	_____
2	Nondeductible expense items	2	_____

Shareholder's Basis Statement

Note to Shareholder: Keep for your records

Shareholder's name Sandra S Wesson	Shareholder: 3	Identifying Number 056-44-2710
S Corporation's name Pine Harbour Water Utilities LLC		Employer ID Number 26-3839121

Summary	Beginning Balance	Increases	Decreases	Distributions	Ending Balance
Stock	26,819		3,248		23,571
Loan					
Total	26,819		3,248		23,571

Election

Check if special ordering election under Reg. Section 1.1367-1(g) has been made.

Stock Basis

1	Beginning of year stock basis	1	26,819
2	Capital contributions	2	
3	Other increases	3	
4	Income items	4	
5	Add lines 1 through 4	5	26,819
6	Other decreases	6	
7	Distributions (not to exceed the sum of line 5 and line 6)	7	
	Distributions in excess of basis		
8	Subtract the sum of line 6 and line 7 from line 5 (if zero or less enter 0)	8	26,819
9	<input type="checkbox"/> Loss items (not to exceed line 8) OR		
	<input type="checkbox"/> Nondeductible expenses (not to exceed line 8)	9	
10	Subtract line 9 from line 8	10	26,819
11	<input type="checkbox"/> Nondeductible expenses (not to exceed line 10) OR		
	<input checked="" type="checkbox"/> Loss items (not to exceed line 10)	11	3,248
12	Subtract line 11 from line 10	12	23,571
13	Loan basis restoration	13	
14	End of year stock basis (subtract line 13 from line 12)	14	23,571

Loan Balance

1	Beginning of year loan balance	1	
2	Current year loans to corporation	2	
3	Loan repayments	3	
4	End of year loan balance	4	

Loan Basis

1	Beginning of year loan basis	1	
2	Loan basis restoration	2	
3	Current year loans to corporation	3	
4	Add lines 1 through 3	4	
5	Loan repayments (not to exceed line 4)	5	
6	Subtract line 5 from line 4	6	
7	<input type="checkbox"/> Excess loss items (not to exceed line 6) OR		
	<input type="checkbox"/> Excess nondeductible expense items (not to exceed line 6)	7	
8	Subtract line 7 from line 6	8	
9	<input type="checkbox"/> Excess nondeductible expense items (not to exceed line 8) OR		
	<input checked="" type="checkbox"/> Excess loss items (not to exceed line 8)	9	
10	End of year loan basis (subtract line 9 from line 8)	10	

Line 19 (1120S) - Other Deductions

1	From Form 4562 - Amortization	1	33
2	Bank Service Charges	2	147
3	Continuing Education	3	150
4	Utilities	4	861
5	Insurance Expense	5	931
6	Professional Fees	6	931
7	Subcontracted Water Testing	7	11,743
8	Total other deductions	8	14,796

Assets by Classification - 1120S

12/31/2011 Pine Harbour Water Utilities LLC 26-3839121

Item No.	Description of Property **** indicates DISPOSED	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Credit	Special Allowance	Salvage Value	Recovery Basis	Recovery Period	Method	Con-vention Code	Prior Accum. Deprec., 179, Bonus	2011 Deprec.	2011 Accum. Deprec.
7-yr Genl purp tools, mach, equip																
	Hydrants	1/1/2008	F-10	100.00%	4,547					4,547	7	200DB	HY	2,559	568	3,127
	Services	1/1/2008	F-10	100.00%	5,692					5,692	7	200DB	HY	3,203	711	3,914
	Standpipes	1/1/2008	F-10	100.00%	15,811					15,811	7	200DB	HY	8,897	1,975	10,872
	Supply Mains	1/1/2008	F-10	100.00%	6,188					6,188	7	200DB	HY	3,482	773	4,255
	Meters	1/1/2008	F-10	100.00%	5,270					5,270	7	200DB	HY	2,965	658	3,623
	Pumping Equipment	1/1/2008	F-10	100.00%	16,314					16,314	7	200DB	HY	9,180	2,038	11,218
	Wells and Springs	1/1/2008	F-10	100.00%	7,763					7,763	7	200DB	HY	4,368	970	5,338
	Wells and Springs	1/1/2008	F-10	100.00%	12,000					12,000	7	200DB	HY	6,753	1,499	8,252
	Transmission Lines	1/1/2008	F-10	100.00%	22,468					22,468	7	200DB	HY	12,643	2,806	15,449
	Water Treatment Equip	1/1/2008	F-10	100.00%	350					350	7	200DB	HY	197	44	241
Total: 7-yr General purpose tools, machinery, and equipmen					96,403					96,403				54,247	12,042	66,289
Land																
	Land Rights	1/1/2008	N-1	100.00%	5,000					5,000						
Total: Land					5,000					5,000						
39-yr Nonresidential real estate																
	Structures	1/1/2008	R-5	100.00%	5,794					5,794	39	SL/GDS	MM	440	149	589
	Structures	1/1/2008	R-5	100.00%	25,000					25,000	39	SL/GDS	MM	1,897	641	2,538
Total: 39-yr Nonresidential and commercial real estate					30,794					30,794				2,337	790	3,127
Amort - 248 - Corp org expense																
	Organization Costs	1/1/2008	Z-10	100.00%	500					500	15	SL	FM	100	33	133
Total: Amortization - 248 - Corporation organizational expen					500					500				100	33	133
SubTotals					132,697					132,697				56,684	12,865	69,549
Less: Disposed Assets																
Ending Totals					132,697					132,697				56,684	12,865	69,549

