

KINNEY MANAGEMENT SERVICES

Dear Client,

Enclosed are the 2016 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 Wednesday, March* 15th 2017. 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,

Jøanne 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 Wednesday, March 15, 2017.

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 Tuesday, April 18, 2017

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

OMB No. 1545-0123

Department of the Treasury Internal Revenue Service

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

For ca	lendar	year 2016 or tax year beginning , 2016, and	ending		, 20	_
	Nan		Employer identification	n number	,	_
	FFS	TIVAL HOMEOWNERS ASSOCIATION	36-0728320			
TYPE		aber, street, and room or suite no. If a P.O. box, see instructions.	d		_	
OR PRIN	T PO	BOX 25466			a saud	
FRIN	City	or town, state or province, country, and ZIP or foreign postal code	CLIE	NT'S CO	JPX	
1			Ame		فكسيمتن	
Check		IPE, ARIZONA 85285-5466 1) ☐ Final return (2) ☐ Name change (3) ☐ Add		(4)	A	_
			ress change		Amended return	_
A		type of homeowners association: Condominium management association 📝 Residual Resid			neshare association	1
В	Total	exempt function income. Must meet 60% gross income test. See instruction	ons	В	122845 1	17
С	lotal	expenditures made for purposes described in 90% expenditure test. See	instructions	C	88862 4	49
D	Assoc	iation's total expenditures for the tax year. See instructions		D	89935 4	49
E	Tax-e	kempt interest received or accrued during the tax year		E		
		Gross Income (excluding exempt function		<		
1	Divide	nds		1		
2	Taxab	le interest		2	206 8	36
3		rents		3		
4		royalties		4		-
5	Capita	I gain net income (attach Schedule D (Form 1120))		5		-
6	Net as	in or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		6		_
7	Othor	income (excluding exempt function income) (attach statement)		7		
8	Gross	income (excluding exempt function income). Add lines 1 through 7				_
		ductions (directly connected to the production of gross income, e.		8	206 8	6
					come)	_
9		s and wages		9		_
10		s and maintenance		10		_
11				11		_
12	Taxes	and licenses		12	50 00	0
13	Interes	t		13		
14	Depre	ciation (attach Form 4562)		14		
15		deductions (attach statement)		15	1073 00	0
16	Total o	deductions. Add lines 9 through 15		16	1123 00	_
		e income before specific deduction of \$100. Subtract line 16 from line 8.		17	-916 14	_
		c deduction of \$100		18	\$100 00	_
		Tax and Payments		1.0	\$100 00	_
19	Tayah	le income. Subtract line 18 from line 17		19	1016 1	_
		10% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.		20	-1016 14	_
		edits (see instructions)		21	0 00	U
		ax. Subtract line 21 from line 20. See instructions for recapture of certain				_
			credits	22	0 00	0
		5 overpayment credited to 2016 23a				
		6 estimated tax payments . 23b c Total ▶ 23				
		deposited with Form 7004				
		dit for tax paid on undistributed capital gains (attach Form 2439) <u>23</u>				
	f Cre	dit for federal tax paid on fuels (attach Form 4136) 23	3f			
		d lines 23c through 23f		23g	0 00	0
24	Amou	at owed. Subtract line 23g from line 22. See instructions		24	0 00	0
25	Overp	ayment. Subtract line 22 from line 23g		25		
26	Enter a	mount of line 25 you want: Credited to 2017 estimated tax ▶	Refunded I	26		_
	Under	penalties of perjury, I declare that I have examined this return, including accompanying schedules and		st of my knowled	ige and belief, it is true	е,
Sign	correct	and complete. Declaration of preparer (other than taxpayer) is based on all information of which prepared	irer has any knowledge.	May the II	RS discuss this return	7
Here				with the p	reparer shown below?	1
	-	ature of officer Date Title		See instru	ctions. Yes No	J
D-::	3	Print/Type preparer's name Preparer's signature	Date	a	PTIN	=
Paid			2/8/17	Check ☐ if self-employed		
Prepa	irer	JOANNE OSHEEL	1,-1011			-
Use C	nly	Firm's name KINNEY MANAGEMENT SERVICES		Firm's EIN ►	86-0524675	-
F		Firm's address P.O. BOX 25466 TEMPE AZ 85285-5466		Phone no.	480-820-3451 orm 1120-H (2016)	
For Pap	erwork	Reduction Act Notice, see separate instructions. Cat. No.	. 11477H	Fo	mn ZU-	11

