

For calendar year 2015 or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

TYPE OR PRINT	Name <b>Highlands Condo Association</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>	Date association formed <b>08/09/2006</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>Spokane, WA 99201</b>	

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	<b>See Statement 1</b>	B	<b>106,651.</b>
C Total expenditures made for purposes described in 90% expenditure test	<b>See Statement 2</b>	C	<b>106,783.</b>
D Association's total expenditures for the tax year		D	<b>110,149.</b>
E Tax-exempt interest received or accrued during the tax year		E	<b>0.</b>

**Gross Income** (excluding exempt function income)

1 Dividends		1	
2 Taxable interest	<b>See Statement 3</b>	2	<b>103.</b>
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)	<b>See Statement 4</b>	7	<b>1,931.</b>
8 <b>Gross income</b> (excluding exempt function income). Add lines 1 through 7		8	<b>2,034.</b>

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

9 Salaries and wages		9	
10 Repairs and maintenance		10	<b>3,366.</b>
11 Rents		11	
12 Taxes and licenses		12	
13 Interest		13	
14 Depreciation (attach Form 4562)		14	
15 Other deductions (attach statement)		15	
16 <b>Total deductions.</b> Add lines 9 through 15		16	<b>3,366.</b>
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8		17	<b>-1,332.</b>
18 Specific deduction of \$100		18	<b>\$100.00</b>

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 (509) 444-6819

**Tax and Payments**

19 <b>Taxable income.</b> Subtract line 18 from line 17		19	<b>-1,432.</b>
20 Enter 30% of line 19. (Timeshare associations, enter 32% of line 19.)		20	<b>0.</b>
21 Tax credits		21	
22 <b>Total tax.</b> Subtract line 21 from line 20. See instructions for recapture of certain credits		22	<b>0.</b>
23 a 2014 overpayment credited to 2015	23a		
b 2015 estimated tax payments	23b		
c Total	23c		<b>0.</b>
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		<b>0.</b>
24 <b>Amount owed.</b> Subtract line 23g from line 22 (see instructions)	24		
25 <b>Overpayment.</b> Subtract line 22 from line 23g	25		
26 Enter amount of line 25 you want: <b>Credited to 2016 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	26		

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.

Sign Here: *W. B. Caldwell* 1/31/16 **Property Manager**  
 Signature of officer Date Title

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

Print/Type preparer's name <b>Leeanna Caldwell</b>	Preparer's signature <i>Leeanna Caldwell</i>	Date <b>3/7/16</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P01071151</b>
Firm's name <b>Langenhorst &amp; Self-Merritt CPAs, P.S.</b>	Firm's EIN <b>91-1856792</b>	Firm's address <b>522 W. Riverside, Suite 750 Spokane, WA 99201</b>		
Phone no. <b>509.444.6819</b>				

Form 1120-H	Exempt Function Income	Statement 1
Description		Amount
HOA Membership Dues		106,276.
HOA Late Payment Fees		375.
Total to Form 1120-H, Item B		106,651.

Form 1120-H	EXPENDITURES DESCRIBED IN 90% TEST	Statement 2
Description		Amount
Insurance		7,840.
Landscaping		6,841.
Office Expense		799.
Other Administrative Fees		1,115.
Payroll Expenses		10,796.
Pool Supplies & Maintenance		4,784.
Professional Fees		1,787.
Property Management Fee		12,000.
Repairs & Maintenance		9,275.
Safety & Security		1,303.
Snow Removal		2,111.
Taxes & Licenses		982.
Utilities		47,150.
Total to Form 1120-H, Item C		106,783.

Form 1120-H	Interest Income	Statement 3
Description	US	Other
Interest Income		103.
Total to Form 1120-H, Line 2		103.

Form 1120-H	Other Income	Statement 4
Description		Amount
Laundry Income		1,931.
Total to Form 1120-H, Line 7		1,931.