

**U.S. Corporation Income Tax Return**

For calendar year 2014 or tax year

beginning \_\_\_\_\_, ending \_\_\_\_\_

**Extension Granted to 09/15/15**

**2014**

Department of the Treasury  
Internal Revenue Service

Information about Form 1120 and its separate instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

<b>A</b> Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	<b>TYPE OR PRINT</b>	Name <b>Highlands Condo Association</b>	<b>B</b> Employer identification number <b>20-5310334</b>
		Number, street, and room or suite no. If a P.O. box, see instructions. <b>c/o WEB Properties, P.O. Box 21469</b>	<b>C</b> Date incorporated <b>08/09/2006</b>
		City or town, state, or province, country and ZIP or foreign postal code <b>Spokane, WA 99201</b>	<b>D</b> Total assets (see instructions) \$ <b>0.</b>
		<b>E</b> Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change	

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>	
	<b>b</b> Returns and allowances	<b>1b</b>	
	<b>c</b> Balance. Subtract line 1b from line 1a	<b>1c</b>	
	<b>2</b> Cost of goods sold (attach Form 1125-A)	<b>2</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>3</b>	
	<b>4</b> Dividends (Schedule C, line 19)	<b>4</b>	
	<b>5</b> Interest <b>See Statement 1</b>	<b>5</b>	<b>37.</b>
	<b>6</b> Gross rents	<b>6</b>	
	<b>7</b> Gross royalties	<b>7</b>	
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))	<b>8</b>	
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	<b>9</b>	
<b>10</b> Other income (attach statement) <b>See Statement 2</b>	<b>10</b>	<b>102,795.</b>	
<b>11 Total income.</b> Add lines 3 through 10	<b>11</b>	<b>102,832.</b>	

<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b> Compensation of officers (attach Form 1125-E)	<b>12</b>	
	<b>13</b> Salaries and wages (less employment credits)	<b>13</b>	
	<b>14</b> Repairs and maintenance	<b>14</b>	
	<b>15</b> Bad debts	<b>15</b>	
	<b>16</b> Rents	<b>16</b>	
	<b>17</b> Taxes and licenses	<b>17</b>	
	<b>18</b> Interest	<b>18</b>	
	<b>19</b> Charitable contributions	<b>19</b>	
	<b>20</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	<b>20</b>	
	<b>21</b> Depletion	<b>21</b>	
	<b>22</b> Advertising	<b>22</b>	
	<b>23</b> Pension, profit-sharing, etc., plans	<b>23</b>	
	<b>24</b> Employee benefit programs	<b>24</b>	
	<b>25</b> Domestic production activities deduction (attach Form 8903)	<b>25</b>	
	<b>26</b> Other deductions (attach statement) <b>See Statement 3</b>	<b>26</b>	<b>101,125.</b>
	<b>27 Total deductions.</b> Add lines 12 through 26	<b>27</b>	<b>101,125.</b>
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	<b>28</b>	<b>1,707.</b>
	<b>29a</b> Net operating loss deduction (see instructions)	<b>29a</b>	
<b>b</b> Special deductions (Schedule C, line 20)	<b>29b</b>		
<b>c</b> Add lines 29a and 29b	<b>29c</b>		

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Langenhorst & Self-Merritt, CPAs, P.S.  
(509) 444-6819

<b>Tax, Refundable Credits, and Payments</b>	<b>30 Taxable income.</b> Subtract line 29c from line 28 (see instructions)	<b>30</b>	<b>1,707.</b>
	<b>31</b> Total tax (Schedule J, Part I, line 11)	<b>31</b>	<b>256.</b>
	<b>32</b> Total payments and refundable credits (Schedule J, Part II, line 21)	<b>32</b>	
	<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	<b>33</b>	
	<b>34 Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed <b>Stmt 4 **</b>	<b>34</b>	<b>256.</b>
	<b>35 Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	<b>35</b>	
<b>36</b> Enter amount from line 35 you want: <b>Credited to 2015 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	<b>36</b>		