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Detail Report

12/31/2011 Pine Harbour Water Utilities LLC 26-3839121

1120S		132,697					132,697							
Item No.	Description of Property **** indicates DISPOSED	Date Placed in Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Credit	Special Allowance	Salvage Value	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code
	Hydrants	1/1/2008	F-10	100.00%	4,547					4,547		7	200DB	HY
	Services	1/1/2008	F-10	100.00%	5,692					5,692		7	200DB	HY
	Standpipes	1/1/2008	F-10	100.00%	15,811					15,811		7	200DB	HY
	Structures	1/1/2008	R-5	100.00%	5,794					5,794		39	SL/GDS	MM
	Structures	1/1/2008	R-5	100.00%	25,000					25,000		39	SL/GDS	MM
	Supply Mains	1/1/2008	F-10	100.00%	6,188					6,188		7	200DB	HY
	Meters	1/1/2008	F-10	100.00%	5,270					5,270		7	200DB	HY
	Pumping Equipment	1/1/2008	F-10	100.00%	16,314					16,314		7	200DB	HY
	Wells and Springs	1/1/2008	F-10	100.00%	7,763					7,763		7	200DB	HY
	Wells and Springs	1/1/2008	F-10	100.00%	12,000					12,000		7	200DB	HY
	Transmission Lines	1/1/2008	F-10	100.00%	22,468					22,468		7	200DB	HY
	Water Treatment Equip	1/1/2008	F-10	100.00%	350					350		7	200DB	HY
	Land Rights	1/1/2008	N-1	100.00%	5,000					5,000				
	Organization Costs	1/1/2008	Z-10	100.00%	500					500		15	SL	FM
	SubTotals				132,697					132,697				
	Less: Disposed Assets													
	Ending Totals				<u>132,697</u>					<u>132,697</u>				

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Detail Report

1120S			56,684	12,865	69,549
Item No.	Description of Property **** indicates DISPOSED	Date Placed in Service	Prior Accum. Deprec., 179, Bonus	2011 Current Deprec.	2011 Accum. Deprec.
	Hydrants	1/1/2008	2,559	568	3,127
	Services	1/1/2008	3,203	711	3,914
	Standpipes	1/1/2008	8,897	1,975	10,872
	Structures	1/1/2008	440	149	589
	Structures	1/1/2008	1,897	641	2,538
	Supply Mains	1/1/2008	3,482	773	4,255
	Meters	1/1/2008	2,965	658	3,623
	Pumping Equipment	1/1/2008	9,180	2,038	11,218
	Wells and Springs	1/1/2008	4,368	970	5,338
	Wells and Springs	1/1/2008	6,753	1,499	8,252
	Transmission Lines	1/1/2008	12,643	2,806	15,449
	Water Treatment Equip	1/1/2008	197	44	241
	Land Rights	1/1/2008			
	Organization Costs	1/1/2008	100	33	133
	SubTotals		56,684	12,865	69,549
	Less: Disposed Assets				
	Ending Totals		<u>56,684</u>	<u>12,865</u>	<u>69,549</u>

COPY

(352) 787-2944 (352) 787-3196
Phone Number Fax Number

26-3839121
Federal Employer Identification Number

pineharbourwater@aol.com
E-Mail Address

N/A
Website Address

450-W
Water Certificate No. Wastewater Certificate No.

- B) The contact information of the seller's authorized representative to contact concerning this application:

Sandra Wesson
Name

P.O. Box 447
Mailing Address

Fruitland Park FL 34731
City State Zip Code

(352) 787-2944 (352) 787-3196
Phone Number Fax Number

pineharbourwater@aol.com
E-Mail Address

- C) Contact Information for Buyer. The buyer's name, address, telephone number, Federal Employer Identification Number, and, if applicable, fax number, e-mail address, website address, and new name of the utility if the buyer plans to operate under a different name. The buyer's business name, and if applicable, new utility name, should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations.

Pine Harbour Waterworks, Inc.
Buyer's Name