2011 FEDERAL INCOME TAX SUMMARY						
IRVINE RANCH WATER DISTRICT						
TDADE OD DIJCINIESC INCOME	2011	2010	DIFF			
TRADE OR BUSINESS INCOME  GROSS RECEIPTS LESS RETURNS  COST OF GOODS SOLD  GROSS PROFIT  OTHER INCOME (LOSS)  TOTAL INCOME (LOSS)	518,439	474,335	44,104			
	279,037	284,235	-5,198			
	239,402	190,100	49,302			
	265,835	436,200	-170,365			
	505,237	626,300	-121,063			
TRADE OR BUSINESS DEDUCTIONS  DEPRECIATION. OTHER DEDUCTIONS. TOTAL DEDUCTIONS.	15,714	12,102	3,612			
	36,730	34,572	2,158			
	52,444	46,674	5,770			
SCHEDULE K - INCOME ORDINARY BUSINESS INCOME (LOSS)INTEREST INCOME	452,793	579,626	-126,833			
	73,774	55,999	17,775			
SCHEDULE K - ALTERNATIVE MINIMUM TAX ITEMS POST-1986 DEPRECIATION ADJUSTMENT	-20,690	-22,501	1,811			
SCHEDULE K - OTHER DISTRIBUTIONS OF CASH & MARKETABLE SEC INVESTMENT INCOME	8,894	0	8,894			
	73,774	55,999	17,775			
SCHEDULE L - BALANCE SHEET  BEGINNING ASSETS.  BEGINNING LIABILITIES AND CAPITAL	4,331,462	4,072,577	258,885			
	4,331,462	4,072,577	258,885			
ENDING ASSETS ENDING LIABILITIES AND CAPITAL	6,067,042	4,331,462	1,735,580			
	6,067,042	4,331,462	1,735,580			

11 FEDERAL BALANCE SHEET SUMMARY				
IRVINE RANCH WATER DISTRICT		26-244610		
ENDING ASSETS  OTHER CURRENT ASSETS  BUILDINGS AND OTHER ASSETS  LESS ACCUMULATED DEPRECIATION  LAND	2,959,934 (558,664)	3,664,422 2,401,270 1,350		
TOTAL ASSETS		6,067,042		
ENDING LIABILITIES & CAPITAL  ACCOUNTS PAYABLE  OTHER CURRENT LIABILITIES  LONG TERM NOTES PAYABLE  PARTNERS' CAPITAL ACCOUNTS		1,734,165 1,573,865 158,842 2,600,170		
TOTAL LIABILITIES AND CAPITAL		6,067,042		

2011 CALIFORNIA INCOME TAX SUMMARY							
IRVINE RANCH WATER DISTRICT							
TRADE OR BUSINESS INCOME	2011	2010	DIFF				
GROSS RECEIPTS LESS RETURNS COST OF GOODS SOLD GROSS PROFIT OTHER INCOME OTHER LOSS TOTAL INCOME (LOSS)	518,439	474,335	44,104				
	279,037	284,235	-5,198				
	239,402	190,100	49,302				
	267,478	436,200	-168,722				
	-1,643	0	-1,643				
	505,237	626,300	-121,063				
TRADE OR BUSINESS DEDUCTIONS  DEPRECIATION.  OTHER DEDUCTIONS.  TOTAL DEDUCTIONS.	15,714	12,102	3,612				
	36,730	34,572	2,158				
	52,444	46,674	5,770				
SCHEDULE K - INCOME ORDINARY INCOME (LOSS) INTEREST INCOME	452,793	579,626	-126,833				
	73,774	55,999	17,775				
SCHEDULE K - ADJUSTMENTS DEPR. ADJUST. ON PROPERTY AFTER 1986	-20,661	-22,472	1,811				
SCHEDULE K - OTHER DISTRIBUTIONS OF MONEY. INVESTMENT INCOME. OTHER INFORMATION.	8,894	0	8,894				
	73,774	55,999	17,775				
	858,048	966,534	-108,486				
SCHEDULE L - BALANCE SHEET  BEGINNING ASSETS  BEGINNING LIABILITIES AND CAPITAL	4,331,462	4,072,577	258,885				
	4,331,462	4,072,577	258,885				
ENDING ASSETS ENDING LIABILITIES AND CAPITAL	6,067,042	4,331,462	1,735,580				
	6,067,042	4,331,462	1,735,580				

### Voucher at bottom of page.

FORM FTB 3522

### IF AMOUNT OF PAYMENT IS ZERO, DO NOT MAIL THIS VOUCHER.

WHERE TO FILE:

Using black or blue ink, make check or money order payable to the 'Franchise Tax Board.' Write the SOS file number or FEIN and '2012 FTB 3522' on the check or money order. Detach voucher below. Enclose, but do not staple, payment with voucher and mail to:

> FRANCHISE TAX BOARD PO BOX 942857 **SACRAMENTO CA 94257-0631**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE: Fiscal Year - File and Pay by the 15th day of the 4th month after

the beginning of the taxable year.
Calendar Year —File and Pay by April 17, 2012\*.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day. \*Due to the Emancipation Day holiday on April 16, 2012, tax returns filed and payments mailed or submitted on April 17, 2012, will be considered timely.

ONLINE SERVICES: Limited liability companies (LLCs) can use MyFTB Account for Businesses to view

estimated tax payments online. Go to **ftb.ca.gov** and search for **myftb account**. LLCs can also make payments online using Web Pay for Businesses. The Franchise Tax Board (FTB) does not charge for this service. Go to ftb.ca.gov and search for web pay.

\_\_ DETACH HERE \_ \_ \_ IF NO PAYMENT IS DUE OR PAID ELECTRONICALLY, DO NOT MAIL THIS VOUCHER \_ \_ \_ DETACH HERE \_ \_ \_

TAXABLE YEAR CALIFORNIA FORM

### **LLC Tax Voucher** 2012

3522

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FORM

200803210250 IRVI 26-2446103 TYB 07-01-12 TYE 06 - 30 - 13IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II LLC P O BOX 57000 IRVINE 926197000 CA

> 800. TOTAL PAYMENT AMT

12

6111126 FTB 3522 2011 CALA0501L 11/23/11 059

### Form at bottom of page.

FORM FTB 3536

### IF AMOUNT OF PAYMENT IS ZERO, DO NOT MAIL THIS FORM.

WHERE TO FILE:

Using black or blue ink, make check or money order payable to the 'Franchise Tax Board.' Write the SOS file number or FEIN and '2012 FTB 3536' on the check or money order. Detach form below. Enclose, but **do not** staple, payment with form and mail to:

FRANCHISE TAX BOARD PO BOX 942857 **SACRAMENTO CA 94257-0651** 

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE: Fiscal Year - File and Pay by the 15th day of the 6th month after the beginning

of the taxable year. Calendar Year —File and Pay by June 15, 2012\*.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day. \*Due to the federal Emancipation Day holiday on April 16, 2012, tax returns filed and payments mailed or submitted on April 17, 2012, will be considered timely.

ONLINE SERVICES: Limited liability companies (LLCs) can use MyFTB Account for Businesses to view estimated tax payments online. Go to **ftb.ca.gov** and search for **myftb account**. LLCs can also make payments online using Web Pay for Businesses. The Franchise Tax Board (FTB) does not charge for this service. Go to **ftb.ca.gov** and search for **web pay**.

\_\_ DETACH HERE \_ \_ \_ \_ IF NO PAYMENT IS DUE OR PAID ELECTRONICALLY, DO NOT MAIL THIS FORM \_ \_ \_ \_ DETACH HERE \_ \_

TAXABLE YEAR

CALIFORNIA FORM

### **Estimated Fee for LLCs** 2012

3536 (LLC)

FORM

200803210250 IRVI 26-2446103 TYB 07-01-12 TYE 06 - 30 - 13IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II LLC P O BOX 57000 IRVINE 926197000 CA

> 2500. TOTAL PAYMENT AMT

12

6221126 FTB 3536 2011 CALA0201L 11/23/11 059

# $\mathsf{Form}\, 7004$

(Rev November 2011)

Department of the Treasury Internal Revenue Service

# Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

► File a separate application for each return.

► See separate instructions.

OMB No. 1545-0233

	Name			Identifying n	umber			
	Number, street, and room or suite number. (If P.O. box, see instructions.)							
Print								
or								
Type								
	P. O. BOX 57000							
	City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).							
	IRVINE, CA 92619-7000							
	quest for extension by the due date of the return for whi	ch the extension is gra	anted. See instructions before completing this form.					
	Automatic 5-Month Extension							
-	he form code for the return that this applica		elow)					
Application Is For:		Form Code	Application Is For:		Form Code			
Form 1065		09	Form 1041 (estate other than a bankrupto	cy estate)	04			
Form 8804	Automotic C Month Extension	31	Form 1041 (trust)		05			
	Automatic 6-Month Extension		-1					
	he form code for the return that this applica				·····			
Application Is For:		Form Code	Application Is For:		Form Code			
	S(D)	01			20			
Form 706-GS		02	Form 1120-ND (section 4951 taxes) Form 1120-PC		21			
	pankruptcy estate only)	03	Form 1120-POL		22			
Form 1041-N		06	Form 1120-REIT		23			
Form 1041-0		07	Form 1120-RIC		24			
Form 1042	(i - i	08	Form 1120S		25			
Form 1065-E		10	Form 1120-SF		26			
Form 1066		11	Form 3520-A		27			
Form 1120		12	Form 8612		28			
Form 1120-0		34	Form 8613		29			
Form 1120-F		15	Form 8725		30			
Form 1120-F	SC	16	Form 8831		32			
Form 1120-F	1	17	Form 8876		33			
Form 1120-L		18	Form 8924		35			
Form 1120-N	ID	19	Form 8928		36			
2 If the c	rganization is a foreign corporation that do	es not have an o	ffice or place of business in the United State	es, check h	iere ▶			
3 If the c	rganization is a corporation and is the com	mon parent of a	group that intends to file a consolidated retu	ırn, check	here ►			
If checke	d, attach a schedule, listing the name, address, and En	nployer Identification	Number (EIN) for each member covered by this applicat	ion.				
Part III A	Il Filers Must Complete This Part							
4 If the c	rganization is a corporation or partnership	that qualifies und	der Regulations section 1.6081-5, check here	3				
<b>5a</b> The ap	plication is for calendar year 20 $\ \_$ , or t	ax year beginning	$rac{7}{9} - rac{7}{9} rac{1}{9} rac{1}{9} = rac{1}{9}$ , $20 - rac{1}{9} rac{1}{9}$ , and ending $rac{1}{9}$	6/30	, 20 <u>12</u>			
	ax year. If this tax year is less than 12 mor							
Ini	Initial return Change in accounting period Consolidated return to be filed							
<b>.</b>				ا م ا	-			
<b>6</b> Tentati	ve total tax			6	0.			
7 Total s	sayments and credits (soo instructions)			7	^			
7 Total p	ayments and credits (see instructions)			'   -	0.			
8 Balanc	e due. Subtract line 7 from line 6 (see insti	ructions)		8	0.			
<u> </u>	Oublidot iiio / iioiii iiilo o (500 iiisti		<u> </u>					

1065		5			Return of Partne	ership	Income			OMB No. 1545-0099
				calendar year 2	2011, or tax year beginni ending 6/30		7/01,20	11,		2011
Departme Internal F	epartment of the Treasury leternal Revenue Service ending 6/30, 20 12.  See separate instructions.						2011			
A Prin	icipal bus	iness activity			OSS COPULATO INC					Employer identification number
WATE	R UT	ILITIES		IRVINE RA	ANCH WATER DISTR	RICT			26	-2446103
		duct or service	Print	WATER SEE	RVICE COMPANY II					Date business started
SALE	S AN	D DIST.	or type.	P. O. BOX					4	/21/2007
C Bus	iness cod	e number		IRVINE, C	CA 92619-7000				F	Total assets (see instrs)
2213	00								\$	6,067,042.
<b>G</b> Ch	eck app	olicable boxes	s: <b>(1)</b>	Initial return	(2) Final return (3)	Nam	ne change (4)	Address chang	e <b>(5</b>	) Amended return
			(6)		nation — also check (1) or (2)					
		counting meth		Cash			er (specify)			
					erson who was a partner					
Cautio					expenses on lines 1a thro		јетоw. See tпе 	INSTRUCTIONS for	more	information.
	ıa	Merchant card reported on F	d and third- form(s) 109	party payments 9-K). For 2011.	(including amounts enter -0		1 a	0.		
					line 1a (see instructions)		1 b	518,439.		
							1 c	518,439.		
					adjustments to line 1a (s		1 d	•		
							1 e	518,439.		
					)			279,037.		
I N	3	Gross profit.	Subtract lin	e 2 from line 1	e				3	239,402.
С	4	Ordinary inco	me (loss) fr	rom other partn	erships, estates, and trus	sts				
O M		-	, ,						4	
Ë	5	Net farm prof	it (loss) (att	tach Schedule f	F (Form 1040))				5	
	6	Net gain (loss	s) from Forr	m 4797, Part II,	line 17 (attach Form 479	97)			6	
	7	Other income	(loss)							
		`	,						7	265,835.
					rough 7				8	505,237.
			• •	•	ers) (less employment cr	,			9	
S E			-	•					10	
Ε.									11	
DN									12	
D N E T D R	_								13 14	
D R U S									15	
C F					562)		1 1	15,714.	13	
įκ					25-A and elsewhere on re				16c	15,714.
O L	17	Depletion (Do	not deduc	t oil and gas de	epletion.)				17	<b>,</b>
SM	18	Retirement pl	ans, etc						18	
Ť A	19	Employee be	nefit progra	ms					19	
Ī	20	Other deducti	ons							
O N	1	(attach stater	nent)				SEE.ST	'ATEMENT 2	20	36,730.
S	21	Total doducti	one Add th	a amounte cho	wn in the far right colum	n for line	c 0 through 20		21	52,444.
	-				ract line 21 from line 8				22	452,793.
					xamined this return, including accer (other than general partner or					
C!		preparer has a	ina complete. L iny knowledge.	Declaration of prepar	er (other than general partner or	limited liabi	lity company memi	per manager) is base	ed on all	information of which
Sign Here									May th	e IRS discuss this return
		Signatura	of general nari	tner or limited liabilit	y company member manager				with th (see in	ne preparer shown below nstrs)?
		Print/Type pre		unci or infilted habilit	Preparer's signature		Date		$\vdash$	X Yes No
					i reparer a aignature		Date	Check	if	
Paid		CHARLES		EDAK CPA	EDAK t CO			self-emplo	•	P00558851
Prepa		Firm's name		RLES Z. FI 1 ORANGE A	EDAK & CO.			Firm's EIN ►	01-0	J0Z340Z
Use (	חוע	Firm's address			90630-3378			Phone no	(71	4) 527-1818

Form 1065 (2011) IRVINE RANCH WATER DISTRICT 26-	-244	16103						Page 2
Schedule B Other Information								
1 What type of entity is filing this return? Check the applicable box	x:						Yes	No
a Domestic general partnership b Domestic limi	ted p	artnership						
c X Domestic limited liability company d Domestic limited	ited lia	ability partnership						
e Foreign partnership f Other	<b>-</b>							
2 At any time during the tax year, was any partner in the partners treated as a partnership), a trust, an S corporation, an estate (c similar person?	ship a other t	disregarded entity than an estate of a	, a pa a dece	artnership (ii eased partne	ncluding an er), or a nor	entity minee or		X
3 At the end of the tax year: a Did any foreign or domestic corporation, partnership (including a organization, or any foreign government own, directly or indirect the partnership? For rules of constructive ownership, see instruction owning 50% or More of the Partnership.	tly, ar ctions	n interest of 50% o . If 'Yes,' attach S	or mor chedu	re in the pro lle B-1, Info	fit, loss, or mation on	capital c Partners	5	
<b>b</b> Did any individual or estate own, directly or indirectly, an interest partnership? For rules of constructive ownership, see instruction Owning 50% or More of the Partnership	ns. If '	'Yes.' attach Sche	dùle E	3-1. Informa	tion on Part	ners		Х
4 At the end of the tax year, did the partnership: <ul> <li>a Own directly 20% or more, or own, directly or indirectly, 50% or to vote of any foreign or domestic corporation? For rules of consthrough (iv) below</li> </ul>	structi	ive ownership, see	İnstr	uctions. If '\	es,' comple	ete (i)		X
(i) Name of Corporation  (ii) Employer Identification Number (if any)  (iii) Country Incorporation			untry of					
<b>b</b> Own directly an interest of 20% or more, or own, directly or indi	rectly	, an interest of 50	% or i	more in the	profit, loss,	or capit	ial	
in any foreign or domestic partnership (including an entity treate	ete (i)	a partnership) or	in the	beneficial in	nterest of a	trust? F	or	х
ldentification Entity Organization Number (if any)		(v) Maxi Percent Owned in Loss, or (	mum tage Profit,					
							_035, 01 (	σιμιαι
PTPAC	)112L <sup>-</sup>	10/27/11				F	orm <b>1065</b>	(2011)

