



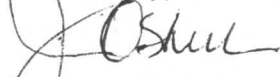
KINNEY MANAGEMENT SERVICES

Dear Client,

Enclosed are the 2015 tax returns for the Federal and State agencies for your Association, which we have prepared on your behalf. To file on a timely basis and to avoid penalties or interest charges, you must mail the forms to the appropriate agencies by the due dates listed on the attached instructions. Please be aware that the ***due date for the Federal return is Tuesday, March 15th 2016.*** We have enclosed envelopes that are stamped and addressed for your convenience.

There are three copies of each form; an original to be mailed directly to the agency, a copy to keep for your records and a copy to return to Kinney Management. After you have signed all of the copies, please return our copy in the enclosed envelope so that we may maintain a complete tax file for your Association. If you have any questions, please do not hesitate to contact our office.

Sincerely,



Joanne Osheel
Kinney Management Services

Enclosures

Instructions for Signing Tax Returns

Please review all forms carefully and notify us immediately if there are any inaccuracies. Please be sure to return a signed copy of each form to our office in the enclosed envelope.

Form 1120-H U.S. Income Tax Return

Signing: *Any Officer may sign the bottom of the form.*

Address: Internal Revenue Service
Ogden, UT 84201-0012

Payment: If there is any payment due, we will **deposit** the Funds directly via EFTPS per IRS instructions.

Due Date: Return is due Tuesday, March 15, 2016.

Form 120A Arizona Income Tax Return

Signing: *Any Officer may sign*

Address: Arizona Department of Revenue
P.O. Box 29079
Phoenix, Arizona 85038-9079

Payment: A check is **attached** to the return

Due Date: Return is due Friday, April 15, 2016

State of Arizona Corporation Commission

ACC reports are now due based on the month the Corporation was originally formed in. Please look for your report to be sent under separate cover at east 2-3 weeks prior to this new due date.

**U.S. Income Tax Return
for Homeowners Associations**

2015

Department of the Treasury
Internal Revenue Service

Information about Form 1120-H and its separate instructions is at www.irs.gov/form1120h.

For calendar year 2015 or tax year beginning , 2015, and ending , 20

TYPE OR PRINT	Name FESTIVAL HOMEOWNERS ASSOCIATION	Employer identification number 86-0728320
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 25466	Date association formed
	City or town, state or province, country, and ZIP or foreign postal code TEMPE, ARIZONA 85285-5466	
		CLIENT'S COPY

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

A Check type of homeowners association: <input type="checkbox"/> Condominium management association <input checked="" type="checkbox"/> Residential real estate association <input type="checkbox"/> Timeshare association		
B Total exempt function income. Must meet 60% gross income test (see instructions)	B	115156 00
C Total expenditures made for purposes described in 90% expenditure test (see instructions)	C	81893 83
D Association's total expenditures for the tax year (see instructions)	D	82967 83
E Tax-exempt interest received or accrued during the tax year	E	

Gross Income (excluding exempt function income)

1 Dividends	1		
2 Taxable interest	2	205	82
3 Gross rents	3		
4 Gross royalties	4		
5 Capital gain net income (attach Schedule D (Form 1120))	5		
6 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6		
7 Other income (excluding exempt function income) (attach statement)	7		
8 Gross income (excluding exempt function income). Add lines 1 through 7	8	205	82

Deductions (directly connected to the production of gross income, excluding exempt function income)

9 Salaries and wages	9		
10 Repairs and maintenance	10		
11 Rents	11		
12 Taxes and licenses	12	50	00
13 Interest	13		
14 Depreciation (attach Form 4562)	14		
15 Other deductions (attach statement)	15	1074	00
16 Total deductions. Add lines 9 through 15	16	1124	00
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17	-918	18
18 Specific deduction of \$100	18	\$100	00

