



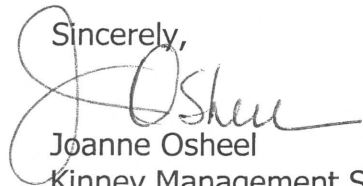
KINNEY MANAGEMENT SERVICES

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,



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 **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**

2016

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 2016 or tax year beginning , 2016, 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: Condominium management association Residential real estate association Timeshare association

B Total exempt function income. Must meet 60% gross income test. See instructions	B	122845	17
C Total expenditures made for purposes described in 90% expenditure test. See instructions	C	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		
2 Taxable interest	2	206	86
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	206	86

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	1073	00
16 Total deductions. Add lines 9 through 15	16	1123	00
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17	-916	14
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
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 2015 overpayment credited to 2016 23a			
b 2016 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	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 26 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 <i>Joanne Osheel</i>	Date 2/8/17	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				

2016 US INCOME TAX RETURN

1120-H

110027810

DETAIL SHEET

DEDUCTIONS

15. Other Deductions	
Management/Accounting Fees	798.00
Tax Preparation	275.00

For the calendar year 2016 or fiscal year beginning 12,0,1,6 and ending 12,0,1,6

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 P.O. BOX 25466	
Business Activity Code (from federal Form 1120)	City, Town or Post Office	State ZIP Code
813990	TEMPE	AZ 85285-5466

IMPORTANT: Do not use Form 120A to file an Arizona combined or consolidated return. Use Form 120.

Check box if return filed under FEDERAL extension:
 82 **82F** Do not check if using Arizona Extension

88

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.

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

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 federal return	1	-1,016	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	-866	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	-866	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	-866	00

Arizona Tax Liability 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 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: 12 <u>3</u> <u>3</u> <u>3</u> <u>3</u>			
13 Tax liability: Subtract line 11 from line 10.....	13	50	00

Tax Payments

14 Refundable tax credits: Check box(es) and enter amount: 14 <input type="checkbox"/> 308 <input type="checkbox"/> 342 <input type="checkbox"/> 349.....	14	0	00
15 Extension payment made with Form 120EXT or online: See instructions.....	15	0	00
16 Estimated tax payments: 16a <u>00</u> Claim of Right: 16b <u>00</u> Add 16a and 16b	16c	0	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..... ^{21A} <input type="checkbox"/>	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 2017 estimated tax..... 24 <u>0</u> <u>00</u>			
25 Amount to be refunded: Subtract line 24 from line 23	25	0	00

Continued on page 2 →

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

2016

Department of the Treasury
Internal Revenue Service

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For calendar year 2016 or tax year beginning , 2016, and ending , 20

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

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Sign Here

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below? See instructions. Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	JOANNE OSHEEL	<i>J Osheel</i>	2/8/17		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				

2016 US INCOME TAX RETURN

1120-H

DETAIL SHEET

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