		163	NO
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		Х
6	Does this partnership satisfy <b>all four</b> of the following conditions?		Λ
	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	I The partnership is not filing and is not required to file Schedule M-3		Х
	If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
_ 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?		Х
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		Х
10	At any time during calendar year 2011, 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?		Х
	See instructions for details regarding section 754 election.		
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		Х
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))? 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 (other than disregarded entities wholly-owned by the partnership throughout the tax year).		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in a partnership property?		Х
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.		
16	See instructions  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.		Х
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return		
	Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions	X	
	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return.		
<b>Desi</b> Ente	gnation of Tax Matters Partner (see the instructions) r below the general partner designated as the tax matters partner (TMP) for the tax year of this return:		
	numbér of TMP		
entity,	TMP is an name of epresentative Phone number of TMP		
Addres design	as of ated TMP		

Schedu	Ile K Partners' Distributive Share Items		Total amount
	1 Ordinary business income (loss) (page 1, line 22)	1	452,793.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)		
	<b>b</b> Expenses from other rental activities (attach stmt)		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income.	5	73,774.
Income			13,114.
(Loss)	6 Dividends: a Ordinary dividends.	6a	
	b Qualified dividends	7	
	7 Royalties	8	
	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065)).	9a	
	b Collectibles (28%) gain (loss)	Ja	
	c Unrecaptured section 1250 gain (attach statement) 9c		
		10	
	10 Net section 1231 gain (loss) (attach Form 4797)	10	
	11 Other income (loss) (see instructions) Type ►	11	
	12 Section 179 deduction (attach Form 4562).	12	
Deduc-	13a Contributions.	13a	
tions	<b>b</b> Investment interest expense.	13b	
	c Section 59(e)(2) expenditures: (1) Type ► (2) Amount. ►	13c (2)	
	d Other deductions (see instructions) Type ►	13d	
Self-	14a Net earnings (loss) from self-employment	14a	
Employ-	<b>b</b> Gross farming or fishing income	14b	
ment	c Gross nonfarm income.	14c	
	15a Low-income housing credit (section 42(j)(5))	15a	
	<b>b</b> Low-income housing credit (other)	15b	
Credits	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
Cicuits	d Other rental real estate credits (see instructions). Type ▶	15d	
	e Other rental credits (see instructions)	15e	
	f Other credits (see instructions) Type ▶	15f	
	<b>16a</b> Name of country or U.S. possession ▶		
	<b>b</b> Gross income from all sources.	16b	
	<b>c</b> Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Passive category ►e General category ►f Other ►	16 f	
Foreign Trans-	Deductions allocated and apportioned at partner level		
actions	g Interest expense • h Other	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category ► j General category ► kOther►	16k	
	I Total foreign taxes (check one): ► Paid Accrued	161	
	mReduction in taxes available for credit (attach statement)	16m	
	n Other foreign tax information (attach statement)	17.	-20,690.
A 14 42	17a Post-1986 depreciation adjustment	17a	-20,090.
Alternative Minimum	b Adjusted gain or loss	17b 17c	
Tax	d Oil, gas, and geothermal properties — gross income	17 d	
(AMT) Items	e Oil, gas, and geothermal properties — gross morne	17 a	
Items	f Other AMT items (attach stmt).	17 f	
	18a Tax-exempt interest income	18a	
O.U.	<b>b</b> Other tax-exempt income	18b	
Other Infor-	c Nondeductible expenses	18c	
mation	19a Distributions of cash and marketable securities	19a	8,894.
	<b>b</b> Distributions of other property	19b	
	20 a Investment income	20 a	73,774.
	<b>b</b> Investment expenses	20 b	75/114
	c Other items and amounts (attach stmt).	200	
BAA	Constructing and amounts (attach sunt).		Form <b>1065</b> (2011)
			( )

IRVINE RANCH WATER DISTRICT 26-2446103 Form **1065** (2011) Analysis of Net Income (Loss) 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. 526,567. (ii) Individual (vi) Nominee/Other Analysis by (i) Corporate (iii) Individual (iv) Partnership (v) Exempt (active) organization partner type: (passive) a General partners **b** Limited 526,567. Schedule L **Balance Sheets per Books** Beginning of tax year End of tax year (d) Assets (a) (c) 807,233. 1 Cash . . . . 81,482 2a Trade notes and accounts receivable...... **b** Less allowance for bad debts..... 81,482. **3** Inventories..... U.S. government obligations..... Tax-exempt securities..... 6 Other current assets (attach stmt) . . . . SEE . ST. . 3. 2,881,821. 3,664,422. **7a** Loans to partners (or persons related to partners). . . . . **b** Mortgage and real estate loans..... 8 Other investments (attach stmt)..... 9a Buildings and other depreciable assets...... 1,095,159 2,959,934. 535,583. 558,664. 559,576. 2,401,270 **10 a** Depletable assets..... 11 Land (net of any amortization)..... 1,350. 1,350 **12a** Intangible assets (amortizable only)..... 13 Other assets (attach stmt)..... Total assets..... 4,331,462. 6,067,042. 14 **Liabilities and Capital** 15 Accounts payable..... 27,299 1,734,165. Mortgages, notes, bonds payable in less than 1 year . . . . 2,027,520 1,573,865. Other current liabilities (attach stmt) . . SEE . ST. . 4. All nonrecourse loans..... 19a Loans from partners (or persons related to partners). . . . 158,842. 186,780. **b** Mortgages, notes, bonds payable in 1 year or more..... 20 Other liabilities (attach stmt)..... 21 Partners' capital accounts..... 2,089,863. 2,600,170. 4,331,462 6,067,042. Total liabilities and capital. 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..... 519,201 Income recorded on books this year not Income included on Schedule K, lines 1, included on Schedule K, lines 1 through 11 (itemize): 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize): a Tax-exempt interest . . \$ Deductions included on Schedule K, lines 1 through **3** Guaranteed pmts (other than health insurance).... 13d, and 16l, not charged against book income this Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize): year (itemize): a Depreciation.... \$\_\_\_\_\_ **a** Depreciation . . . . . **b** Travel and •

	entertainment \$		8	Add lines 6 and 7		
		7,366.	9			
5	Add lines 1 through 4	526,567.	,	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	526,567.	
Scl	nedule M-2 Analysis of Partners' (	Capital Accounts				
1	Balance at beginning of year	2,089,863.	6	Distributions: a Cash	8,894.	
2	Capital contributed: a Cash			<b>b</b> Property		
	<b>b</b> Property		7	Other decreases (itemize):		
3	Net income (loss) per books	519,201.				
4	Other increases (itemize):					
			8	Add lines 6 and 7	8,894.	
5	Add lines 1 through 4	2,609,064.	9	Balance at end of year. Subtract line 8 from line 5	2,600,170.	
PTPA0134L 09/06/11 F						

# Form **1125-A**

(December 2011)

Department of the Treasury Internal Revenue Service

### **Cost of Goods Sold**

► Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.

OMB No. 1545-2225

lame		Employer	identificat	ion number	
IR	VINE RANCH WATER DISTRICT	26-24	46103	3	
1	Inventory at beginning of year		1		
2	Purchases	[	2	279	,037.
3	Cost of labor		3		
4	Additional section 263A costs (attach schedule)		4		
5	Other costs (attach schedule).		5		
6	Total. Add lines 1 through 5		6	279	,037.
7	Inventory at end of year		7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions).		8	279	,037.
	a Check all methods used for valuing closing inventory:  (i) Cost  (ii) Lower of cost or market  (iii) Other (Specify method used and att. expl.).				, <del>_</del> ,
	b Check if there was a writedown of subnormal goods			l b	
•	c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 97	<sup>7</sup> 0)		▶	Ш
(	d If the LIFO inventory method was used for this tax year, enter amount 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
1	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation.	<u></u>		. Yes	No
3AA	A For Paperwork Reduction Act Notice, see separate instructions.		Fo	rm <b>1125-A</b> (	12-2011)

### **SCHEDULE B-1** (Form 1065) (December 2011)

Information on Partners Owning 50% or More of the Partnership

► Attach to Form 1065. See instructions.

OMB No. 1545-0099

Department of the Treasury Internal Revenue Service Employer identification number (EIN) Name of partnership IRVINE RANCH WATER DISTRICT 26-2446103

### Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(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
IRVINE RANCH WATER DISTRICT	95-2232918	TAX-EXEMPT	U.S.	99.000
Part II Individuals or Estates Owning 50% or More	of the Doutney	hin (Form 1065	Sobodulo B O	upostion 2h)

### Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

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

BAA For Paperwork Reduction Act Notice, see the instructions for Form 1065.

Schedule B-1 (Form 1065) (12-2011)

	20	11	F	Final K-1	Amended	K-1	OMB No. 1545-0099
	10CE\	,	P	art III Partner's	Share of C	urre	ent Year Income,
`	, i or calcinaar year 2011,		1	Ordinary business i			d Other Items Credits
Intern	tment of the Treasury year beginning 7/01 al Revenue Service ending 6/30		<b>'</b>	Ordinary business i	448,265.	13	Credits
Pa	rtner's Share of Income, Deduction		2	Net rental real estate inc			
	edits, etc. See separate inst	-	_		4	10	
	<u> </u>		3	Other net rental inc	come (loss)	16	Foreign transactions
Р	art I Information About the Partnershi	р	4	Guaranteed payme	nts		
Α	Partnership's employer identification number						
	26–2446103 Partnership's name, address, city, state, and ZIP or	odo	5	Interest income	73,036.		
		Jue	6a	Ordinary dividends	73,030.		
	IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II, LLC						
	P. O. BOX 57000		6b	Qualified dividends			
	IRVINE, CA 92619-7000 IRS Center where partnership filed return		7	Dovalties			
C	OGDEN, UT		<b>'</b>	Royalties			
D	Check if this is a publicly traded partnership (P	TP)	8	Net short-term capital ga	ain (loss)		
Ě	eneon in this is a pashery traded partitioning (	,					
P	art II Information About the Partner		9a	Net long-term capit	al gain (loss)	17 ^	Alternative minimum tax (AMT) items -20,483.
Е	Partner's identifying number		9b	Collectibles (28%)	gain (loss)	<u>A</u>	
Ļ	95-2232918			, ,			
	Partner's name, address, city, state, and ZIP code		9с	Unrecaptured section	on 1250 gain		
	IRVINE RANCH WATER DISTRICT		10	Net section 1231 ga	ain (loss)	18	Tax-exempt income and
	P.O. BOX 57000		'	Thet section 1251 ge	aiii (1033)	10	nondeductible expenses
_	IRVINE, CA 92619-7000		11	Other income (loss)	)		
G	X General partner or LLC Limited part LLC member LLC member		<u> </u>				
н	X Domestic partner Foreign part	tner					
١.		~	<u>-</u>	<del> </del>			
'	What type of entity is this partner? <b>EXEMPT ORG</b>	j.				19	Distributions
J	Partner's share of profit, loss, and capital (see insti		12	Section 179 deduct	ion	A	8 <u>,</u> 805.
		ding	13	Other deductions			
	Profit 99 %  Loss 99 %	99 %		other deddeterions		20	Other information
	Capital 99 %	99 %					
			<u> </u>	<del> </del>		<u>A</u>	73,036.
K	Partner's share of liabilities at year end:  Nonrecourse	,432,203.					
	Qualified nonrecourse financing\$	,432,203.	14	Self-employment e	arnings (loss)		
	Recourse\$		L	<b> </b>			
L	Partner's capital account analysis:						
	Beginning capital account \$ 2	,069,701.	*S	L ee attached stat	ement for a	ddit	ional information.
	Capital contributed during the year \$	514 000	F				
	Current year increase (decrease) \$ Withdrawals and distributions \$ (	514,009. 8,805.)	O R				
	·	,574,905.	I R S				
		704(b) book	S				
	Other (explain)	5-(b) book	S E				
М	Did the partner contribute property with a built-in ga	ain or loss?	O N				
	Yes X No		ΪΥ				
L	If 'Yes', attach statement (see instructions)						

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. **Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows. Code Report on Work opportunity credit Report on K Disabled access credit See the Partner's Instructions Passive loss Empowerment zone and renewal community Passive income Schedule E. line 28, column (a) employment credit See the Partner's Nonpassive loss Schedule E, line 28, column (h) Credit for increasing research activities Nonpassive income Schedule E, line 28, column (j) Credit for employer social security and Medicare taxes Net rental real estate income (loss) See the Partner's Instructions Other net rental income (loss) O Backup withholding Form 1040 line 62 Schedule E. line 28, column (a) P Other credits See the Partner's Instructions Net loss See the Partner's Instructions 16 Foreign transactions **Guaranteed payments** Schedule E, line 28, column (j) A Name of country or U.S. possession Interest income Form 1040, line 8a **B** Gross income from all sources Form 1116, Part I Form 1040, line 9a 6a Ordinary dividends Gross income sourced at partner level 6b Qualified dividends Form 1040, line 9b Foreign gross income sourced at partnership level Royalties Schedule F line 3h **D** Passive category 8 Net short-term capital gain (loss) Schedule D, line 5 Ε General category Form 1116, Part I 9 a Net long-term capital gain (loss) Schedule D, line 12 Other 28% Rate Gain Worksheet, line 4 (Schedule D Instructions) 9 b Collectibles (28%) gain (loss) Deductions allocated and apportioned at partner level G Interest expense Form 1116, Part I 9 C Unrecaptured section 1250 gain See the Partner's Instructions Form 1116, Part I 10 Net section 1231 gain (loss) See the Partner's Instructions Deductions allocated and apportioned at partnership level to 11 Other income (loss) foreign source income Code Passive category A Other portfolio income (loss) See the Partner's Instructions General category Form 1116, Part I **B** Involuntary conversions See the Partner's Instructions K Other C Section 1256 contracts and straddles Form 6781, line 1 Other information **D** Mining exploration costs recapture See Pub 535 Form 1116, Part II Total foreign taxes paid E Cancellation of debt Form 1040, line 21 or Form 982 M Total foreign taxes accrued Form 1116, Part II See the Partner's Instructions Other income (loss) Form 1116, line 12 Reduction in taxes available for credit Section 179 deduction See the Partner's Instructions Foreign trading gross receipts O Form 8873 Other deductions Extraterritorial income exclusion Form 8873 A Cash contributions (50%) Q Other foreign transactions See the Partner's Instructions B Cash contributions (30%) Alternative minimum tax (AMT) items C Noncash contributions (50%) A Post-1986 depreciation adjustment See the Partner's D Noncash contributions (30%) **B** Adjusted gain or loss See the Partner's Capital gain property to a 50% organization (30%) Ε С Depletion (other than oil & gas) Instructions and Oil, gas, & geothermal - gross income the Instructions for Capital gain property (20%) Oil, gas, & geothermal - deductions Form 6251 G Contributions (100%) F Other AMT items н Investment interest expense Form 4952, line 1 Tax-exempt income and nondeductible expenses Deductions - royalty income Schedule E. line 19 Form 1040, line 8b A Tax-exempt interest income See the Partner's Instructions J Section 59(e)(2) expenditures **B** Other tax-exempt income See the Partner's Instructions K Deductions — portfolio (2% floor) Schedule A, line 23 C Nondeductible expenses See the Partner's Instructions Deductions - portfolio (other) Schedule A. line 28 19 Distributions Amounts paid for medical Schedule A, line 1 or Form 1040, line 29 M A Cash and marketable securities insurance See the Partner's **B** Distribution subject to section 737 **N** Educational assistance benefits See the Partner's Instructions C Other property O Dependent care benefits Form 2441, line 12 Other information Preproductive period expenses See the Partner's Instructions Form 4952, line 4a A Investment income Commercial revitalization deduction from rental real estate activities Q See Form 8582 Instructions **B** Investment expenses Form 4952, line 5 R Pensions and IRAs See the Partner's Instructions Form 4136 Fuel tax credit information Qualified rehabilitation expenditures (other than rental real estate) Reforestation expense deduction See the Partner's Instructions D See the Partner's Instructions See Form 8903 Instructions Т Domestic production activities information Basis of energy property See the Partner's Instructions Qualified production activities income Form 8903, line 7b F Recapture of low-income housing credit (section Employer's Form W-2 wages Form 8903, line 17 Form 8611, line 8 42(j)(5)) W Other deductions G Recapture of low-income housing credit (other) See the Partner's Instructions Form 8611, line 8 14 Self-employment earnings (loss) H Recapture of investment credit Form 4255 **Note.** If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE. Recapture of other credits See the Partner's Instructions Look-back interest - completed A Net earnings (loss) from self-employment Schedule SE, Section A or B long-term contracts See Form 8697 Look-back interest - income **B** Gross farming or fishing income See the Partner's Instructions See Form 8866 forecast method C Gross non-farm income See the Partner's Instructions Dispositions of property with section 179 deductions 15 Credits **A** Low-income housing credit (section 42(j)(5)) from pre-2008 buildings Recapture of section 179 deduction Ν Low-income housing credit (other) from pre-2008 buildings Interest expense for corporate partners В 0 Section 453(I)(3) information Low-income housing credit (section 42(j)(5)) from post-2007 buildings Р Section 453A(c) information See the Partner's O Section 1260(b) information Low-income housing credit (other) from post-2007 buildings See the Partner's Instructions R Interest allocable to production expenditures Ε Qualified rehabilitation expenditures (rental CCF nonqualified withdrawals real estate) Depletion information - oil and gas Other rental real estate credits Amortization of reforestation costs G Other rental credits Unrelated business taxable income Undistributed capital gains credit Form 1040, line 71; check box a W Precontribution gain (loss) Alcohol and cellulosic biofuel fuels credit See the Partner's Instructions X Section 108(i) information Other information