2016 US INCOME TAX RETURN

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1120-H

DETAIL SHEET

DEDUCTIONS

15. Other Deductions

Management/Accounting Fees
Tax Preparation

798.00 275.00

	For the ⊠ calend	lar year 2016 or □ fiscal year beginning ∟		.6⊥and ending ∟		. 12.0		
	iness Telephone Number					dentification Number (EIN)		
(with	area code)	FESTIVAL HOMEOWNERS ASSOCIATION 86			6-0728320			
(48	0) 820-3451	Address – number and street or PO Box						
	ness Activity Code	P.O. BOX 25466						
(1101	n federal Form 1120)	City, Town or Post Office			ZIP Code			
	3990	TEMPE			5285-5466			
		use Form 120A to file an Arizona combined	d or consolidated	- percent		der FEDERAL extension:		
re	turn. Use Form 12	0.				using Arizona Extension		
T-2	7			88	Y. DO N	OT MARK IN THIS AREA		
68	Check box if:							
		rn □Name change □Address change						
Α		iled on a consolidated basis?	☐Yes ☒No					
	If "Yes", list EIN of co	ommon parent from consolidated return						
_				81 PM		66 RCVD		
В		n's final ARIZONA return under this EIN?	☐Yes ☒No	011		00		
	If "Yes", check one:							
	Dissolved	☐ Withdrawn ☐ Merged/Reorganized						
	LIST EIN OF THE SUCCE	ssor corporation, if any						
Ari	zona Taxable Inc	ome Computation						
1		federal return			1	-1,016 00		
2		income from page 2, Schedule A, line A8			2	150 00		
3		: Add lines 1 and 2			3	-866 00		
4		kable income from page 2, Schedule B, line B11			4	0 00		
5		ubtract line 4 from line 3			5	-866 00		
6		erating loss carryforward: Include computation sched			6	0 00		
7		me: Subtract line 6 from line 5			7	-866 00		
Ari	zona Tax Liability	y Computation						
8	Enter tax: Tax is 5.5	percent of line 7 or fifty dollars (\$50), whichever	is greater		8	50 00		
9	Tax from recapture o	f tax credits from Arizona Form 300, Part 2, line 31			9	0 00		
10		3 and 9			10	50 00		
11	Nonrefundable tax cr	edits from Arizona Form 300, Part 2, line 56			11	0 00		
12	Credit type:							
			13 13.					
13	Tax liability: Subtract	t line 11 from line 10			13	50 00		
Tax	Payments							
		(A) Dec D	242 🗆 242		44	0 00		
14		ts: Check box(es) and enter amount: 14 308			14	0 00		
15		nade with Form 120EXT or online: See instructions nts: 16a 00 Claim of Right: 16b		Add 16a and 16b	16c	0 00		
16	Estimated tax payme				17	0 00		
17	lotal payments: See	instructions			17	0,00		
Co	mputation of Tota	al Due or Overpayment						
18						50 00		
19						0 00		
20						0 00		
21	Estimated tax underpayment penalty: If Form 220 is included, check box				20	0 00		
22		structions			22	50 00		
23		ee instructions			23	0 00		
24	Amount of line 23 to	be applied to 2017 estimated tax	24	0 00	1			
25	Amount to be refunde	ed: Subtract line 24 from line 23			25	0/00		

Name (as shown on page 1)				w W			
FESTIVAL HOMEOWNERS ASSOCIATION 86-0728320							
COLEDIN	Additions to Touchte Income						
SCHEDULE				0.00			
	deral depreciation			50 00			
	ased on income paid to any state (INCLUDING ARIZONA), local governments or foreign	•		0 00			
	on obligations of other states, foreign countries, or political subdivisions			100 00			
	deductions claimed on federal returnnet operating loss deduction claimed on federal return			0 00			
	s related to Arizona tax credits: Include detailed schedule			0 00			
	ditions to federal taxable income: Include detailed schedule			0 00			
	dd lines A1 through A7. Enter the total here and on page 1, line 2			150 00			
SCHEDULE							
			T 54 T	0 00			
	Recalculated Arizona depreciation: See instructions			0 00			
	, , , , , , , , , , , , , , , , , , , ,			0 00			
	ent for IRC § 179 expense not allowed			0 00			
	Is received from 50% or more controlled domestic corporations		1 1	0 00			
	dividend gross-upls received from foreign corporations			0 00			
				0 00			
	on U.S. obligationsral crops charitable contribution			0 00			
	es related to certain federal tax credits listed on the instructions: Include detailed schedu			0 00			
· ·	btractions from federal taxable income: Include detailed schedule			0 00			
	dd lines B1 through B10. Enter the total here and on page 1, line 4			0 00			
				0,100			
confident Name: , Title: , C4 List prior _N/A _NOTE: A	List prior taxable years for which a federal examination has been finalized:						
	Department of Revenue or to file amended returns reporting these changes. (See instru- of Arizona taxable income for prior taxable year (2015 Form 120A, line 7)		\$	-868 00			
	ax accounting method: 🛛 Cash 🔲 Accrual 🔲 Other (Specify method.)		Ψ	-000100			
	The following declaration must be signed by one or more of the following officers: p	resident treasure	r or any other n	rincinal officer			
Declaration Please		urn, declare that I	(we) have exami	ined this return, ue, correct and			
Sign	OFFICER S SIGNATURE DATE	IIILE					
Here	OFFICER'S SIGNATURE DATE	TITLE					
Paid Preparer's Use	PAID PREPARER'S SIGNATURE KINNEY MANAGEMENT SERVICES FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED)	8 17 F	201292917 AID PREPARER'S 66-0524675 IRM'S ⊠EIN OR				
	P.O. BOX 25466 FIRM'S STREET ADDRESS		480) 820-345				
Only			IRM'S TELEPHON	E NUMBER			
	TEMPE AZ	8	5285-5466				