Tax and Payments

19 Taxable income. Subtract line 18 from line 17	19	-1018	18
20 Enter 30% of line 19. (Timeshare associations, enter 32% of line 19.)	20	0	00
21 Tax credits (see instructions)	21		
22 Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	22	0	00
23 a 2014 overpayment credited to 2015 23a			
b 2015 estimated tax payments 23b			
c Total 23c			
d Tax deposited with Form 7004 23d			
e Credit for tax paid on undistributed capital gains (attach Form 2439) 23e			
f Credit for federal tax paid on fuels (attach Form 4136) 23f			
g Add lines 23c through 23f 23g	23g	0	00
24 Amount owed. Subtract line 23g from line 22 (see instructions)	24	0	00
25 Overpayment. Subtract line 22 from line 23g	25		
26 Enter amount of line 25 you want: Credited to 2016 estimated tax 26	26		

Sign Here

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

Signature of officer _____ Date _____ Title _____

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

Paid Preparer Use Only

Print/Type preparer's name JOANNE OSHEEL	Preparer's signature <i>J Osheel</i>	Date 2/4/16	Check <input type="checkbox"/> if self-employed	PTIN P01292917
Firm's name KINNEY MANAGEMENT SERVICES	Firm's EIN 86-0524675	Phone no. 480-820-3451		
Firm's address P.O. BOX 25466 TEMPE, AZ 85285-5466				

2015 US INCOME TAX RETURN

1120-H

DETAIL SHEET

DEDUCTIONS

15. Other Deductions	
Management/Accounting Fees	799.00
Tax Preparation	275.00

For the calendar year 2015 or fiscal year beginning 12.01.15 and ending 12.01.15

Business Telephone Number (with area code)	Name FESTIVAL HOMEOWNERS ASSOCIATION	Employer Identification Number (EIN) 86-0728320
(480) 820-3451	Address – number and street or PO Box	
Business Activity Code (from federal Form 1120)	P.O. BOX 25466	State ZIP Code
813990	TEMPE	AZ 85285-5466

CHECK BOX IF return filed under extension:
 82 82F

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.

88

81 PM **66** RCVD

68 Check box if: This is a first return Name change Address change

A Is FEDERAL return filed on a consolidated basis? Yes No
 If "Yes", list EIN of common parent from consolidated return
NOTE: Use Form 120 to file an ARIZONA consolidated return.
 Taxpayers **cannot** use Form 120A to file an Arizona consolidated return.

B Is this the corporation's final ARIZONA return under this EIN? Yes No
 If "Yes", check one: Dissolved Withdrawn Merged/Reorganized
 List EIN of the successor corporation, if any

Arizona Taxable Income Computation

1 Taxable income per included federal return.....	1	-1,018	00
2 Additions to taxable income from page 2, Schedule A, line A8.....	2	150	00
3 Total taxable income: Add lines 1 and 2	3	-868	00
4 Subtractions from taxable income from page 2, Schedule B, line B11	4	0	00
5 Adjusted income: Subtract line 4 from line 3	5	-868	00
6 Arizona basis net operating loss carryforward: Include computation schedule	6	0	00
7 Arizona taxable income: Subtract line 6 from line 5.....	7	-868	00

Arizona Tax Liability Computation

8 Enter tax: Tax is 6.0 percent of line 7 or fifty dollars (\$50), whichever is greater.....	8	50	00
9 Tax from recapture of tax credits from Arizona Form 300, Part 2, line 31.....	9	0	00
10 Subtotal: Add lines 8 and 9.....	10	50	00
11 Nonrefundable tax credits from Arizona Form 300, Part 2, line 56.....	11	0	00
12 Credit type: Enter form number for each nonrefundable credit used: <input checked="" type="checkbox"/> 12 <u>3</u> <u>3</u> <u>3</u> <u>3</u>	12		
13 Tax liability: Subtract line 11 from line 10.....	13	50	00

Tax Payments

14 Refundable tax credits: Check box(es) and enter amount: <input checked="" type="checkbox"/> 14 <input type="checkbox"/> 308 <input type="checkbox"/> 342 <input type="checkbox"/> 349	14	00	
15 Extension payment made with Form 120EXT or online: See instructions.....	15	00	
16 Estimated tax payments: See instructions.....	16	00	
17 Total payments: See instructions.....	17	0	00