		0011	F	inal K-1		Amended	K-1	OMB No. 1545-0099
	10CE)	2011	Pa	art III	Partner's	Share of C	urre	ent Year Income,
•	rm 1065) For calendar year 20		_	l				d Other Items
Depar Intern	rtment of the Treasury year beginning 7/ lal Revenue Service ending 6/		1	Ordinar	ry business i	income (loss) 4,528.	15	Credits
Pa	rtner's Share of Income, Deducti		2	Net renta	l real estate inc			
	edits, etc. See separate in	·-						
	See separate ii	istructions.	3	Other n	net rental inc	come (loss)	16	Foreign transactions
P	art I Information About the Partners	ship	4	Guaran	iteed payme	nts		
Α	Partnership's employer identification number		·	adaran	ntoca paymo	1110		
	26-2446103		5	Interest	income			
В	Partnership's name, address, city, state, and ZIF	ocode code				738.		
	IRVINE RANCH WATER DISTRICT		6a	Ordinar	ry dividends			
	WATER SERVICE COMPANY II, LLC P. O. BOX 57000		6b	Qualifie	ed dividends			
	IRVINE, CA 92619-7000							
С	IRS Center where partnership filed return OGDEN, UT		7	Royaltie	es			
			8	Not short	-term capital ga	ain (loss)		
D	Check if this is a publicly traded partnership	(PTP)	0	INCL SHOLL	-teriii capitai ya	alli (1055)		
Р	art II Information About the Partner		9a	Net Ion	g-term capit	al gain (loss)	17	Alternative minimum tax (AMT) items
_							<u>A</u>	<u>-207.</u>
E	Partner's identifying number 91–1874346		9b	Collecti	ibles (28%)	gain (loss)		
F	Partner's name, address, city, state, and ZIP cod	de	9.0	Unreca	ntured section	on 1250 gain		
			30	Ornoca	plarea seem	011 1200 gail1		
	IRVINE RANCH WATER DISTRICT		10	Net sec	ction 1231 ga	ain (loss)	18	Tax-exempt income and
	P.O. BOX 57000 IRVINE, CA 92619-7000							nondeductible expenses
G	X General partner or LLC Limited p	artner or other	11	Other in	ncome (loss	)		
	member-manager LLC mem	nber						
Н	X Domestic partner Foreign p	partner		L				+
	What type of entity is this partner? <b>EXEMPT</b> O	ORG.						
·	mat type of sharp is and parallel.	,1101	10	0 1:	170		19	Distributions
J	Partner's share of profit, loss, and capital (see in <b>Beginning</b>	nstructions): <b>Ending</b>	12	Section	179 deduct	ion	<u>A</u>	<u>89.</u>
	Profit 1 %	1 %	13	Other of	leductions			
	Loss 1 %	1 %		ļ			20	Other information
	Capital 1 %	1 %					_	
1/	Deutschlage of lightilities of year and						<u>A</u>	738.
r\	Partner's share of liabilities at year end:  Nonrecourse	34,669.						
	Qualified nonrecourse financing \$	2 2 / 2 2 2	14	Self-en	nployment e	arnings (loss)		
	Recourse\$							
L	Partner's capital account analysis:							
	Beginning capital account \$	20,162.	*S	ee atta	ched stat	ement for a	ddit	ional information.
	Capital contributed during the year \$	5 100	F					
	Current year increase (decrease) \$	5,192. 89.)	O R					
	Ending capital account \$	25,265.	I R S					
		n 704(b) book	s U					
	Other (explain)	TI / UT(U) DUUN	S E					
M	Did the partner contribute property with a built-in	gain or loss?	0					
	Yes X No		L Y					
	If 'Yes', attach statement (see instructions)							

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. **Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows. Code Report on Work opportunity credit Report on K Disabled access credit See the Partner's Instructions Passive loss Empowerment zone and renewal community Passive income Schedule E. line 28, column (a) employment credit See the Partner's Nonpassive loss Schedule E, line 28, column (h) Credit for increasing research activities Nonpassive income Schedule E, line 28, column (j) Credit for employer social security and Medicare taxes Net rental real estate income (loss) See the Partner's Instructions Other net rental income (loss) O Backup withholding Form 1040 line 62 Schedule E. line 28, column (a) P Other credits See the Partner's Instructions Net loss See the Partner's Instructions 16 Foreign transactions **Guaranteed payments** Schedule E, line 28, column (j) A Name of country or U.S. possession Interest income Form 1040, line 8a **B** Gross income from all sources Form 1116, Part I Form 1040, line 9a 6a Ordinary dividends Gross income sourced at partner level 6b Qualified dividends Form 1040, line 9b Foreign gross income sourced at partnership level Royalties Schedule F line 3h **D** Passive category 8 Net short-term capital gain (loss) Schedule D, line 5 Ε General category Form 1116, Part I 9 a Net long-term capital gain (loss) Schedule D, line 12 Other 28% Rate Gain Worksheet, line 4 (Schedule D Instructions) 9 b Collectibles (28%) gain (loss) Deductions allocated and apportioned at partner level G Interest expense Form 1116, Part I 9 C Unrecaptured section 1250 gain See the Partner's Instructions Form 1116, Part I 10 Net section 1231 gain (loss) See the Partner's Instructions Deductions allocated and apportioned at partnership level to 11 Other income (loss) foreign source income Code Passive category A Other portfolio income (loss) See the Partner's Instructions General category Form 1116, Part I **B** Involuntary conversions See the Partner's Instructions K Other C Section 1256 contracts and straddles Form 6781, line 1 Other information **D** Mining exploration costs recapture See Pub 535 Form 1116, Part II Total foreign taxes paid E Cancellation of debt Form 1040, line 21 or Form 982 M Total foreign taxes accrued Form 1116, Part II See the Partner's Instructions Other income (loss) Form 1116, line 12 Reduction in taxes available for credit Section 179 deduction See the Partner's Instructions Foreign trading gross receipts O Form 8873 Other deductions Extraterritorial income exclusion Form 8873 A Cash contributions (50%) Q Other foreign transactions See the Partner's Instructions B Cash contributions (30%) Alternative minimum tax (AMT) items C Noncash contributions (50%) A Post-1986 depreciation adjustment See the Partner's D Noncash contributions (30%) **B** Adjusted gain or loss See the Partner's Capital gain property to a 50% organization (30%) Ε С Depletion (other than oil & gas) Instructions and Oil, gas, & geothermal - gross income the Instructions for Capital gain property (20%) Oil, gas, & geothermal - deductions Form 6251 G Contributions (100%) F Other AMT items н Investment interest expense Form 4952, line 1 Tax-exempt income and nondeductible expenses Deductions - royalty income Schedule E. line 19 Form 1040, line 8b A Tax-exempt interest income See the Partner's Instructions J Section 59(e)(2) expenditures **B** Other tax-exempt income See the Partner's Instructions K Deductions — portfolio (2% floor) Schedule A, line 23 C Nondeductible expenses See the Partner's Instructions Deductions - portfolio (other) Schedule A. line 28 19 Distributions Amounts paid for medical Schedule A, line 1 or Form 1040, line 29 M A Cash and marketable securities insurance See the Partner's **B** Distribution subject to section 737 **N** Educational assistance benefits See the Partner's Instructions C Other property O Dependent care benefits Form 2441, line 12 Other information Preproductive period expenses See the Partner's Instructions Form 4952, line 4a A Investment income Commercial revitalization deduction from rental real estate activities Q See Form 8582 Instructions **B** Investment expenses Form 4952, line 5 R Pensions and IRAs See the Partner's Instructions Form 4136 Fuel tax credit information Qualified rehabilitation expenditures (other than rental real estate) Reforestation expense deduction See the Partner's Instructions D See the Partner's Instructions See Form 8903 Instructions Т Domestic production activities information Basis of energy property See the Partner's Instructions Qualified production activities income Form 8903, line 7b F Recapture of low-income housing credit (section Employer's Form W-2 wages Form 8903, line 17 Form 8611, line 8 42(j)(5)) W Other deductions G Recapture of low-income housing credit (other) See the Partner's Instructions Form 8611, line 8 14 Self-employment earnings (loss) H Recapture of investment credit Form 4255 **Note.** If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE. Recapture of other credits See the Partner's Instructions Look-back interest - completed A Net earnings (loss) from self-employment Schedule SE, Section A or B long-term contracts See Form 8697 Look-back interest - income **B** Gross farming or fishing income See the Partner's Instructions See Form 8866 forecast method C Gross non-farm income See the Partner's Instructions Dispositions of property with section 179 deductions 15 Credits **A** Low-income housing credit (section 42(j)(5)) from pre-2008 buildings Recapture of section 179 deduction Ν Low-income housing credit (other) from pre-2008 buildings Interest expense for corporate partners В 0 Section 453(I)(3) information Low-income housing credit (section 42(j)(5)) from post-2007 buildings Р Section 453A(c) information See the Partner's O Section 1260(b) information Low-income housing credit (other) from post-2007 buildings See the Partner's Instructions R Interest allocable to production expenditures Ε Qualified rehabilitation expenditures (rental CCF nonqualified withdrawals real estate) Depletion information - oil and gas Other rental real estate credits Amortization of reforestation costs G Other rental credits Unrelated business taxable income Undistributed capital gains credit Form 1040, line 71; check box a W Precontribution gain (loss) Alcohol and cellulosic biofuel fuels credit See the Partner's Instructions X Section 108(i) information Y Other information

Department of the Treasury Internal Revenue Service

# **Depreciation and Amortization** (Including Information on Listed Property)

► See separate instructions. ► Attach to your tax return. 2011

Attachment Sequence No. 179

OMB No. 1545-0172

Identifying number

### Name(s) shown on return IRVINE RANCH WATER DISTRICT 26-2446103 Business or activity to which this form relates

Par								
-	TI Election To E  Note: If you have	xpense Certain any listed property,	Property Under Se, complete Part V before	<b>ction 179</b> you complete P	art I.			
ı	Maximum amount (see i						1	500,000.
2	Total cost of section 179	property placed in	service (see instructions	s)			2	
3	Threshold cost of section	n 179 property befor	re reduction in limitation	(see instructions	s)		3	2,000,000.
4			line 2. If zero or less, er				4	
5	Dollar limitation for tax y	rear. Subtract line 4	from line 1. If zero or le	ess, enter -0 If	married filing		5	
6		(a) Description of property		(b) Cost (busines		(c) Elected cos		
		ay becompain or property		(2) 5551 (5451155	0 400 0,)	(0) 2.00.00 000	•	-
								-
7	Listed property. Enter th	e amount from line	29		7			
8	Total elected cost of sec	tion 179 property. A	Add amounts in column (	c), lines 6 and 7.			8	
9	Tentative deduction. Ent						9	
10	Carryover of disallowed						10	
11	Business income limitati						11	
12	Section 179 expense de Carryover of disallowed						12	
	: Do not use Part II or Pa				- 13			
Par			nce and Other Depr		<b>at</b> include lists	nd proporty )	(\$00	instructions )
							(366	instructions.)
14	Special depreciation allo	wance for qualified	property (other than liste	ed property) plac	ced in service of	during the	14	
15	Property subject to secti						15	
	Other depreciation (inclu	,,,,					16	8,375.
Par			include listed property.)					0,073.
. u.	t iii   iiii torto Bopi	Colucion (Bollot)	Section	,	,,,			
17	MACRS deductions for a	ssets placed in serv					17	7,091.
								.,
18	If you are electing to gro	up anv assets blace	aa in service aurina ine i					
	asset accounts, check in	ere		year into one	or more gene	rai ► 🗍		
		ere	in Service During 2011	<u> </u>	<u> </u>	►	Syste	em
	Section (a)	B — Assets Placed (b) Month and	in Service During 2011 (c) Basis for depreciation	Tax Year Using (d)	the General De	epreciation (f)		(g) Depreciation
	Section	B – Assets Placed	in Service During 2011	Tax Year Using	the General De	epreciation		
19a	Section (a)	B - Assets Placed  (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use	Tax Year Using (d)	the General De	epreciation (f)		(g) Depreciation
	(a) Classification of property	B – Assets Placed (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use	Tax Year Using (d)	the General De	epreciation (f)		(g) Depreciation
b	(a) Classification of property  3-year property	B – Assets Placed (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use	Tax Year Using (d)	the General De	epreciation (f)		(g) Depreciation
b c	(a) Classification of property  1 3-year property  5 5-year property	B – Assets Placed (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period	the General Do (e) Convention	epreciation (f)  (f)  Method		(g) Depreciation deduction
b c d	Classification of property  1 3-year property  5 5-year property  7 7-year property	B — Assets Placed  (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period	the General Do (e) Convention	epreciation (f)  (f)  Method		(g) Depreciation deduction
b c d	(a) Classification of property  1 3-year property  5 5-year property  1 10-year property	B – Assets Placed (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period	the General Do (e) Convention	epreciation (f)  (f)  Method		(g) Depreciation deduction
b c d e	Classification of property  3-year property  5-year property  10-year property  110-year property  15-year property	B – Assets Placed (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period	the General Do (e) Convention	epreciation (f)  (f)  Method		(g) Depreciation deduction
b c d e f	Classification of property  3-year property  5-year property  10-year property  110-year property  20-year property  20-year property	B – Assets Placed (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period	the General Do (e) Convention	epreciation (f) Method		(g) Depreciation deduction
b c d e f	Classification of property  3-year property  5-year property  10-year property  110-year property  215-year property  225-year property	B – Assets Placed (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period  7	the General Do (e) Convention	epreciation (f) Method		(g) Depreciation deduction
b c d e f g	Classification of property  1 3-year property  2 5-year property  1 10-year property  2 15-year property  20-year property  20-year property  1 Residential rental	B – Assets Placed (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs	the General Do (e) Convention MQ	epreciation (f) Method  200D1  S/L S/L		(g) Depreciation deduction
b c d e f g	Classification of property  1 3-year property  2 5-year property  1 10-year property  2 15-year property  2 20-year property  Residential rental property.	B – Assets Placed (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs 27.5 yrs	the General Do (e) Convention  MQ  MM  MM	epreciation (f) Method  200Di  S/L S/L S/L		(g) Depreciation deduction
b c d e f g	(a) Classification of property  3-year property  5-year property  10-year property  15-year property  20-year property  Residential rental property.  Nonresidential real property.	B – Assets Placed (b) Month and year placed in service	in Service During 2011 (c) Basis for depreciation (business/investment use only — see instructions)	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs 27.5 yrs 39 yrs	MQ  MM  MM  MM  MM  MM  MM  MM	epreciation:  (f)  Method  200D  S/L  S/L  S/L  S/L  S/L  S/L	В	(g) Depreciation deduction
b c d e f g h i	Section  (a) Classification of property  3-year property  5-year property  10-year property  110-year property  20-year property  20-year property  Residential rental property  Nonresidential real property  Section Collass life	B – Assets Placed (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use only — see instructions)  6,945.	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs 27.5 yrs 39 yrs ax Year Using the	MQ  MM  MM  MM  MM  MM  MM  MM	epreciation:  (f)  Method  200D1  S/L  S/L  S/L  S/L  S/L  S/L  S/L  S/	В	(g) Depreciation deduction
b c d e f g h i	Section  (a) Classification of property  3-year property  5-year property  10-year property  110-year property  20-year property  20-year property  Norresidential rental property  Nonresidential real property  Section Control Class life  12-year	B – Assets Placed (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use only — see instructions)  6,945.	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs 27.5 yrs 39 yrs  ax Year Using the	MQ  MM  MM  MM  MM  MM  MM  MM	epreciation (f) Method  200D)  S/L S/L S/L S/L S/L S/L S/L S/L S/L S/	В	(g) Depreciation deduction
b c d e f g h i	Section  (a) Classification of property  3-year property 5-year property 10-year property 110-year property 120-year property 125-year property 126-year property 127-year property 128-year property 129-year property 129-year property 120-year property 121-year property 122-year property 123-year property 124-year property 125-year property 126-year property 127-year property 128-year property 129-year prope	B – Assets Placed (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use only — see instructions)  6,945.	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs 27.5 yrs 39 yrs ax Year Using the	MQ  MM  MM  MM  MM  MM  MM  MM	epreciation:  (f)  Method  200D1  S/L  S/L  S/L  S/L  S/L  S/L  S/L  S/	В	(g) Depreciation deduction
b c c d e e f f g h h i i 20 a a b c C Par	Classification of property  1 3-year property  2 5-year property  1 10-year property  2 15-year property  2 25-year property  Residential rental property  Nonresidential real property  Class life  1 12-year  1 12-year  2 40-year  Class Life	B – Assets Placed (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use only — see instructions)  6,945.	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs 27.5 yrs 39 yrs ax Year Using the 12 yrs 40 yrs	MQ  MM  MM  MM  MM  MM  MM  MM  MM  MM	epreciation (f) Method  200D)  S/L S/L S/L S/L S/L S/L S/L S/L S/L S/	B n Sys	(g) Depreciation deduction
b c c d e e f f g h h i i 20 a a b c c Par 21	Classification of property  1 3-year property  2 5-year property  1 10-year property  2 15-year property  2 25-year property  Nonresidential rental property  Class life  1 12-year  4 0-year  Summary (See Listed property. Enter an	B – Assets Placed (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use only — see instructions)  6,945.	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs 27.5 yrs 39 yrs ax Year Using the 12 yrs 40 yrs	MM	epreciation (f) Method  200Di  S/L S/L S/L S/L S/L S/L S/L S/L S/L S/	В	(g) Depreciation deduction
b c c d e e f f g h h i i 20 a a b c c Par 21	Classification of property  1 3-year property  2 5-year property  1 10-year property  2 15-year property  2 25-year property  Residential rental property  Nonresidential real property  Class life  1 12-year  1 12-year  2 40-year  Class Life	B – Assets Placed (b) Month and year placed in service	in Service During 2011  (c) Basis for depreciation (business/investment use only — see instructions)  6,945.	Tax Year Using (d) Recovery period  7  25 yrs 27.5 yrs 27.5 yrs 39 yrs ax Year Using the 12 yrs 40 yrs	MM	epreciation (f) Method  200Di  S/L S/L S/L S/L S/L S/L S/L S/L S/L S/	B n Sys	(g) Depreciation deduction