**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: [Signature] Date: 9/14/15 Title: Property Manager

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

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Jeri Self-Merritt</b>	Preparer's signature <u>[Signature]</u>	Date <u>9-14-15</u>	Check if self-employed <input type="checkbox"/>	PTIN <b>P00048285</b>
	Firm's name <b>Langenhorst &amp; Self-Merritt CPAs, P.S.</b>	Firm's EIN <b>91-1856792</b>		Phone no. <b>509.444.6819</b>	
	Firm's address <b>522 W. Riverside, Suite 750 Spokane, WA 99201</b>				

**Total Balance Due: 268.**

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) .....		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) .....		80	
3 Dividends on debt-financed stock of domestic and foreign corporations .....		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities .....		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities .....		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs .....		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs .....		80	
8 Dividends from wholly owned foreign subsidiaries .....		100	
9 Total. Add lines 1 through 8 .....			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 .....		100	
11 Dividends from affiliated group members .....		100	
12 Dividends from certain FSCs .....		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 .....			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471) .....			
15 Foreign dividend gross-up .....			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 .....			
17 Other dividends .....			
18 Deduction for dividends paid on certain preferred stock of public utilities .....			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 .....			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b .....			

**Schedule J Tax Computation and Payment** (see instructions)

**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))		
2	Income tax. Check if a qualified personal service corporation (see instructions)	▶ <input type="checkbox"/> Stmt 7	
3	Alternative minimum tax (attach Form 4626)		256.
4	Add lines 2 and 3		256.
5a	Foreign tax credit (attach Form 1118)	5a	
5b	Credit from Form 8834 (see instructions)	5b	
5c	General business credit (attach Form 3800)	5c	
5d	Credit for prior year minimum tax (attach Form 8827)	5d	
5e	Bond credits from Form 8912	5e	
6	<b>Total credits.</b> Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	256.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
9b	Recapture of low-income housing credit (attach Form 8611)	9b	
9c	Interest due under the look-back method-completed long-term contracts (attach Form 8697)	9c	
9d	Interest due under the look-back method-income forecast method (attach Form 8866)	9d	
9e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
9f	Other (see instructions - attach statement)	9f	
10	<b>Total.</b> Add lines 9a through 9f	10	
11	<b>Total tax.</b> Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	256.

**Part II - Payments and Refundable Credits**

12	2013 overpayment credited to 2014	12	
13	2014 estimated tax payments	13	
14	2014 refund applied for on Form 4466	14	( )
15	Combine lines 12, 13, and 14	15	
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	<b>Total payments.</b> Add lines 15, 16, and 17	18	
19	Refundable credits from:		
19a	Form 2439	19a	
19b	Form 4136	19b	
19c	Form 8827, line 8c	19c	
19d	Other (attach statement - see instructions)	19d	
20	<b>Total credits.</b> Add lines 19a through 19d	20	
21	<b>Total payments and credits.</b> Add lines 18 and 20. Enter here and on page 1, line 32	21	

**Schedule K Other Information** (see instructions)

1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ <u>531310</u>		
b	Business activity ▶ <u>Homeowners Assn</u>		
c	Product or service ▶ <u>Homeowners Assn</u>		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

**Schedule K** Other Information continued (see instructions)

**5** At the end of the tax year, did the corporation:

- a** Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership, see instructions ..... **X**
- If "Yes," complete (i) through (iv) below.

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

- b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions ..... **X**
- If "Yes," complete (i) through (iv) below.

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

**6** During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) ..... **X**

If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on **Form 851** for each subsidiary.

**7** At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? ..... **X**

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned ▶ \_\_\_\_\_ and (ii) Owner's country ▶ \_\_\_\_\_

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ \_\_\_\_\_

**8** Check this box if the corporation issued publicly offered debt instruments with original issue discount .....

If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

**9** Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ \_\_\_\_\_

**10** Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ \_\_\_\_\_

**11** If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here .....

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

**12** Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ \_\_\_\_\_

**13** Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000? ..... **X**

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash

distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ 0.

**14** Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? ..... **X**

If "Yes," complete and attach Schedule UTP.