Computation of Total Due or Overpayment

18 Balance of tax due: If line 13 is larger than line 17, enter balance of tax due. Skip line 19.....	18	50	00
19 Overpayment of tax: If line 17 is larger than line 13, enter overpayment of tax.....	19	0	00
20 Penalty and interest.....	20	0	00
21 Estimated tax underpayment penalty: If Form 220 is included, check box..... <input type="checkbox"/> 21A	21	0	00
22 TOTAL DUE: See instructions..... Non-EFT payment must accompany return	22	50	00
23 OVERPAYMENT: See instructions.....	23	0	00
24 Amount of line 23 to be applied to 2016 estimated tax.....	24	0	00
25 Amount to be refunded: Subtract line 24 from line 23	25	0	00

Continued on page 2 →

Name (as shown on page 1) **FESTIVAL HOMEOWNERS ASSOCIATION** EIN **86-0728320**

SCHEDULE A Additions to Taxable Income

A1	Total federal depreciation.....	A1		00
A2	Taxes based on income paid to any state (INCLUDING ARIZONA), local governments or foreign governments	A2	50	00
A3	Interest on obligations of other states, foreign countries, or political subdivisions	A3		00
A4	Special deductions claimed on federal return.....	A4	100	00
A5	Federal net operating loss deduction claimed on federal return.....	A5		00
A6	Additions related to Arizona tax credits: Include detailed schedule.....	A6		00
A7	Other additions to federal taxable income: Include detailed schedule.....	A7		00
A8	Total: Add lines A1 through A7. Enter the total here and on page 1, line 2.....	A8	150	00

SCHEDULE B Subtractions From Taxable Income

B1	Recalculated Arizona depreciation: See instructions.....	B1		00
B2	Basis adjustment for property sold or otherwise disposed of during the taxable year: See instructions	B2		00
B3	Adjustment for IRC § 179 expense not allowed.....	B3		00
B4	Dividends received from 50% or more controlled domestic corporations.....	B4		00
B5	Foreign dividend gross-up.....	B5		00
B6	Dividends received from foreign corporations	B6		00
B7	Interest on U.S. obligations.....	B7		00
B8	Agricultural crops charitable contribution.....	B8		00
B9	Expenses related to certain federal tax credits listed on the instructions: Include detailed schedule.....	B9		00
B10	Other subtractions from federal taxable income: Include detailed schedule	B10		00
B11	Total: Add lines B1 through B10. Enter the total here and on page 1, line 4.....	B11		00

SCHEDULE C Additional Information

C1 Date business began in Arizona: _____

C2 Address at which tax records are located for audit purposes: Number/Street: c/o Kinney Management Services - 6303 S Rural Rd
 City: Tempe State: AZ ZIP Code: 85283

C3 The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorizes the disclosure of confidential information to this individual. (See instructions.)
 Name: Joanne Osheel Phone Number: (480) 820-3451
 Title: Management Agent (Area Code)

C4 List prior taxable years for which a federal examination has been finalized:
N/A

NOTE: A.R.S. § 43-327 requires the taxpayer, within ninety days after final determination, to report these changes under separate cover to the Arizona Department of Revenue or to file amended returns reporting these changes. (See instructions.)

C5 Amount of Arizona taxable income for prior taxable year (2014 Form 120A, line 7) \$ -884.00

C6 Indicate tax accounting method: Cash Accrual Other (Specify method.) _____

The following declaration must be signed by one or more of the following officers: president, treasurer, or any other principal officer.

Declaration Under penalties of perjury, I(we), the undersigned officer(s) authorized to sign this return, declare that I(we) have examined this return, including the accompanying schedules and statements, and to the best of my(our) knowledge and belief, it is a true, correct and complete return, made in good faith, for the taxable year stated pursuant to the income tax laws of the State of Arizona.