2011	FEDERAL STATEMENTS	;	PAGE 1
	IRVINE RANCH WATER DISTRICT		26-2446103
	REVENUE. SECURITIES.		-1,643.
STATEMENT 2 FORM 1065, LINE 20 OTHER DEDUCTIONS CUSTOMER COLLECTIO	N COSTS	TOTAL	\$ 36,730. \$ 36,730.
STATEMENT 3 FORM 1065, SCHEDUL OTHER CURRENT ASS	E L, LINE 6 SETS		
	ECEIVABLEOGRESSTOTAL	2,879,289.	\$ 751.
STATEMENT 4 FORM 1065, SCHEDUL OTHER CURRENT LIAE	E L, LINE 17 BILITIES		
		BEGINNING	ENDING
	ENTIAL CREDITSREAL ESTATETOTAL	\$ 2,027,120. \$ 400. \$ 2,027,520.	400.

CALIFORNIA FORM

TAXABLE YEAR

## Limited Liability Company Return of Income

568

		ted Liability Oc	inpuny itt	Julii Oi		•			300
	dar year 2011 or fis	cal year beginning month	07 day 01	. year 201	.1, and endi	ng month	06	day 30	year 2012.
		•						-	•
DBA	RANCH WATER	DISTRICT					_	20080321 EIN	10250
WATER	SERVICE COME	ANY II. LLC					• 2	26-2446	103
	te, room, PO Box, or PME								ss activity name
P. O.	BOX 57000								, FILITIES
City				State ZIP	Code			rincipal productame as federa	
IRVINE	, CA 92619-7	000	Ī						
_	ccounting method	F Date business started in CA	G Enter total assets of year. See instri	ıctions	heck the applicab	le box			ND DIST. ss activity code
• (1)	Cash <b>(2)</b> X	Accrual	•	• (1)	return (2	) RETURN	1		1)
(3)	Other (attach explanation	·	• \$ 6,067			eturn	<b>●</b> 2	221300 Whole	dollars only
	'	e IW, LLC Income Workshe	` ,				_		
		Schedule IW, Limited Liability Co	, ,				-	1	858,048.
		ty Company fee. See instru					-	3	2,500.
		imited Liability Company to						4	800.
		g nonresident members' ta <b>fee.</b> Add line 2, line 3, and	•	•	•			5	2 200
Enclose,		with form FTB 3537 and 20						6	3,300.
but do	'	from prior year allowed as						7	3,300.
not staple,	' 1	Form 592-B and/or 593)						8	
any		•						9	2 200
payment.		<b>ts.</b> Add line 6, line 7, and l <b>ue.</b> If line 5 is more than li						10	3,300.
								11	
	1	. If line 9 is more than line							
		e 11 to be credited to 2012 instructions					-	12 13	
							■ <u></u>	13	
		al of line 12 and line 13 is less that interest. See instructions .	,					15	
		e. Add line 10, line 12, line 13, an					-	13	
						• Federa		SN	
Single Me	mber LLC Informati	on and Consent – Comple	te only if the LLC	is disregarde	d.				
Sole Owner's	name (as shown on own	er's return)				FEIN/CA C	orp no./s	SOS File no.	
Street Addres	ss, City, State, and ZIP Co	ode					<ul><li>Retu</li></ul>	ırn filed with th	e FTB by the Owner
Manakania Oa		nt to the jurisdiction of the State of (	2-116		- t- 61t		(1)	Form 540	(5) Form 541
	quired by the Franchise T		California to tax my LLC	income and agre	e to file returns a	and pay tax	(2)	Form 100	(6) Form 100S
	<b>L</b>						(3)	Form 565	(7) Form 568
Signature	Hadan a saalki a af a	antino. I de eleme Heat I benegation	Date	Title			(4)	Other	
Sian	true, correct, and co	erjury, I declare that I have examinemplete. Declaration of preparer (other)	ed this return, including ner than taxpayer) is ba	sed on all informa	tion of which pre	parer has any ki	nowledge	or my knowied e.	ge and belief, it is
Sign Here					Date				
	Signature of officer						Teleph	none	
	Officer's email						-		
	address (optional)						•		
	Paid preparer's			Date	Chec if seli	f- 🔲	Paid F		<b>5</b> 1
Paid	signature	CUADIDO E DEST	V C OO		empl	uyea	FEIN	2005588	) <u>T</u>
Preparer's Use Only	Firm's name (or yours, if	CHARLES Z. FEDA						01-0825	482
,	self-employed) and address	6081 ORANGE AVE					Teleph		27-1818
		CIINEDD, CA 900	30 3370				_ •	(/ <del> </del> +) 5	2/-1010
	May the FTB di	scuss this return with the p	reparer shown ab	ove (see inst	ructions)?		• X	Yes	No
	-			•	•		<u> </u>		

IRV	VINE RANCH WATER DISTRICT	26-2446103		
J	Enter the maximum number of members in the LLC at any time during the year. Attach a California Sc (568) for each of these members	chedule K-1		2
K	Is this LLC an investment partnership? See General Information O		Yes	X No
L(	(1) Is this LLC apportioning income to California using Schedule R?		Yes	X No
	(2) If 'No,' was this LLC registered in California without earning any income sourced in this state during		Yes	X No
	Was there a distribution of property or a transfer (for example, by sale or death) of an LLC interest du	-		
	taxable year?	• • • • • • • • • • • • • • • • • • • •	Yes	X No
	(1) For this taxable year, was there a change in control or majority ownership for this limited liability cor legal entity in which it holds a controlling or majority interest) that owned or (under certain circumstareal property in California?	ances) leased	Yes	X No
(	(2) For this taxable year, did this LLC (or any legal entity in which it holds a controlling or majority interest control or majority ownership of any other legal entity that owned or (under certain circumstances) is property in California?	eased real	Yes	X No
(	(3) If this limited liability company (or any legal entity in which it holds a controlling or majority interest) (under certain circumstances) leased real property in California, has more than 50% of the LLC own-cumulatively transferred in one or more transactions since March 1, 1975, which was not reported or year's tax return?	ership interest n a previous	Yes	X No
	(Penalties May Apply — See Instructions).			
	(1) Does the LLC have any foreign (non-U.S.) nonresident members?			
(	2) Does the LLC have any domestic (non-foreign) nonresident members?	•	Yes	
(	(3) Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these members?		Yes	X No
Q	Are any members in this LLC also LLCs or partnerships?		Yes	X No
R	Is this LLC under audit by the IRS or has it been audited in a prior year?			
S	Is this LLC a member or partner in another LLC or partnership?	•	Yes	X No
_	If 'Yes,' complete Schedule EO, Part I.			
T	Is this LLC a publicly traded partnership as defined in IRC Section 469(k)(2)?			X No
	(1) Is this LLC a business entity disregarded for tax purposes?	•	Yes	X No
(	(2) If 'Yes,' see instructions and complete Side 1, Side 2, Schedule B, and Side 4, if applicable.  Are there credits or credit carryovers attributable to the disregarded entity?	•	Yes	No
(	(3) If 'Yes' to U(1), does the disregarded entity have total income derived from or attributable to Californ than the LLC's total income from all sources?	ia that is less	Yes	☐ No
٧	Has the LLC included a Reportable Transaction, or Listed Transaction within this return? (See instructions for definitions). If 'Yes,' complete and attach federal Form 8886 for each transaction	•	Yes	X No
W	Did this LLC file the Federal Schedule M-3 (federal Form 1065)?			
Χ	Is this LLC a direct owner of an entity that filed a federal Schedule M-3?	•	Yes	X No
Υ	Does the LLC have a beneficial interest in a trust or is it a grantor of a Trust?	•	Yes	X No
	If 'Yes,' attach schedule of trusts and federal identification numbers.			
Z	Does this LLC own an interest in a business entity disregarded for tax purposes?		Yes	X No
	If 'Yes,' complete Schedule EO, Part II.			
AA	Is any member of the LLC related (as defined in IRC Section 267(c)(4)) to any other member of the LL	.C? •	Yes	X No
ВВ	Is any member of the LLC a trust for the benefit of any person related (as defined in IRC Section 267( other member?		Yes	X No
	(1) Is the LLC deferring any income from the disposition of assets? (see instructions)		Yes	X No
(	(2) If 'Yes,' enter the year of asset disposition	•		
DD	Is the LLC reporting previously deferred Income from:		_	
	(see instructions) ● ☐ Installment Sale ● ☐ IRC Section 1031 ● ☐ IRC		Othe	_
	(1) Did this LLC generate a New Jobs Credit?		Yes	X No
	(2) If 'Yes,' enter the generated amount.	•		
	(1) Did this LLC or an entity in which this LLC has an ownership interest elect to defer income from the discharge of indebtedness as described in IRC 108(i) for Federal purposes?			
(	(2) If 'Yes,' enter the portion of the discharge of indebtedness attributable to the LLC	• • • • • • • • • • • • • • • • • • • •		

 Side 2 Form 568 C1 2011
 059
 3672114
 CALA0112L 12/01/11

Sche	dule A	A Cost of G	Goods Sold						
		, ,	of year					1	
			items withdrawn for p						279,037.
								3	
		al IRC Section	263A costs.					4	
			nedule						
			gh line 5						279,037.
		-	ır						277,037.
			ubtract line 7 from line						279,037.
9a (	Check a	II methods use	d for valuing closing ir	ventory:					·
	(1)	Cost (2)	Lower of cost or mark	ket as <u>de</u> scribed in Tr	eas. Reg.	Section 1.471-4	(3) Write d	own of 's	subnormal' goods as
			g. Section 1.471-2(c)						
			entory method was adopted						
			ction 263A (with respe						
d \	Nas the	re any change	(other than for IRC Seveen opening and clos	ection 263A purposes	) in deterr	nining quantities,			Yes No
	dule E		nd Deductions	sing inventory: in tes	s, allacii t	expiariation			res ino
				ud avnancas an lina 1	a through	line 22 holow See t	ha instructions	for mor	ro information
Caulic			or business income ar					1 c	
			sales \$ 518				C Balance	2	518,439.
		-	s sold (Schedule A, lin	•				3	279,037.
	3		FIT. Subtract line 2 from				• • • • • • • • • • • • • • • • • • • •	3	239,402.
	4		/ income from other Ll				_		
	_		ule				•	4	
Incom	e   5		/ loss from other LLCs				_	_	
			ule					5	
	6	•	ofit. Attach federal Sci					6	
	7		ss. Attach federal Sch	·				7	
	8		ncluded on Schedule D					8	
	9		ncluded on Schedule	D-1, Part II, line 1/ (I	oss only).		· · · · · · · · •	9	
	10								065 450
			lule			SEESTATE	:ME:N.T. · T	10	267,478.
	11								
			ule					11	1,643.
			(loss). Combine line					12	505,237.
	13		wages (other than to	•				13	
	14 15		payments to members.					14 15	
Deductions	;-   13   16		terest expense not cla					16	
uons		a Depreciation	and amortization. Atta	ich form FTB 38851	\$	15.714.			
		<b>b</b> Less depreciation	reported on Schedule A an	d elsewhere on return	\$		: Balance •	17 c	15,714.
	18	·	not deduct oil and ga		· <del></del>			18	•
	19	Retirement pl	lans, etc					19	
	20	Employee be	nefit programs					20	
	21	Other deducti							0.5
	-		ule					21	36,730.
	22		i <b>ons.</b> Add line 13 throume (loss) from trade (	•				22	52,444. 452,793.
Scho	dule 1		enting Nonresident M			ille 22 Holli ille 12.	· · · · · · · · · · · •	23	432,793.
SCITE		(a)				(e)	(f)		(g)
		r's name	SSN, ITIN, or FEIN	(c) Distributive share of income	<b>(d)</b> Tax rate	Member's total tax due (see instructions)	Amount with this LLC o member - re on Form 5	n this eported	Member's net tax due
-									
						•			
		ount of tax due. nal sheets if ne	Enter the total here a ecessary.	nd on Side 1, line 4.	If less tha	n zero enter -0		· · · · · <u> </u>	