**15a** Did the corporation make any payments in 2014 that would require it to file Form(s) 1099? ..... **X**

**b** If "Yes," did or will the corporation file required Forms 1099? ..... **X**

**16** During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock? ..... **X**

**17** During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction? ..... **X**

**18** Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million? ..... **X**

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash .....				
2a Trade notes and accounts receivable .....				
b Less allowance for bad debts .....	( )		( )	
3 Inventories .....				
4 U.S. government obligations .....				
5 Tax-exempt securities .....				
6 Other current assets (att. stmt.) .....				
7 Loans to shareholders .....				
8 Mortgage and real estate loans .....				
9 Other investments (att. stmt.) .....				
10a Buildings and other depreciable assets .....				
b Less accumulated depreciation .....	( )		( )	
11a Depletable assets .....				
b Less accumulated depletion .....	( )		( )	
12 Land (net of any amortization) .....				
13a Intangible assets (amortizable only) .....				
b Less accumulated amortization .....	( )		( )	
14 Other assets (att. stmt.) .....				
15 Total assets .....				
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable .....				
17 Mortgages, notes, bonds payable in less than 1 year .....				
18 Other current liabilities (att. stmt.) .....				
19 Loans from shareholders .....				
20 Mortgages, notes, bonds payable in 1 year or more .....				
21 Other liabilities (att. stmt.) .....				
22 Capital stock: a Preferred stock .....				
b Common stock .....				
23 Additional paid-in capital .....				
24 Retained earnings - Appropriated (attach statement) .....				
25 Retained earnings - Unappropriated .....				
26 Adjustments to shareholders' equity (attach statement) .....				
27 Less cost of treasury stock .....		( )		( )
28 Total liabilities and shareholders' equity .....				

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

Note: The corporation may be required to file Schedule M-3 (see instructions).

1 Net income (loss) per books .....		7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books .....		Tax-exempt interest \$ _____	
3 Excess of capital losses over capital gains .....			
4 Income subject to tax not recorded on books this year (itemize): _____		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation ..... \$ _____	
a Depreciation ..... \$ _____		b Charitable contributions ..... \$ _____	
b Charitable contributions ..... \$ _____			
c Travel and entertainment ..... \$ _____		9 Add lines 7 and 8 .....	
6 Add lines 1 through 5 .....		10 Income (page 1, line 28) - line 6 less line 9 .....	

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1 Balance at beginning of year .....		5 Distributions: a Cash .....	
2 Net income (loss) per books .....		b Stock .....	
3 Other increases (itemize): _____		c Property .....	
		6 Other decreases (itemize): _____	
		7 Add lines 5 and 6 .....	
4 Add lines 1, 2, and 3 .....		8 Balance at end of year (line 4 less line 7) .....	

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

OMB No. 1545-0233

► **File a separate application for each return.**  
 ► Information about Form 7004 and its separate instructions is at [www.irs.gov/form7004](http://www.irs.gov/form7004).

<b>Print or Type</b>	Name <b>Highlands Condo Association</b>	Identifying number <b>20-5310334</b>
	Number, street, and room or suite no. (if P.O. box, see instructions.) <b>c/o WEB Properties, P.O. Box 21469</b>	
	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)). <b>Spokane, WA 99201</b>	

**Note.** File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

**Part I Automatic 5-Month Extension**

**1a** Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	<b>09</b>	Form 1041 (estate other than a bankruptcy estate)	<b>04</b>
Form 8804	<b>31</b>	Form 1041 (trust)	<b>05</b>

**Part II Automatic 6-Month Extension**

**b** Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	<b>01</b>	Form 1120-ND (section 4951 taxes)	<b>20</b>
Form 706-GS(T)	<b>02</b>	Form 1120-PC	<b>21</b>
Form 1041 (bankruptcy estate only)	<b>03</b>	Form 1120-POL	<b>22</b>
Form 1041-N	<b>06</b>	Form 1120-REIT	<b>23</b>
Form 1041-QFT	<b>07</b>	Form 1120-RIC	<b>24</b>
Form 1042	<b>08</b>	Form 1120S	<b>25</b>
Form 1065-B	<b>10</b>	Form 1120-SF	<b>26</b>
Form 1066	<b>11</b>	Form 3520-A	<b>27</b>
Form 1120	<b>12</b>	Form 8612	<b>28</b>
Form 1120-C	<b>34</b>	Form 8613	<b>29</b>
Form 1120-F	<b>15</b>	Form 8725	<b>30</b>
Form 1120-FSC	<b>16</b>	Form 8831	<b>32</b>
Form 1120-H	<b>17</b>	Form 8876	<b>33</b>
Form 1120-L	<b>18</b>	Form 8924	<b>35</b>
Form 1120-ND	<b>19</b>	Form 8928	<b>36</b>