Please Sign Here

OFFICER'S SIGNATURE _____ DATE _____ TITLE _____

OFFICER'S SIGNATURE _____ DATE _____ TITLE _____

Paid Preparer's Use Only

PAID PREPARER'S SIGNATURE J Osheel DATE 2/4/16 P01292917 PAID PREPARER'S PTIN
KINNEY MANAGEMENT SERVICES 86-0524675 FIRM'S EIN OR SSN
 FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED)
P.O. BOX 25466 (480) 820-3451 FIRM'S TELEPHONE NUMBER
 FIRM'S STREET ADDRESS
TEMPE AZ 85285-5466 FIRM'S TELEPHONE NUMBER
 CITY STATE ZIP CODE

Mail to: Arizona Department of Revenue, PO Box 29079, Phoenix, AZ 85038-9079

**U.S. Income Tax Return
for Homeowners Associations**

2015

Department of the Treasury
Internal Revenue Service

▶ **Information about Form 1120-H and its separate instructions is at www.irs.gov/form1120h.**

For calendar year 2015 or tax year beginning , 2015, and ending , 20

TYPE OR PRINT	Name FESTIVAL HOMEOWNERS ASSOCIATION	Employer identification number 86-0728320
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 25466	Date association formed
	City or town, state or province, country, and ZIP or foreign postal code TEMPE, ARIZONA 85285-5466	

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

A	Check type of homeowners association: <input type="checkbox"/> Condominium management association <input checked="" type="checkbox"/> Residential real estate association <input type="checkbox"/> Timeshare association		
B	Total exempt function income. Must meet 60% gross income test (see instructions)	115156	00
C	Total expenditures made for purposes described in 90% expenditure test (see instructions)	81893	83
D	Association's total expenditures for the tax year (see instructions)	82967	83
E	Tax-exempt interest received or accrued during the tax year		

Gross Income (excluding exempt function income)

1	Dividends			
2	Taxable interest	205		82
3	Gross rents			
4	Gross royalties			
5	Capital gain net income (attach Schedule D (Form 1120))			
6	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			
7	Other income (excluding exempt function income) (attach statement)			
8	Gross income (excluding exempt function income). Add lines 1 through 7	205		82

Deductions (directly connected to the production of gross income, excluding exempt function income)

9	Salaries and wages			
10	Repairs and maintenance			
11	Rents			
12	Taxes and licenses	50		00
13	Interest			
14	Depreciation (attach Form 4562)			
15	Other deductions (attach statement)	1074		00
16	Total deductions. Add lines 9 through 15	1124		00
17	Taxable income before specific deduction of \$100. Subtract line 16 from line 8	-918		18
18	Specific deduction of \$100	\$100		00

Tax and Payments

19	Taxable income. Subtract line 18 from line 17			
20	Enter 30% of line 19. (Timeshare associations, enter 32% of line 19.)	-1018		18
21	Tax credits (see instructions)	0		00
22	Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	0		00
23	a 2014 overpayment credited to 2015	23a		
	b 2015 estimated tax payments	23b		
	c Total ▶	23c		
	d Tax deposited with Form 7004	23d		
	e Credit for tax paid on undistributed capital gains (attach Form 2439)	23e		
	f Credit for federal tax paid on fuels (attach Form 4136)	23f		
	g Add lines 23c through 23f	23g	0	00
24	Amount owed. Subtract line 23g from line 22 (see instructions)	0		00
25	Overpayment. Subtract line 22 from line 23g			
26	Enter amount of line 25 you want: Credited to 2016 estimated tax ▶ Refunded ▶			

Sign Here

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

Signature of officer

Date

Title

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

Paid Preparer Use Only

Print/Type preparer's name

JOANNE OSHEEL

Preparer's signature



Date

2/4/16

Check if self-employed

PTIN

P01292917

Firm's name ▶ **KINNEY MANAGEMENT SERVICES**

Firm's EIN ▶ **86-0524675**

Firm's address ▶ **P.O. BOX 25466 TEMPE, AZ 85285-5466**

Phone no. **480-820-3451**

2015 US INCOME TAX RETURN

1120-H

DETAIL SHEET

DEDUCTIONS

15. Other Deductions	
Management/Accounting Fees	799.00
Tax Preparation	275.00