CALA0112L 12/01/11 059 3673114 Form 568 C1 2011 **Side 3** 

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

1   Correcting income (posity) from the size or hashmess activities: 2   2   2   3   3   3   3   3   3   3	Scrieda		Distributive	a) share items	,	(b) Amounts from federal K (1065)	(c) Califo adjustn	) rnia nents	usi	(d) Total amounts ng California law
3a division increase (1985) from other remail activities. 3		,				· · · · · ·				452,793.
Duass accounts: All Schill   Charles and Charles   Cha										
C   See Income location from other entered activities. Subtract		_	` '							
4   Guaranteed payments to members   4		C Net incom	ne (loss) from other rent	al activities, Subtract	_					
Some continuence	,	_								
6   Division 5.   6	Ņ	_			· · · · <del></del>	73.7	74.	-	<u> </u>	73.774.
Page	0							•	<u> </u>	.5,
Section   Sect		_						•	•	
9 Net long-enter capital gain (dass, Attach Sch D (668)		8 Net short-	term capital gain (loss)	. Attach Sch D (568)	8			•	)	
Commercial and less occusions of refer (1997)  Total content memory (2005). Attach schedule.  11a   10b		9 Net long-t	term capital gain (loss).	Attach Sch D (568)	9			•	)	
b Total Loss under (IRC Section (123) (other than due to caseally or theful).  11a Other portfolio (Incorne (Iosa), Altach schedule.  b Total other (Incorne (Iosa), Altach schedule.  11b C Total other (Iosa)  12 Experies distriction. Incorner (Iosa), Altach schedule.  13a Charitable confluctions. See  13b Confluctions. See  13c Charitable confluctions. See  13c Charitable confluctions. See  13b Confluctions. See  13c Charitable confluctions. See  13c Charitable confluctions. See  13b Confluctions. See  13c Charitable confluctions. See  13c Char	Ö	10 a Total Gair	n under IRC Section 123	31 .ft)	10a					
11 a	S	,	,	,						
C Total other income. Attach schedule.  112 Express edeutorin for recovery property (RC Section 179 and RATC Sections 17267 A, and 17268).  113 C Total other income. Attach schedule.  114 C Sections 17267 A, and 17268 Attach schedule.  115 C Sections 17267 A, and 17268 Attach schedule.  116 C Sections 17267 A, and 17268 Attach schedule.  117 C Sections 17267 A, and 17268 Attach schedule.  118 C Sections 17267 A, and 17268 Attach schedule.  119 C Sections Attach schedule.  119 C Sections Attach schedule.  120 C Type of Development of Section 59(e) election graph poly. Attach schedule.  121 C Sections Attach schedule.  122 C Type of Development of Section 59(e) election graph poly. Attach schedule.  123 C Sections Attach schedule.  134 C Sections Attach schedule.  135 C Sections Attach schedule.  136 C Sections Attach schedule.  137 S Sections Attach schedule.  138 C Sections Attach schedule.  139 C Sections Attach schedule.  130 C Sections Attach schedule.  131 S S Sections Attach schedule.  132 S S S S S S S S S S S S S S S S S S S								•	)	
C   Total other loss										
Attach schedule.   11				uie						
and RATC Sections 17267.2 (17267.6, and 17269). Attach schedule		Attach scl	hedule							
Attach schedule.   12   13   13   15   15   15   15   15   15					9					
Institutions, Attach schedule.		_			12					
15   Directment interest expenses   136					13a					
13c1   13c2   13c2   13c2   13c3   13c4   13c4   13c4   13c5		<b>b</b> Investmer	nt interest expense		13b			•	)	
C2 Type of expenditures   13c2	Ċ	c1 Total e	xpenditures to which IRO	C Section 59(e) election	13.1					
Deductions related to portfolio income.   13d	I O									
Portfolio income   Post	N				13c2		T			
Attach schedule. 13e    Table		portfolio i	ncome		13d					
15a Withholding on LLC allocated to all members.   15b   1		Other dec Attach scl	luctions. hedule		13e					
C Coedis other than the credit shown on line 15b related to rental real estate activities. Attach schedule.   15c										
Total Continue the Continue to the Continue	C R									
Total Continue the Continue to the Continue	Ë				1					
Received Section   Secti	I	<b>d</b> Credits re	lated to other rental			_				
Comported   Formation   Form						_		_		
Table   Tabl		f Other cred	dits			_		_		
17a   Depreciation adjustment on property placed in service after 1986   17a   -20,690   29   -20,661		Attach scl	hedule			_		<u>•</u>	)	
T M T A I B A Adjusted gain or loss										
Description of the result of t	A	I / a Depreciat service af	ion adjustment on prope fter 1986	erty placed in	17a	-20,6	90.	29.		-20,661.
d Gross income from oil, gas, and geothermal properties.  e Deductions allocable to oil, gas, and geothermal properties.  f Other alternative minimum tax items. Attach schedule.  176  18a Tax-exempt interest income  18a  b Other tax-exempt inc  c Nondeductible expenses.  18c  19a Distributions of money (cash and marketable securities).  b Distribution of property other than money.  19b  20a Investment income.  20a 73,774.  520b  C Other information. See instructions.  20 c  21a Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e.  (a) (b) Individual Corporate ii Passive Partnership Organization Nominee/Other LLC	<u> </u>	<b>b</b> Adjusted	gain or loss		17b					
d Gross income from oil, gas, and geothermal properties.  e Deductions allocable to oil, gas, and geothermal properties.  f Other alternative minimum tax items. Attach schedule.  176  18a Tax-exempt interest income  18a  b Other tax-exempt inc  c Nondeductible expenses.  18c  19a Distributions of money (cash and marketable securities).  b Distribution of property other than money.  19b  20a Investment income.  20a 73,774.  520b  C Other information. See instructions.  20 c  21a Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e.  (a) (b) Individual Corporate ii Passive Partnership Organization Nominee/Other LLC	R N X T	C Depletion	(other than oil and gas)		17с					
Tother alternative minimum tax items. Attack schedule.   17f	AMAM	<b>d</b> Gross inc	ome from oil, gas, and	geothermal properties	17d					
18a   Tax-exempt interest income   18a	İMTS				es <b>17e</b>					
b Other tax-exempt inc	E E				17f					
C Nondeductible expenses										
TREAD IN THE Expenses	Ţ	<b>b</b> Other tax	-exempt inc		18b			•	)	
19a Distributions of money (cash and marketable securities)	F				18 c					
b Distribution of property other than money.  20a Investment income.  20a 73,774.  20a Investment expenses.  C Other information. See instructions.  20c STATEMENT  21a Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e.  21a Total distributive income/payment items. Combine lines 1, 2, and 3c through 13e.  21a Total distributive income/payment items. Combine lines 1, 2 and 3c through 13e.  21a Total distributive income/payment items. Combine lines 1, 2 and 3c through 13e.  21a Total distributive income/payment items. Combine lines 1, 2 and 3c through 13e.  21a S26,567.  (a) (b) Individual (c) Partnership Organization Nominee/Other LLC	TR					8,8	94.			8,894.
20a Investment income. 20a 73,774. 73,774  b Investment expenses 20b 20b 20c STATEMENT  21a Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e. 21a 526,567.  b Analysis of members:  (a) (b) Individual (c) Partnership Organization Nominee/Other LLC	EΑ	_	* *	•		270.				= , == = •
b Investment expenses	I	20 a Investmen	nt income		20a	73,7	74.			73,774.
See instructions		<b>b</b> Investmen	nt expenses		20 b					
21 a Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e		C Other info	ormation.		20 c				:	STATEMENT 4
2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e	-								•	
b Analysis of members:  (a) Corporate  i Active  (b) Individual (c) Partnership  (d) Exempt Organization  Nominee/Other  (f) Nominee/Other	Α	<ol> <li>2. and 3c</li> </ol>	through 11c. From the i	result, subtract the sum	of _	526 5	67			526 567
L Y S I Corporate (b) Individual (c) (d) Exempt Organization Nominee/Other LLC  Members   Members   Factive   Factiv	N A				<u>L</u> Ia	1 320,30	· / ·		•	320,307.
S Corporate i Active ii Passive Partnership Organization Nominee/Other LLC  Members 526, 567.	L Y	→ Alialysis (		<b>(b)</b> Ind	ividual	(5)	(d) Europost	(2)		(6)
S Members 526,567.	Š		Corporate			Partnership	Organization	Nominee/C	Other	ιζc
	S	Members					526,567.			

 Side 4 Form 568 C1 2011
 059
 3674114
 CALA0134L 12/01/11

End of taxable year

Schedule L Balance Sheets. See the instructions for Schedule L, before completing Schedules L, M-1, and M-2.

Beginning of taxable year End of tax

Assets	(a)	(b)	(c)		(d)
<b>1</b> Cash		807,233.			
2 a Trade notes and accounts receivable	81,482				
<b>b</b> Less allowance for bad debts		81,482.			
3 Inventories			<u> </u> -	•	
4 U.S. government obligations			-		
5 Tax-exempt securities		0.001.001	-	<u> </u>	
6 Other current assets. Att sch STATEMENT 5		2,881,821.		<u> </u>	,664,422.
7 Mortgage and real estate loans			-	<u> </u>	_
8 Other investments. Att sch	1,095,159		2,959,934.	•	
b Less accumulated depreciation	535,583		558,664	_	,401,270.
10 a Depletable assets.	333,303	337,370.	330,001		, 101, 270.
<b>b</b> Less accumulated depletion.					
11 Land (net of any amortization).		1,350.		•	1,350.
12 a Intangible assets (amortizable only)					·
<b>b</b> Less accumulated amortization					
13 Other assets. Att sch				•	
14 Total assets		4,331,462.		6	,067,042.
Liabilities and Capital					
15 Accounts payable		27,299.		• 1	,734,165.
16 Mortgages, notes, bonds payable in less than 1 year				•	
17 Other current liabilities. Att sch SEE . STMT 6		2,027,520.		1	,573,865.
18 All nonrecourse loans			  -	•	
Mortgages, notes, bonds payable in 1 year or more		186,780.	-	•	158,842.
20 Other liabilities. Att sch		2 000 063	_	•	COO 170
21 Members' capital accounts		2,089,863. 4,331,462.	-		,600,170. ,067,042.
<b>Schedule M-1</b> Reconciliation of Income (Lo			!! !-!-!		
2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize:	•	<b>a</b> Tax-exempt interest	. \$		
3 Guaranteed payments (other than health insurance)		C Total. Add line 6a a	nd		
<b>4</b> Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:		7 Deductions included	on Schedule K, line 1 - line 1	13e,	
<b>a</b> Depreciation \$ 7 , 366			book income this year. Itemiz		
<b>b</b> Travel & entertainment. \$	-	<b>a</b> Depreciation	. \$		
<u> </u>	_		. \$		
<b>c</b> Annual LLC tax	_	C Total. Add line 7a a line 7b	na 	•	
<b>e</b> Total. Add line 4a-4d	7,30	8 Total. Add line 6c a	nd line 7c		
5 Total of line 1 through line 4e		U Income (loce) (Sche	edule K, line 21a). Subtract line	ie 8	526,567.
Schedule M-2 Analysis of Members' Capi					320,307.
1 Balance at beginning of year	2,089,86		gh line 4	2	,609,064.
Capital contributed during year	2700570	6 Distributions:	<b>a</b> Cash		8,894.
a Cash		O Distributions.	<b>b</b> Property		0,001.
<b>b</b> Property		7 Other decreases. Itemize:	<b>D</b> Froperty	•	
3 Net income (loss) per books	519,20				
4 Other increases. Itemize:	317,20			•	
• Other increases, itemize.		8 Total of line 6 and I	ine 7		8,894.
			ear. Subtract line 8 from line 5		,600,170.
Schedule O Amounts from Liquidation us	sed to Canitalize a I			J	,000,170.
(Complete only if initial return	box is checked on	Side 1, Question H).	•		
Name of entity liquidated (if more than one, attach a schedule)					
Type of entity: (1) C Corporation (2) S Co	rporation (3) Pa	rtnership (4) Limited Par	tnership (5) Sole	Proprietor	(6) Farmer
Entity ID number(s) FEIN	SSN or ITIN	Corp		sos	
Amount of liquidation gains recognized to capital	ize the LLC			· •	
CALA0134 L 12/01/11	059 36	575114		Form 568 (	C1 2011 <b>Side 5</b>
OALAU134 L 12/01/11	UD9 <b>■</b> 30	,, , , , , ,		1 01111 300 (	/ LOII Slue 3

### Schedule IW Limited Liability Company (LLC) Income Worksheet

Enter your California income amounts on the worksheet. All amounts entered must be assigned for California law differences. Use only amounts that are from sources derived from or attributable to California when completing lines 1-17 of this worksheet. If your business is both within and outside of California, see Schedule IW instructions to assign the correct amounts to California. If the LLC is wholly within California, the total income amount is assigned to California and is entered beginning with line 1a. If the single member LLC (SMLLC) does not meet the 3 million criteria for filing Schedule B (568) and Schedule K (568), the SMLLC is still required to complete the Schedule IW. Disregarded entities that do not meet the filing requirements to complete Schedule B or Schedule K should prepare the Schedule IW by entering the California amounts attributable to the disregarded entity from the member's federal Schedule B, C, E, F (Form 1040), or additional schedules associated with other activities. Do not enter amounts on this worksheet that have already been reported by another LLC to determine it's fee.

See instructions on page 13 of the Form 568 Booklet for more information on how to complete the Schedule IW.

1	а	Total California income from Form 568, Schedule B, line 3. See instructions	1a_	239,402.	=.	
	b	Enter the California cost of goods sold from Form 568, Schedule B, line 2 and from federal Schedule F (Form 1040) (plus California adjustments) associated with the receipts assigned to California on line 1a	1b _	279,037.	_	
2	а	Gross California income of disregarded entities not included in lines 1 and 8 through 16	2a _		_	
	b	Enter the cost of goods sold of disregarded entities associated with the receipts assigned to California on line 2a	2b _		_	
3	а	LLC's distributive share of ordinary income from pass-through entities	3a _		_	
	b	Enter the LLC's distributive share of cost of goods sold from other pass-through entities associated with the receipt assigned to California on line 3a (see Schedule K-1s (565), Table 3, line 1a)	3b _		_	
	С	Enter the LLC's distributive share of deductions from other pass-through entities associated with the receipt assigned to California on line 3a (see Schedule K-1s (565), Table 3, line 1b)	3c _		_	
4	Ad Us	d gross farm income from federal Schedule F (Form 1040). e California amounts	4_		_	
5	En	ter the total of other income (not loss) from Form 568, Schedule B, line 10	5_	265,835.	_	
6	En <sup>-</sup> Scl	ter the ordinary gains (not losses) and the recapture income from California hedule D-1, Part II, line 17.	6		<u>-</u>	
7	Ad	d line 1a through line 6			7	784,274.
8	Ca	lifornia rental real estate				
	а	Enter the total gross rents from federal Form 8825, line 18a				
	b	Enter the total gross rents from all Schedule K-1s (565), Table 3, line 2				
	С	Add line 8a and line 8b			8c	0.
9	Otl	ner California rentals				
	а	Enter the amount from Schedule K (568), line 3a.				
	b	Enter the amount from all Schedule K-1s (565), Table 3, line 3	9b _		_	
	С	Add lines 9a and 9b.			9c	0.
10	Ca	lifornia interest. Enter the amount from Form 568, Schedule K, line 5			10	73,774.
11	Ca	<b>lifornia dividends.</b> Enter the amount from Form 568, Schedule K, line 6			11	
12	Ca	lifornia royalties. Enter the amount from Form 568, Schedule K, line 7			12	
13	Ca	lifornia capital gains. Enter the capital gains (not losses) included in Schedule D (	568).		13	
14	Ca	lifornia 1231 gains. Enter the amount of total gains (not losses) from Form 568, So	chedu	ıle K, line 10a	14	
15	Otl	her California portfolio income (not loss). Enter the amount from Form 568, Sched	dule h	K, line 11a	15	
16		her California income (not loss) not included in line 5. Enter the amount from Forn e 11b.			16	
17	<b>To</b> t	tal California income. Add lines 7, 8c, 9c, 10, 11, 12, 13, 14, 15, and 16. Line 17 nmber. Enter here and on Form 568, Side 1, Line 1. If less than zero enter -0	nay r	ot be a negative	17	858,048.