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here   
 If checked, attach a statement, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

**Part III All Filers Must Complete This Part**

- 4** If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here
- 5a** The application is for calendar year 2014, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_
- b Short tax year.** If this tax year is less than 12 months, check the reason:  Initial return  Final return  
 Change in accounting period  Consolidated return to be filed  Other (see instructions-attach explanation)

<b>6</b> Tentative total tax	<b>6</b>	0.
<b>7</b> Total payments and credits (see instructions)	<b>7</b>	0.
<b>8</b> Balance due. Subtract line 7 from line 6 (see instructions)	<b>8</b>	0.

Form 1120	Interest Income	Statement	1
<u>Description</u>		US	Other
Interest Income			37.
Total to Form 1120, Line 5			37.

Form 1120	Other Income	Statement	2
<u>Description</u>		Amount	
HOA Membership Dues		100,975.	
HOA Late Payment Fees		150.	
Laundry Income		1,670.	
Total to Form 1120, Line 10		102,795.	

Form 1120	Other Deductions	Statement	3
<u>Description</u>		Amount	
Advertising		337.	
Insurance		4,860.	
Landscaping		7,739.	
Office Expense		569.	
Other Administrative Fees		455.	
Payroll Expenses		8,680.	
Pool Supplies & Maintenance		2,360.	
Professional Fees		2,850.	
Property Management Fee		12,000.	
Repairs & Maintenance		5,953.	
Safety & Security		518.	
Section 277 Carryover		23,727.	
Section 277 Limitation		-20,037.	
Snow Removal		3,263.	
Taxes & Licenses		1,450.	
Utilities		46,401.	
Total to Form 1120, Line 26		101,125.	

Tax Due (Overpayment)

Statement 4

Description	Amount
Total Tax	256.
Late Payment Penalty	8.
Late Payment Interest	4.
<b>Total Tax Due (Overpayment) to Page 1</b>	<b>268.</b>

Computation of Late Payment Interest

Statement 5

PAYMENT AMOUNT	REMAINING COMPOUNDED BALANCE	PERIOD OF UNDERPAYMENT	DAYS	INTEREST RATE	AMOUNT OF INTEREST
0.	256.	03/15/2015 09/15/2015	184	3.0000	4.
<b>Total Late Payment Interest to Page 1</b>					<b>4.</b>

Computation of Late Payment Penalty

Statement 6

PAYMENT AMOUNT	REMAINING BALANCE	PERIOD OF UNDERPAYMENT	MON	RATE	AMOUNT OF PENALTY
0.	256.	03/15/2015 09/15/2015	6	.5000	8.
<b>Total Late Payment Penalty to Page 1</b>					<b>8.</b>



	Tax Computation	Statement 7
1. Taxable Income . . . . .	1,707	
2. Lesser of Line 1 or First Bracket Amount . .	1,707	
3. Line 1 Less Line 2 . . . . .	0	
4. Lesser of Line 3 or Second Bracket Amount . .	0	
5. Line 3 Less Line 4 . . . . .	0	
6. Income Subject to 34% Tax Rate . . . . .	0	
7. Income Subject to 35% Tax Rate . . . . .	0	
8. 15 Percent of Line 2 . . . . .	256	
9. 25 Percent of Line 4 . . . . .	0	
10. 34 Percent of Line 6 . . . . .	0	
11. 35 Percent of Line 7 . . . . .	0	
12. Additional 5% Surtax. . . . .	0	
13. Additional 3% Surtax . . . . .	0	
14. Total Income Tax . . . . .		256