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

ADOR 10949 (16)

AZ Form 120A (2016)

Form **1120-H**

U.S. Income Tax Return for Homeowners Associations

OMB No. 1545-0123

Department of the Treasury Internal Revenue Service

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

For cal	endar year 2016 or tax year beginning , 2016, and ending		, 20	
	Name Employer identification n	umber		
	FESTIVAL HOMEOWNERS ASSOCIATION 86-	0728320)	
TYPE	Number, street, and room or suite no. If a P.O. box, see instructions. Date association formed			
OR PRINT	P.O. BOX 25466			
PRINT	City or town, state or province, country, and ZIP or foreign postal code			
Olesada	TEMPE, ARIZONA 85285-5466 if: (1)	(4)	Amended ret	turn
Check			Timeshare associa	
A	Check type of homeowners association: Condominium management association 🔽 Residential real estate association			
В	Total exempt function income. Must meet 60% gross income test. See instructions	В	122845	17
	Total expenditures made for purposes described in 90% expenditure test. See instructions	С	88862	49
D	Association's total expenditures for the tax year. See instructions	D	89935	49
E	Tax-exempt interest received or accrued during the tax year	E		
	Gross Income (excluding exempt function income)			
1	Dividends	1		
	Taxable interest	2	206	86
	Gross rents	3		
3	Gross regalties	4		
4	Gross royalties	5		
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)	6		
7	Other income (excluding exempt function income) (attach statement)	7		
8	Gross income (excluding exempt function income). Add lines 1 through 7	8	206	86
	Deductions (directly connected to the production of gross income, excluding exempt fu	nction	income)	
9	Salaries and wages	9		
10	Repairs and maintenance	10		
11	Rents	11		
	Taxes and licenses	12	50	00
		13		
13		14		
14	Depreciation (attach Form 4562)	15	4070	
15	Other deductions (attach statement)		1073	00
16	Total deductions. Add lines 9 through 15	16	1123	
17	Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17	-916	
18	Specific deduction of \$100	18	\$100	00
	Tax and Payments			
19	Taxable income. Subtract line 18 from line 17	19	-1016	14
20	Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20	0	00
	Tax credits (see instructions)	21		
22	Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	22	0	00
	a 2015 overpayment credited to 2016 23a			
23				
	D 2010 Committee tax payment			
	u Tax deposited with Total Tot			
	e Credit for tax paid on undistributed capital gains (attach Form 2439) 23e	55.48		
	f Credit for federal tax paid on fuels (attach Form 4136) 23f	- 00-		
	g Add lines 23c through 23f	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 2017 estimated tax ▶ Refunded ▶			
	Under populties of perium. I declare that I have examined this return, including accompanying schedules and statements, and to the best	of my kno	wledge and belief, it	t is true,
Sign	correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	May th	he IRS discuss this	return
Here			ne preparer shown bustructions. \(\bigverYes \)	
11616	Signature of officer Pate Title	See III	arraotions. Tres	
	Print/Type preparer's name (Preparer's signature Date	Check [7 if PTIN	
Paid	21817	elf-emplo		917
Prepa	JOANNE OSHEEL	irm's EIN		
Use (Pirm's name Kilvine I Walvage WEIV J SERVICES	hone no.	480-820-34	
Firm's address P.O. BOX 25466 TEMPE AZ/85285-5466 Phone no. 480-820-3				

2016 US INCOME TAX RETURN

1120-H

DETAIL SHEET

DEDUCTIONS

15. Other Deductions

Management/Accounting Fees
Tax Preparation

798.00 275.00