Side 6 Form 568 C1 2011 059 3676114 CALA0105L 12/16/11

# **TAXABLE YEAR 2011**Member's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

K-1 (568)

	ndar year 2011 or fiscal year beginning			l ending month 06	day 30 year 2012
	identifying number 95	-2232918	LLC's FEIN 26-2	446103	
Member's na	me, address, city, state, and ZIP Code		Secretary of State file n LLC's name, address, city, state	e, and ZIP Code	)3210250
P.O. I	E RANCH WATER DISTRICT BOX 57000 E, CA 92619-7000		IRVINE RANCH WATER SERVICE (P. O. BOX 57000 IRVINE, CA 9261	COMPANY II, LLC	
A What	type of entity is this member? ●		<b>D</b> Member's share of li	abilities:	
(2) [ (3) [ (4) [	S Corporation (6) Limited Partnership (1) Estate/Trust (7) LLP (1) C Corporation (8) LLC	9) IRA/Keogh/SEP 0) X Exempt Organization 1) Disregarded Entity	Qualified nonrecours Other  E Reportable transaction	e financing	•\$ <u>3,432,203.</u> •\$_ •\$_
C Enter perce regar alloca	member a foreign member? member's ntage (without decrease or termination)  in the member a foreign member?  (i) Before decrease or termination	(ii) End of year	as defined in IR0 (2) Check here if thi (R&TC Sections	s is an investment partn 17955 and 23040.1)	ership
Loss	sharing         %           sharing         %           rship of capital         %	● 99.0000%		K-1 (568) (2) An an aident of California?	
I Analys	s of member's capital account: Check the box •	(1) X Tax Basis (2)	GAAP (3) Sec 704(	b) Book (4) Other (expla	in)
Capital acc	(a) (b) cunt at beginning of year Capital contributed do	uring year Member's sh and line 7 For	(c) are of line 3, line 4, m 568, Schedule M-2	<b>(d)</b> Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)
•	2,069,701. ●	•	514,009. ● (		
Caution:	Refer to Member's Instructions for Sch	edule K-1 (568) before	entering information fro	m this schedule on your	California return.
	(a) Distributive share items	<b>(b)</b> Amounts from federal Schedule K-1 (1065)	( <b>c)</b> California adjustments	(d) Total amounts using Californi law. Combine col. (b) and col. (c) where applicable	(e) California source amounts and credits
	Ordinary income (loss) from trade or business activities	448,265		• 448,265	. ▶
	2 Net income (loss) from rental real estate activities			•	<b>&gt;</b>
	3 Net income (loss) from other rental activities				
	<b>4</b> Guaranteed payments to members	F2 026		• 72.026	<b>P</b>
Income	5 Interest income	•	•	• 73,036 •	
(Loss)	7 Royalties.			•	<b>&gt;</b>
	8 Net short-term capital gain (loss)			•	<b>&gt;</b>
	9 Net long-term capital gain (loss)			•	<b>&gt;</b>
	<b>10 a</b> Total Gain under IRC Section 1231 (other than due to casualty or theft)			•	<b>&gt;</b>
	<b>b</b> Total Loss under IRC Section 1231 (other than due to casualty or theft)			•	<b>&gt;</b>
	11 a Other portfolio income (loss). Attach schedule			•	<b>&gt;</b>
	<b>b</b> Total other income. Attach schedule			•	<b>&gt;</b>
	c Total other loss. Attach schedule			•	<b>&gt;</b>

MEMBER 1 CALA0212L 02/16/12

7

IRVINE	E RANCH WATER DISTRICT	4.		1 (1)	26-2446103
	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
	Page 12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
Deduc- tions	13a Charitable contributions				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	<b>2</b> Type of expenditures				
	d Deductions related to portfolio income Attach schedule				
	e Other deductions. Attach schedule				
	<b>15a</b> Total withholding (equals amount on Form 592-B if calendar year LLC)			•	<b>&gt;</b>
	<b>b</b> Low-income housing credit				
Credits	c Credits other than line 15b related to rental real estate activities. Attach schedule				
	<b>d</b> Credits related to other rental activities. Attach schedule				
	e Nonconsenting nonresident member's tax paid by LLC				
	f Other credits — Attach required schedules or statements				
	g New jobs credit				
	17a Depreciation adjustment on property placed in service after 1986		29.	-20,454.	
	<b>b</b> Adjusted gain or loss				
Alter-	<b>c</b> Depletion (other than oil and gas)				
native Viini- mum	<b>d</b> Gross income from oil, gas, and geothermal properties				
Tax (AMT) Items	e Deductions allocable to oil, gas, and geothermal properties.      f Other alternative minimum tax items. Attach schedule.				
Tax- exempt Income	18a Tax-exempt interest income.				
and Nonde- ductible	<b>b</b> Other tax-exempt income				
Expenses	C Nondeductible expenses				
Distribu-	19a Distributions of money (cash and marketable securities)	8,805.		8,805.	
tions	<b>b</b> Distributions of property other than money.				
	•	1			

CALA0212L 02/16/12

73,036.

SEE ATTACHED

MEMBER 1: IRVINE RANCH WATER DISTRICT 95-2232918

73,036.

Other Information b Investment expenses.....c Other information. See instructions ....

Other Mo	ember Information						
Table 1	<ul> <li>Member's share of nonbusiness</li> </ul>	s income from intangibles (sour	ce of income is d	ependent on residence o	or commercial domicil	le of the member):	
Interest	\$	Sec 1231 Gains/Losses	\$	Cap	oital Gains/Losses	\$	
Dividends	\$	Royalties	\$	Oth	er	\$	
FOR USI	E BY APPORTIONING UNI	TARY MEMBERS ONLY	<ul> <li>See instruct</li> </ul>	tions.			
Table 2	<ul> <li>Member's share of distril</li> </ul>	butive items.					
A Mem	ber's share of the LLC's bu	usiness income. See insti	ructions		\$		
<b>B</b> Mem	ber's share of nonbusiness	s income from real and ta	angible persor	al property source	d or allocable to	California.	
Capi	tal Gains/Losses	\$		Rents/Royalties	\$		
Sect	ion 1231 Gains/Losses	\$		Other	\$		
C Mem	ber's distributive share of t	the LLC's property, payro	II, and sales:				

	Factors	Total within and outside California	Total within California
Property:	Beginning	\$	\$
	Ending	\$	\$
	Annual rent expense	\$	\$
Payroll		\$	\$
Sales		\$	\$

CALA0212L 02/16/12

MEMBER 1: IRVINE RANCH WATER DISTRICT 95-2232918

059 7903114

5

Schedule K-1 (568) 2011 **Side 3** 

IRVINE RANCH WATER DISTRICT 26-2446103

SCHEDULE K-1 (FORM 568) 2011 SUPPLEMENTAL INFORMATION (CONTINUED)

PAGE 4

LINE 20C - COLUMN D OTHER INFORMATION

PROPORTIONATE INT. OF AGGREGATE GROSS RECEIPTS \$ 849,468. TOTAL \$ 849,468.

MEMBER 1: IRVINE RANCH WATER DISTRICT 95-2232918

# **TAXABLE YEAR 2011**Member's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

K-1 (568)

For caler	ndar year 2011 or fiscal year beginning	month 07 day	01 year 2011, and	d ending month 06	day 30 year 2012		
		-1874346	LLC's FEIN 26-2	2446103			
Member's na	me, address, city, state, and ZIP Code		Secretary of State file number 200803210250				
			LLC's name, address, city, stat	e, and ZIP Code			
	E RANCH WATER DISTRICT BOX 57000	1	IRVINE RANCH WATER SERVICE (P. O. BOX 5700)	COMPANY II, LLC			
IRVINE	E, CA 92619-7000		IRVINE, CA 926	19-7000			
A What	type of entity is this member? ●		<b>D</b> Member's share of I				
(1)	Individual (5) General Partnership (5)	9) IRA/Keogh/SEP	Nonrecourse		\$ 34,669.		
(2)	S Corporation (6) Limited (10	Exempt Organization		se financing			
(3)	Estate/Trust (7)   LLP (1:	- Organization	Other		\$		
` ` _		Disregarded Entity	E Reportable transact	on or tax shelter			
(4) L	C Corporation (8) LLC member a foreign member?	• Yes X No		(s)			
	member's	Tes Zivo	<b>F (1)</b> Check here if th as defined in IR	is is a publicly traded part C Section 469(k)(2)	nership		
regard	ntage (without dispecial decrease or termination	(ii) End of year	(2) Check here if th	is is an investment partne 17955 and 23040.1)	rship		
Profit	sharing	1.0000 %	<b>G</b> Check here if this is	: ●			
Loss	sharing         %           sharing         %	1.0000 %	(1) A final Schedul	e K-1 (568) <b>(2)</b> An am	ended Schedule K-1 (568)		
Owne	rship of capital %	• <u>1.0000</u> %	H Is this member a re-	sident of California?	• X Yes ► No		
				(I) D   (I)   O    (   I)	`		
I Analysi	s of member's capital account: Check the box  (a) (b)	(1) X Tax Basis (2)	GAAP (3) Sec 704	(b) Book (4) Other (explain	(e)		
Capital acco	ount at beginning of year Capital contributed du	ring year Member's sha and line 7 Form	are of line 3, line 4, n 568, Schedule M-2		Capital account at end of year, combine column (a) through column (d)		
•	20,162.	•	5,192. ● (	89.)	25,265.		
Caution:	Refer to Member's Instructions for Sche	dule K-1 (568) before		* 1			
	<b>(a)</b> Distributive share items	<b>(b)</b> Amounts from federal Schedule K-1 (1065)	<b>(c)</b> California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c) where applicable	(e) California source amounts and credits		
	Ordinary income (loss) from trade or business activities	4,528.		• 4,528.	<b>&gt;</b>		
		1,520.		1,320.			
	2 Net income (loss) from rental real estate activities			•	<b>&gt;</b>		
	3 Net income (loss) from other rental activities						
	<b>4</b> Guaranteed payments to members			•	<b>&gt;</b>		
Income	5 Interest income	738.		• 738.	<b>&gt;</b>		
(Loss)	6 Dividends			•	<b>&gt;</b>		
	<b>7</b> Royalties			•	<b>&gt;</b>		
	8 Net short-term capital gain (loss)			•			
	9 Net long-term capital gain (loss)						
	<b>10a</b> Total Gain under IRC Section 1231 (other than due to casualty or theft)			•	<b>&gt;</b>		
	<b>b</b> Total Loss under IRC Section 1231 (other than due to casualty or theft)			•	<b>&gt;</b>		
	11 a Other portfolio income (loss). Attach schedule			•	<b>&gt;</b>		
	<b>b</b> Total other income. Attach schedule			•	<b>&gt;</b>		
	c Total other loss. Attach schedule			•	<b>&gt;</b>		

MEMBER 2 CALA0212L 02/16/12

7

IRVINE	E RANCH WATER DISTRICT			1	26-2446103
	(a) Distributive share items	<b>(b)</b> Amounts from federal Schedule K-1 (1065)	<b>(c)</b> California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
Deduc-	Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268).				
	13a Charitable contributions				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income Attach schedule				
,	e Other deductions. Attach schedule				
	<b>15a</b> Total withholding (equals amount on Form 592-B if calendar year LLC)			•	<b>&gt;</b>
	<b>b</b> Low-income housing credit				
Credits	c Credits other than line 15b related to rental real estate activities. Attach schedule				
	<b>d</b> Credits related to other rental activities. Attach schedule				
	e Nonconsenting nonresident member's tax paid by LLC				
	f Other credits — Attach required schedules or statements				
	17a Depreciation adjustment on property placed in service after 1986	-207.		-207.	
	<b>b</b> Adjusted gain or loss				
Alter-	f c Depletion (other than oil and gas)				
native Mini- mum	<b>d</b> Gross income from oil, gas, and geothermal properties				
Tax (AMT) Items	e Deductions allocable to oil, gas, and geothermal properties  f Other alternative minimum tax items. Attach				
Tax- exempt	schedule				
Income and Nonde-	<b>b</b> Other tax-exempt income				
ductible Expenses	C Nondeductible expenses				
	19a Distributions of money				
Distribu-	(cash and marketable securities)	89.		89.	
tions	<b>b</b> Distributions of property other than money				
Other	20 a Investment income	738.		738.	
Informa- tion	b Investment expensesc Other information. See instructions			SEE ATTACHED	
	C Other information, See Instructions			SEE ATTACHED	

CALA0212L 02/16/12

91-1874346 MEMBER 2: IRVINE RANCH WATER DISTRICT

Other Mo	ember Information						
Table 1	<ul> <li>Member's share of nonbusiness</li> </ul>	s income from intangibles (sour	ce of income is d	ependent on residence o	or commercial domicil	le of the member):	
Interest	\$	Sec 1231 Gains/Losses	\$	Cap	oital Gains/Losses	\$	
Dividends	\$	Royalties	\$	Oth	er	\$	
FOR USI	E BY APPORTIONING UNI	TARY MEMBERS ONLY	<ul> <li>See instruct</li> </ul>	tions.			
Table 2	<ul> <li>Member's share of distril</li> </ul>	butive items.					
A Mem	ber's share of the LLC's bu	usiness income. See insti	ructions		\$		
<b>B</b> Mem	ber's share of nonbusiness	s income from real and ta	angible persor	al property source	d or allocable to	California.	
Capi	tal Gains/Losses	\$		Rents/Royalties	\$		
Sect	ion 1231 Gains/Losses	\$		Other	\$		
C Mem	ber's distributive share of t	the LLC's property, payro	II, and sales:				

	Factors	Total within and outside California	Total within California
Property:	Beginning	\$	\$
	Ending	\$	\$
	Annual rent expense	\$	\$
Payroll		\$	\$
Sales		\$	\$

CALA0212L 02/16/12

Schedule K-1 (568) 2011 Side 3

MEMBER 2: IRVINE RANCH WATER DISTRICT 91-1874346

059 7903114 5

IRVINE RANCH WATER DISTRICT 26-2446103

SCHEDULE K-1 (FORM 568) 2011 SUPPLEMENTAL INFORMATION (CONTINUED)

PAGE 4

LINE 20C - COLUMN D OTHER INFORMATION

PROPORTIONATE INT. OF AGGREGATE GROSS RECEIPTS \$ 8,580. TOTAL \$ 8,580.

MEMBER 2: IRVINE RANCH WATER DISTRICT 91-1874346

TAXABLE YEAR CALIFORNIA FORM

# 2011 Depreciation and Amortization

3885L

•					
Name as shown on return				Secretary of State (So	OS) file number
IRVINE RANCH WATER DISTRICT				2008032102	50
				FEIN	
				26-2446	5103
Depreciation of Assets Assets placed in servi	ce during the curre	nt taxable year:			
(a)	(b)	(c)	(d)	<b>(e)</b> Life	<b>(f)</b>
Description of property	Date placed in service	Cost or other basis	Method of figuring	or rate	Depreciation for this year
. h. sh. 2			depreciation		
POTABLE PIPELINE	6/30/11	48,293.	S/1	40.00	1,207.
POTABLE PIPELINE	6/30/11	68,686.	S/1		1,717.
POTABLE PIPELINE	6/30/11	460.	S/1		46.
GP ASSET FUNDED BY UP	6/30/11	11,925.	S/1	20.00	596.
OFFICE EQUIPMENT	5/31/12	6,945.	200DI	+	248.
POTABLE POND IMPROVEMENT	6/30/12	167,389.	S/1		0.
POTABLE POND IMPROVEMENT	6/30/12	3,106.	S/1		0.
POTABLE POND IMPROVEMENT	6/30/12	16,086.	S/1		0.
POTABLE POND IMPROVEMENT	6/30/12	62,070.	S/1	1	0.
POTABLE POND IMPROVEMENT	6/30/12	332,672.	S/1		0.
WATER PUMP	6/30/12	25,182.	S/1		0.
POTABLE POND IMPROVEMENT	6/30/12	641,211.	S/1		0.
POTABLE POND IMPROVEMENT	6/30/12	622,039.	S/1	30.00	0.
1 Enter line 1, column (f) totals				1(f)	3,814.
Amortization of Property Intangibles placed in	service during the	current taxable year:		<del>,</del> , , , , , , , , , , , , , , , , , ,	
(a) Description of property	(b) Date placed in service	<b>(c)</b> Cost or other basis	<b>(g)</b> Code section	(h) Period or percentage	<b>(i)</b> Amortization to this year
1 Enter line 1, column (i) totals				1(i)	
Depreciation					
Be sure to make adjustments for any basis difference	•	•			44 000
2 California depreciation for assets placed in servi					11,900.
3 Total California depreciation. Add line 1(f) and li	ne 2			3 _	15,714.
<b>Amortization</b> Be sure to make adjustments for any basis difference:	s when calculating	amortization			
<ul> <li>4 California amortization for intangibles placed in</li> </ul>	•			4	
5 Total California amortization. Add line 1(i) and li		-			
6 Total depreciation and amortization. Add line 3				_	
line 17a, if from a trade or business, or on feder  1 IRC Section 179 expense deduction from line 12 of the workst	al Form 8825, line	14, if from rental real	estate activit	ies 6 _	15,714.
8 Carryover of disallowed deduction to 2012 from line 13 of the	worksheet in the instruc	ctions	8		

2011	CALIFORNIA STATEMENTS	PAGE 1
	IRVINE RANCH WATER DISTRICT	26-2446103
STATEMENT 1 FORM 568, SCHEDU OTHER INCOME RATE DIFFERENTIA	I <b>LE B, LINE 10</b> L REVENUE	267,478. 267,478.
STATEMENT 2 FORM 568, SCHEDU OTHER LOSS UNREALIZED LOSS	ILE B, LINE 11  ON SECURITIES. \$  TOTAL \$	1,643. 1,643.
STATEMENT 3 FORM 568, SCHEDU OTHER DEDUCTION CUSTOMER COLLECT	ILE B, LINE 21 IS  ION COSTS	36,730. 36,730.
	LE K, LINE 20C - COLUMN D LE ITEMS  T. OF AGGREGATE GROSS RECEIPTS. \$	858,048.
		ENDING 751. 3,663,671. 3,664,422.
STATEMENT 6 FORM 568, SCHEDU OTHER CURRENT L	ILE L, LINE 17 IABILITIES BEGINNING	ENDING
	ERENTIAL CREDITS \$ 2,027,120. \$ S-REAL ESTATE 400. \$ 2,027,520. \$	1,573,465. 400. 1,573,865.

### IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II, LLC P. O. BOX 57000 IRVINE, CA 92619-7000

January 23, 2013

IRVINE RANCH WATER DISTRICT P.O. BOX 57000 IRVINE, CA 92619-7000

RE:

IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II, LLC 26-2446103 Schedule K-1 from Partnership's 2011 Return of Income

Dear IRVINE RANCH WATER DISTRICT:

Enclosed is your 2011 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from IRVINE RANCH WATER DISTRICT. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2011 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

IRVINE RANCH WATER DISTRICT

Enclosure(s)

	20	11	F	Final K-1	Amended	K-1	OMB No. 1545-0099
	10CE)		Pa	art III Partner's	Share of C	urre	ent Year Income,
`	, Tor calcinal year 2011,		1	Ordinary business i			d Other Items Credits
Depar	tment of the Treasury year beginning 7/01 al Revenue Service ending 6/30		'	Ordinary business i	448,265.	15	Credits
Pa	rtner's Share of Income, Deduction		2	Net rental real estate inc			
	edits, etc.   See separate inst	-	_			4.0	
	·		3	Other net rental inc	ome (loss)	16	Foreign transactions
P	art I Information About the Partnershi	p	4	Guaranteed payme	nts		
Α	Partnership's employer identification number						
	26-2446103 Partnership's name, address, city, state, and ZIP co	ado	5	Interest income	73,036.		
		oue	6a	Ordinary dividends	73,030.		
	IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II, LLC			, , , , , , , , , , , , , , , , , , , ,			
	P. O. BOX 57000		6b	Qualified dividends			
_	IRVINE, CA 92619-7000 IRS Center where partnership filed return		7	Royalties			
	OGDEN, UT		′	Royallies			
D	Check if this is a publicly traded partnership (P	TP)	8	Net short-term capital ga	ain (loss)		
_		<u> </u>	_	N. I. I. I. I.		4-7	All CANATA I
P	art II Information About the Partner		9 a	Net long-term capit	al gain (loss)	17 A	Alternative minimum tax (AMT) items -20,483.
Е	Partner's identifying number 95–2232918		9b	Collectibles (28%)	gain (loss)		
F	Partner's name, address, city, state, and ZIP code		9.0	Unrecaptured section	on 1250 gain		
			30	Onrecaptured section	on 1230 gain		
	IRVINE RANCH WATER DISTRICT		10	Net section 1231 ga	ain (loss)	18	Tax-exempt income and
	P.O. BOX 57000 IRVINE, CA 92619-7000						nondeductible expenses
G	X General partner or LLC Limited part		11	Other income (loss)	)		
	member-manager LLC membe						
Н	X Domestic partner Foreign part	tner					
ı	What type of entity is this partner? EXEMPT ORG	<b>3.</b>				10	Distributions
_			12	Section 179 deduct	ion	19 A	Distributions 8,805.
J	Partner's share of profit, loss, and capital (see instr <b>Beginning</b>   <b>En</b>	ructions): <b>ding</b>		occion 173 deddet	1011		
	Profit 99 %	99 %	13	Other deductions			
	Loss 99 %	99 %				20	Other information
	Capital 99 %	99 %				А	73,036.
ĸ	Partner's share of liabilities at year end:						
		,432,203.					
	Qualified nonrecourse financing \$		14	Self-employment ea	arnings (loss)		
	Recourse\$						
L	Partner's capital account analysis:						
		,069,701.	*S	ee attached state	ement for a	ddit	ional information.
	Capital contributed during the year \$  Current year increase (decrease) \$	514,009.	F O				
	Withdrawals and distributions \$ (	8,805.)	Ř				
	·	,574,905.	I R S				
	X Tax basis GAAP Section 7	704(b) book	U				
	Other (explain)	• •	Š				
М	Did the partner contribute property with a built-in ga	ain or loss?	O N				
	Yes X No  If 'Yes', attach statement (see instructions)		L Y				
Щ	100, attach statement (See mondettens)						

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. **Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows. Code Report on Work opportunity credit Report on K Disabled access credit See the Partner's Instructions Passive loss Empowerment zone and renewal community Passive income Schedule E. line 28, column (a) employment credit See the Partner's Nonpassive loss Schedule E, line 28, column (h) Credit for increasing research activities Nonpassive income Schedule E, line 28, column (j) Credit for employer social security and Medicare taxes Net rental real estate income (loss) See the Partner's Instructions Other net rental income (loss) O Backup withholding Form 1040 line 62 Schedule E. line 28, column (a) P Other credits See the Partner's Instructions Net loss See the Partner's Instructions 16 Foreign transactions **Guaranteed payments** Schedule E, line 28, column (j) A Name of country or U.S. possession Interest income Form 1040, line 8a **B** Gross income from all sources Form 1116, Part I Form 1040, line 9a 6a Ordinary dividends Gross income sourced at partner level 6b Qualified dividends Form 1040, line 9b Foreign gross income sourced at partnership level Royalties Schedule F line 3h **D** Passive category 8 Net short-term capital gain (loss) Schedule D, line 5 Ε General category Form 1116, Part I 9 a Net long-term capital gain (loss) Schedule D, line 12 Other 28% Rate Gain Worksheet, line 4 (Schedule D Instructions) 9 b Collectibles (28%) gain (loss) Deductions allocated and apportioned at partner level G Interest expense Form 1116, Part I 9 C Unrecaptured section 1250 gain See the Partner's Instructions Form 1116, Part I 10 Net section 1231 gain (loss) See the Partner's Instructions Deductions allocated and apportioned at partnership level to 11 Other income (loss) foreign source income Code Passive category A Other portfolio income (loss) See the Partner's Instructions General category Form 1116, Part I **B** Involuntary conversions See the Partner's Instructions K Other C Section 1256 contracts and straddles Form 6781, line 1 Other information **D** Mining exploration costs recapture See Pub 535 Form 1116, Part II Total foreign taxes paid E Cancellation of debt Form 1040, line 21 or Form 982 M Total foreign taxes accrued Form 1116, Part II See the Partner's Instructions Other income (loss) Form 1116, line 12 Reduction in taxes available for credit Section 179 deduction See the Partner's Instructions Foreign trading gross receipts O Form 8873 Other deductions Extraterritorial income exclusion Form 8873 A Cash contributions (50%) Q Other foreign transactions See the Partner's Instructions B Cash contributions (30%) Alternative minimum tax (AMT) items C Noncash contributions (50%) A Post-1986 depreciation adjustment See the Partner's D Noncash contributions (30%) **B** Adjusted gain or loss See the Partner's Capital gain property to a 50% organization (30%) Ε С Depletion (other than oil & gas) Instructions and Oil, gas, & geothermal - gross income the Instructions for Capital gain property (20%) Oil, gas, & geothermal - deductions Form 6251 G Contributions (100%) F Other AMT items н Investment interest expense Form 4952, line 1 Tax-exempt income and nondeductible expenses Deductions - royalty income Schedule E. line 19 Form 1040, line 8b A Tax-exempt interest income See the Partner's Instructions J Section 59(e)(2) expenditures **B** Other tax-exempt income See the Partner's Instructions K Deductions — portfolio (2% floor) Schedule A, line 23 C Nondeductible expenses See the Partner's Instructions Deductions - portfolio (other) Schedule A. line 28 19 Distributions Amounts paid for medical Schedule A, line 1 or Form 1040, line 29 M A Cash and marketable securities insurance See the Partner's **B** Distribution subject to section 737 **N** Educational assistance benefits See the Partner's Instructions C Other property O Dependent care benefits Form 2441, line 12 Other information Preproductive period expenses See the Partner's Instructions Form 4952, line 4a A Investment income Commercial revitalization deduction from rental real estate activities Q See Form 8582 Instructions **B** Investment expenses Form 4952, line 5 R Pensions and IRAs See the Partner's Instructions Form 4136 Fuel tax credit information Qualified rehabilitation expenditures (other than rental real estate) Reforestation expense deduction See the Partner's Instructions D See the Partner's Instructions See Form 8903 Instructions Т Domestic production activities information Basis of energy property See the Partner's Instructions Qualified production activities income Form 8903, line 7b F Recapture of low-income housing credit (section Employer's Form W-2 wages Form 8903, line 17 Form 8611, line 8 42(j)(5)) W Other deductions G Recapture of low-income housing credit (other) See the Partner's Instructions Form 8611, line 8 14 Self-employment earnings (loss) H Recapture of investment credit Form 4255 **Note.** If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE. Recapture of other credits See the Partner's Instructions Look-back interest - completed A Net earnings (loss) from self-employment Schedule SE, Section A or B long-term contracts See Form 8697 Look-back interest - income **B** Gross farming or fishing income See the Partner's Instructions See Form 8866 forecast method C Gross non-farm income See the Partner's Instructions Dispositions of property with section 179 deductions 15 Credits **A** Low-income housing credit (section 42(j)(5)) from pre-2008 buildings Recapture of section 179 deduction Ν Low-income housing credit (other) from pre-2008 buildings Interest expense for corporate partners В 0 Section 453(I)(3) information Low-income housing credit (section 42(j)(5)) from post-2007 buildings Р Section 453A(c) information See the Partner's O Section 1260(b) information Low-income housing credit (other) from post-2007 buildings See the Partner's Instructions R Interest allocable to production expenditures Ε Qualified rehabilitation expenditures (rental CCF nonqualified withdrawals real estate) Depletion information - oil and gas Other rental real estate credits Amortization of reforestation costs G Other rental credits Unrelated business taxable income Undistributed capital gains credit Form 1040, line 71; check box a W Precontribution gain (loss) Alcohol and cellulosic biofuel fuels credit See the Partner's Instructions X Section 108(i) information Other information

# **TAXABLE YEAR 2011**Member's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

K-1 (568)

	ndar year 2011 or fiscal year beginning			l ending month 06	day 30 year 2012
	identifying number 95	-2232918	LLC's FEIN 26-2	446103	
Member's na	me, address, city, state, and ZIP Code		Secretary of State file n LLC's name, address, city, state	e, and ZIP Code	)3210250
P.O. I	E RANCH WATER DISTRICT BOX 57000 E, CA 92619-7000		IRVINE RANCH WATER SERVICE (P. O. BOX 57000 IRVINE, CA 9261	COMPANY II, LLC	
A What	type of entity is this member? ●		<b>D</b> Member's share of li	abilities:	
(2) [ (3) [ (4) [	S Corporation (6) Limited Partnership (1) Estate/Trust (7) LLP (1) C Corporation (8) LLC	9) IRA/Keogh/SEP 0) X Exempt Organization 1) Disregarded Entity	Qualified nonrecours Other  E Reportable transaction	e financing	• \$ 3,432,203. • \$ \$
C Enter perce regar alloca	member a foreign member? member's ntage (without decrease or termination)  in the member a foreign member?  (i) Before decrease or termination	(ii) End of year	as defined in IR0 (2) Check here if thi (R&TC Sections	s is an investment partn 17955 and 23040.1)	ership
Loss	sharing         %           sharing         %           rship of capital         %	● 99.0000%		K-1 (568) (2) An an aident of California?	
I Analys	s of member's capital account: Check the box •	(1) X Tax Basis (2)	GAAP (3) Sec 704(	b) Book (4) Other (expla	in)
Capital acc	(a) (b) cunt at beginning of year Capital contributed do	uring year Member's sh and line 7 For	(c) are of line 3, line 4, m 568, Schedule M-2	<b>(d)</b> Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)
•	2,069,701. ●	•	514,009. ● (		
Caution:	Refer to Member's Instructions for Sch	edule K-1 (568) before	entering information fro	m this schedule on your	California return.
	(a) Distributive share items	<b>(b)</b> Amounts from federal Schedule K-1 (1065)	( <b>c)</b> California adjustments	(d) Total amounts using Californi law. Combine col. (b) and col. (c) where applicable	(e) California source amounts and credits
	Ordinary income (loss) from trade or business activities	448,265		• 448,265	. ▶
	2 Net income (loss) from rental real estate activities			•	<b>&gt;</b>
	3 Net income (loss) from other rental activities				
	<b>4</b> Guaranteed payments to members	F2 026		• 72.026	
Income	5 Interest income	•	•	• 73,036 •	
(Loss)	7 Royalties.			•	<b>&gt;</b>
	8 Net short-term capital gain (loss)			•	<b>&gt;</b>
	9 Net long-term capital gain (loss)			•	<b>&gt;</b>
	<b>10 a</b> Total Gain under IRC Section 1231 (other than due to casualty or theft)			•	<b>•</b>
	<b>b</b> Total Loss under IRC Section 1231 (other than due to casualty or theft)			•	<b>&gt;</b>
	11 a Other portfolio income (loss). Attach schedule			•	<b>&gt;</b>
	<b>b</b> Total other income. Attach schedule			•	<b>•</b>
	c Total other loss. Attach schedule			•	<b>&gt;</b>

MEMBER 1 CALA0212L 02/16/12

7

IRVINE	E RANCH WATER DISTRICT	4.		1 (1)	26-2446103
	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
	Page 12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
Deduc- ions	13a Charitable contributions				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	<b>2</b> Type of expenditures				
	d Deductions related to portfolio income Attach schedule				
	e Other deductions. Attach schedule				
	<b>15a</b> Total withholding (equals amount on Form 592-B if calendar year LLC)			•	<b>&gt;</b>
	<b>b</b> Low-income housing credit				
Credits	c Credits other than line 15b related to rental real estate activities. Attach schedule				
	<b>d</b> Credits related to other rental activities. Attach schedule				
	e Nonconsenting nonresident member's tax paid by LLC				
	f Other credits — Attach required sched- ules or statements				
	<b>g</b> New jobs credit				
	17a Depreciation adjustment on property placed in service after 1986		29.	-20,454.	
	<b>b</b> Adjusted gain or loss				_
Alter-	<b>c</b> Depletion (other than oil and gas)				
native Viini- num	<b>d</b> Gross income from oil, gas, and geothermal properties				
Tax (AMT) Items	e Deductions allocable to oil, gas, and geothermal properties.      f Other alternative minimum tax items. Attach schedule.				
Tax- exempt Income	18a Tax-exempt interest income.				
and Nonde- ductible	<b>b</b> Other tax-exempt income				
xpenses	C Nondeductible expenses				
Distribu-	19a Distributions of money (cash and marketable securities)	8,805.		8,805.	
tions	<b>b</b> Distributions of property other than money.				
	•	i -			

73,036.

SEE ATTACHED

MEMBER 1: IRVINE RANCH WATER DISTRICT 95-2232918

73,036.

Other Information b Investment expenses.....c Other information. See instructions ....

Other Mo	ember Information					\$\$	
Table 1	<ul> <li>Member's share of nonbusiness</li> </ul>	s income from intangibles (sour	ce of income is d	ependent on residence o	or commercial domicil	le of the member):	
Interest	\$	Sec 1231 Gains/Losses	\$	Cap	oital Gains/Losses	\$	
Dividends	\$	Royalties	\$	Oth	er	\$	
FOR USI	E BY APPORTIONING UNI	TARY MEMBERS ONLY	<ul> <li>See instruct</li> </ul>	tions.			
Table 2	<ul> <li>Member's share of distril</li> </ul>	butive items.					
A Mem	ber's share of the LLC's bu	usiness income. See insti	ructions		\$ <u> </u>		
<b>B</b> Mem	ber's share of nonbusiness	s income from real and ta	angible persor	al property source	d or allocable to	California.	
Capi	tal Gains/Losses	\$		Rents/Royalties	\$		
Sect	ion 1231 Gains/Losses	\$		Other	\$		
C Mem	ber's distributive share of t	the LLC's property, payro	II, and sales:				

	Factors	Total within and outside California	Total within California
Property:	Beginning	\$	\$
	Ending	\$	\$
	Annual rent expense	\$	\$
Payroll		\$	\$
Sales		\$	\$

MEMBER 1: IRVINE RANCH WATER DISTRICT 95-2232918

059 7903114

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Schedule K-1 (568) 2011 **Side 3** 

IRVINE RANCH WATER DISTRICT 26-2446103

SCHEDULE K-1 (FORM 568) 2011 SUPPLEMENTAL INFORMATION (CONTINUED)

PAGE 4

LINE 20C - COLUMN D OTHER INFORMATION

PROPORTIONATE INT. OF AGGREGATE GROSS RECEIPTS \$ 849,468. TOTAL \$ 849,468.

MEMBER 1: IRVINE RANCH WATER DISTRICT 95-2232918

# IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II, LLC P. O. BOX 57000 IRVINE, CA 92619-7000

January 23, 2013

IRVINE RANCH WATER DISTRICT P.O. BOX 57000 IRVINE, CA 92619-7000

RE:

IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II, LLC 26-2446103 Schedule K-1 from Partnership's 2011 Return of Income

Dear IRVINE RANCH WATER DISTRICT:

Enclosed is your 2011 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from IRVINE RANCH WATER DISTRICT. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2011 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

IRVINE RANCH WATER DISTRICT

Enclosure(s)

	20	111	F	inal K-1		Amended	K-1	OMB No. 1545-0099
	10CE)	011	Pa	art III	Partner's	Share of C	urre	ent Year Income,
•	rm 1065) For calendar year 2011		_	0 1:			_	d Other Items
Depai Intern	rtment of the Treasury year beginning 7/0 lal Revenue Service ending 6/3		1	Ordina	ry business i	income (loss) 4,528.	15	Credits
Рa	rtner's Share of Income, Deductio		2	Net renta	al real estate inc			
	edits, etc. See separate ins	*						
	See Separate IIIs	tructions.	3	Other r	net rental inc	come (loss)	16	Foreign transactions
P	art I Information About the Partnersh	ip	4	Guaran	nteed payme	nts		
Α	Partnership's employer identification number		·	addiai	ntoda paymo	1110		
	26-2446103		5	Interest	income			
В	Partnership's name, address, city, state, and ZIP of	code				738.		
	IRVINE RANCH WATER DISTRICT		6a	Ordina	ry dividends			
	WATER SERVICE COMPANY II, LLC P. O. BOX 57000		6b	Qualifie	ed dividends			
	IRVINE, CA 92619-7000							
С	IRS Center where partnership filed return OGDEN, UT		7	Royalti	es			
			8	Not short	t-term capital ga	ain (loss)		
D	Check if this is a publicly traded partnership (F	PTP)	0	INCL SHOLL	i-leiiii capilai ya	alli (1055)		
Р	art II Information About the Partner		9a	Net Ion	ıg-term capit	al gain (loss)	17	Alternative minimum tax (AMT) items
_							<u>A</u>	
E	Partner's identifying number 91–1874346		9b	Collect	ibles (28%)	gain (loss)		
F	Partner's name, address, city, state, and ZIP code		9 c	Unreca	ntured section	on 1250 gain		
				0111000	prai ou oooti.	ooo ga		
	IRVINE RANCH WATER DISTRICT		10	Net sed	ction 1231 ga	ain (loss)	18	Tax-exempt income and
	P.O. BOX 57000 IRVINE, CA 92619-7000			011				nondeductible expenses
G	X General partner or LLC Limited par	tner or other	11	Other i	ncome (loss)	)		
	member-manager LLC memb	er						
Н	X Domestic partner Foreign pa	rtner	L	<u> </u>				
ı	What type of entity is this partner? EXEMPT OR	G.						
-			12	Castian	170 dad		19	Distributions
J	Partner's share of profit, loss, and capital (see ins <b>Beginning</b> E	tructions): nding	12	Section	n 179 deduct	.1011	<u>A</u>	<u>89</u> .
	Profit 1 %	1 %	13	Other of	deductions			
	Loss 1 %	1 %					20	Other information
	Capital 1 %	1 %						720
k	Partner's chare of liabilities at year and						<u>A</u>	<u>738.</u>
r.	Partner's share of liabilities at year end:  Nonrecourse\$	34,669.						
	Qualified nonrecourse financing \$	,	14	Self-en	nployment ea	arnings (loss)		
	Recourse\$							
L	Partner's capital account analysis:							
	Beginning capital account \$	20,162.	*S	ee atta	ched state	ement for a	ddit	ional information.
	Capital contributed during the year \$	F 102	F					
	Current year increase (decrease) \$ Withdrawals and distributions \$ (	5,192. 89.)	O R					
	Ending capital account \$	25,265.	I R S					
		704(b) book	S U					
	Other (explain)	, o-t(n) nook	S E					
M	Did the partner contribute property with a built-in g	jain or loss?	O					
	Yes X No		L Y					
	If 'Yes', attach statement (see instructions)							

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. **Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows. Code Report on Work opportunity credit Report on K Disabled access credit See the Partner's Instructions Passive loss Empowerment zone and renewal community Passive income Schedule E. line 28, column (a) employment credit See the Partner's Nonpassive loss Schedule E, line 28, column (h) Credit for increasing research activities Nonpassive income Schedule E, line 28, column (j) Credit for employer social security and Medicare taxes Net rental real estate income (loss) See the Partner's Instructions Other net rental income (loss) O Backup withholding Form 1040 line 62 Schedule E. line 28, column (a) P Other credits See the Partner's Instructions Net loss See the Partner's Instructions 16 Foreign transactions **Guaranteed payments** Schedule E, line 28, column (j) A Name of country or U.S. possession Interest income Form 1040, line 8a **B** Gross income from all sources Form 1116, Part I Form 1040, line 9a 6a Ordinary dividends Gross income sourced at partner level 6b Qualified dividends Form 1040, line 9b Foreign gross income sourced at partnership level Royalties Schedule F line 3h **D** Passive category 8 Net short-term capital gain (loss) Schedule D, line 5 Ε General category Form 1116, Part I 9 a Net long-term capital gain (loss) Schedule D, line 12 Other 28% Rate Gain Worksheet, line 4 (Schedule D Instructions) 9 b Collectibles (28%) gain (loss) Deductions allocated and apportioned at partner level G Interest expense Form 1116, Part I 9 C Unrecaptured section 1250 gain See the Partner's Instructions Form 1116, Part I 10 Net section 1231 gain (loss) See the Partner's Instructions Deductions allocated and apportioned at partnership level to 11 Other income (loss) foreign source income Code Passive category A Other portfolio income (loss) See the Partner's Instructions General category Form 1116, Part I **B** Involuntary conversions See the Partner's Instructions K Other C Section 1256 contracts and straddles Form 6781, line 1 Other information **D** Mining exploration costs recapture See Pub 535 Form 1116, Part II Total foreign taxes paid E Cancellation of debt Form 1040, line 21 or Form 982 M Total foreign taxes accrued Form 1116, Part II See the Partner's Instructions Other income (loss) Form 1116, line 12 Reduction in taxes available for credit Section 179 deduction See the Partner's Instructions Foreign trading gross receipts O Form 8873 Other deductions Extraterritorial income exclusion Form 8873 A Cash contributions (50%) Q Other foreign transactions See the Partner's Instructions B Cash contributions (30%) Alternative minimum tax (AMT) items C Noncash contributions (50%) A Post-1986 depreciation adjustment See the Partner's D Noncash contributions (30%) **B** Adjusted gain or loss See the Partner's Capital gain property to a 50% organization (30%) Ε С Depletion (other than oil & gas) Instructions and Oil, gas, & geothermal - gross income the Instructions for Capital gain property (20%) Oil, gas, & geothermal - deductions Form 6251 G Contributions (100%) F Other AMT items н Investment interest expense Form 4952, line 1 Tax-exempt income and nondeductible expenses Deductions - royalty income Schedule E. line 19 Form 1040, line 8b A Tax-exempt interest income See the Partner's Instructions J Section 59(e)(2) expenditures **B** Other tax-exempt income See the Partner's Instructions K Deductions — portfolio (2% floor) Schedule A, line 23 C Nondeductible expenses See the Partner's Instructions Deductions - portfolio (other) Schedule A. line 28 19 Distributions Amounts paid for medical Schedule A, line 1 or Form 1040, line 29 M A Cash and marketable securities insurance See the Partner's **B** Distribution subject to section 737 **N** Educational assistance benefits See the Partner's Instructions C Other property O Dependent care benefits Form 2441, line 12 Other information Preproductive period expenses See the Partner's Instructions Form 4952, line 4a A Investment income Commercial revitalization deduction from rental real estate activities Q See Form 8582 Instructions **B** Investment expenses Form 4952, line 5 R Pensions and IRAs See the Partner's Instructions Form 4136 Fuel tax credit information Qualified rehabilitation expenditures (other than rental real estate) Reforestation expense deduction See the Partner's Instructions D See the Partner's Instructions See Form 8903 Instructions Т Domestic production activities information Basis of energy property See the Partner's Instructions Qualified production activities income Form 8903, line 7b F Recapture of low-income housing credit (section Employer's Form W-2 wages Form 8903, line 17 Form 8611, line 8 42(j)(5)) W Other deductions G Recapture of low-income housing credit (other) See the Partner's Instructions Form 8611, line 8 14 Self-employment earnings (loss) H Recapture of investment credit Form 4255 **Note.** If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE. Recapture of other credits See the Partner's Instructions Look-back interest - completed A Net earnings (loss) from self-employment Schedule SE, Section A or B long-term contracts See Form 8697 Look-back interest - income **B** Gross farming or fishing income See the Partner's Instructions See Form 8866 forecast method C Gross non-farm income See the Partner's Instructions Dispositions of property with section 179 deductions 15 Credits **A** Low-income housing credit (section 42(j)(5)) from pre-2008 buildings Recapture of section 179 deduction Ν Low-income housing credit (other) from pre-2008 buildings Interest expense for corporate partners В 0 Section 453(I)(3) information Low-income housing credit (section 42(j)(5)) from post-2007 buildings Р Section 453A(c) information See the Partner's O Section 1260(b) information Low-income housing credit (other) from post-2007 buildings See the Partner's Instructions R Interest allocable to production expenditures Ε Qualified rehabilitation expenditures (rental CCF nonqualified withdrawals real estate) Depletion information - oil and gas Other rental real estate credits Amortization of reforestation costs G Other rental credits Unrelated business taxable income Undistributed capital gains credit Form 1040, line 71; check box a W Precontribution gain (loss) Alcohol and cellulosic biofuel fuels credit See the Partner's Instructions X Section 108(i) information Y Other information

# **TAXABLE YEAR 2011**Member's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

K-1 (568)

For caler	ndar year 2011 or fiscal year beginning	month 07 day	01 year 2011, and	d ending month 06	day 30 year 2012
		-1874346	LLC's FEIN 26-2	2446103	
Member's na	me, address, city, state, and ZIP Code		Secretary of State file		3210250
			LLC's name, address, city, stat	e, and ZIP Code	
	E RANCH WATER DISTRICT BOX 57000	1	IRVINE RANCH WATER SERVICE (P. O. BOX 5700)	COMPANY II, LLC	
IRVINE	E, CA 92619-7000		IRVINE, CA 926	19-7000	
A What	type of entity is this member? ●		<b>D</b> Member's share of I		
(1)	Individual (5) General Partnership (5)	9) IRA/Keogh/SEP	Nonrecourse		\$ 34,669.
(2)	S Corporation (6) Limited (10	Exempt Organization		se financing	
(3)	Estate/Trust (7)   LLP (1:	- Organization	Other		\$
` ` _		Disregarded Entity	E Reportable transact	on or tax shelter	
(4) L	C Corporation (8) LLC member a foreign member?	• Yes X No		(s)	
	member's	Tes Zivo	<b>F (1)</b> Check here if th as defined in IR	is is a publicly traded part C Section 469(k)(2)	nership
regard	ntage (without dispectations) of:  (i) Before decrease or termination	(ii) End of year	(2) Check here if th	is is an investment partne 17955 and 23040.1)	rship
Profit	sharing	1.0000 %	<b>G</b> Check here if this is	: ●	
Loss	sharing         %           sharing         %	1.0000 %	(1) A final Schedul	e K-1 (568) <b>(2)</b> An am	ended Schedule K-1 (568)
Owne	rship of capital %	• <u>1.0000</u> %	H Is this member a re-	sident of California?	• X Yes ► No
				(I) D   (I)   O    (   I)	`
I Analysi	s of member's capital account: Check the box (b)	(1) X Tax Basis (2)	GAAP (3) Sec 704	(b) Book (4) Other (explain	(e)
Capital acco	ount at beginning of year Capital contributed du	ring year Member's sha and line 7 Form	are of line 3, line 4, n 568, Schedule M-2		Capital account at end of year, combine column (a) through column (d)
•	20,162.	•	5,192. ● (	89.)	25,265.
Caution:	Refer to Member's Instructions for Sche	dule K-1 (568) before		* 1	
	<b>(a)</b> Distributive share items	<b>(b)</b> Amounts from federal Schedule K-1 (1065)	<b>(c)</b> California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c) where applicable	(e) California source amounts and credits
	Ordinary income (loss) from trade or business activities	4,528.		• 4,528.	<b>&gt;</b>
		1,520.		1,320.	
	2 Net income (loss) from rental real estate activities			•	<b>&gt;</b>
	3 Net income (loss) from other rental activities				
	<b>4</b> Guaranteed payments to members			•	<b>&gt;</b>
Income	5 Interest income	738.		• 738.	<b>&gt;</b>
(Loss)	6 Dividends			•	<b>&gt;</b>
	<b>7</b> Royalties			•	<b>&gt;</b>
	8 Net short-term capital gain (loss)			•	
	9 Net long-term capital gain (loss)				
	<b>10a</b> Total Gain under IRC Section 1231 (other than due to casualty or theft)			•	<b>&gt;</b>
	<b>b</b> Total Loss under IRC Section 1231 (other than due to casualty or theft)			•	<b>&gt;</b>
	11 a Other portfolio income (loss). Attach schedule			•	<b>&gt;</b>
	<b>b</b> Total other income. Attach schedule			•	<b>&gt;</b>
	c Total other loss. Attach schedule			•	<b>&gt;</b>

MEMBER 2 CALA0212L 02/16/12

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IRVINE	E RANCH WATER DISTRICT				26-2446103
	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	<b>(c)</b> California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268).				
Deduc- tions	13a Charitable contributions				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income Attach schedule				
	e Other deductions. Attach schedule				
	<b>15a</b> Total withholding (equals amount on Form 592-B if calendar year LLC)			•	<b>&gt;</b>
	<b>b</b> Low-income housing credit				
Credits	c Credits other than line 15b related to rental real estate activities. Attach schedule.				
	d Credits related to other rental activities. Attach schedule				
	e Nonconsenting nonresident member's tax paid by LLC				
	f Other credits — Attach required schedules or statements				
	17a Depreciation adjustment on property				
	placed in service after 1986	-207.		-207.	
	b Adjusted gain or loss				
Alter- native Mini-	d Gross income from oil, gas, and geothermal properties				
mum Tax	e Deductions allocable to oil, gas,				
(AMT) Items	and geothermal properties  f Other alternative minimum tax items. Attach				
Tax-	schedule				
exempt Income and	18a Tax-exempt interest income				
Nonde- ductible	<b>b</b> Other tax-exempt income				
Expenses	C Nondeductible expenses				
Distribu-	19a Distributions of money (cash and marketable securities)	89.		89.	
tions	<b>b</b> Distributions of property other than money.				
Other	20 a Investment income	738.		738.	
Informa- tion	<b>b</b> Investment expenses			GDD 2	
	<b>c</b> Other information. See instructions	1		SEE ATTACHED	

91-1874346 MEMBER 2: IRVINE RANCH WATER DISTRICT

Other I	Member Information						
Table 1	I — Member's share of nonbusines	s income from intangibles (sour	ce of income is	dependent on residence or	commercial domicil	le of the member):	
Interest	\$	Sec 1231 Gains/Losses	\$	Capi	tal Gains/Losses	\$	
Dividend	s \$	Royalties	\$	Othe	r	\$	
FOR U	SE BY APPORTIONING UNI	TARY MEMBERS ONLY	– See instru	ctions.			
Table 2	2 - Member's share of distri	butive items.					
A Mei	mber's share of the LLC's bu	usiness income. See inst	ructions		\$		
<b>B</b> Mei	mber's share of nonbusiness	s income from real and to	angible perso	onal property sourced	or allocable to	California.	
Cap	pital Gains/Losses	\$		Rents/Royalties	\$		
Sec	ction 1231 Gains/Losses	\$		Other	\$		
C Mei	mher's distributive share of t	the LLC's property payro	ll and sales			<u>-</u>	

Factors	Total within and outside California	Total within California
Property: Beginning	\$	\$
Ending	\$	\$
Annual rent expense	\$	\$
Payroll	\$	\$
Sales	\$	\$

MEMBER 2: IRVINE RANCH WATER DISTRICT 91-1874346

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Schedule K-1 (568) 2011 **Side 3** 

IRVINE RANCH WATER DISTRICT 26-2446103

SCHEDULE K-1 (FORM 568) 2011 SUPPLEMENTAL INFORMATION (CONTINUED)

PAGE 4

LINE 20C - COLUMN D OTHER INFORMATION

PROPORTIONATE INT. OF AGGREGATE GROSS RECEIPTS \$ 8,580. TOTAL \$ 8,580.

MEMBER 2: IRVINE RANCH WATER DISTRICT 91-1874346