Wandermere Estates HOA
2016 Tax Return

STATEMENT THAT THIS IS A TAX RETURN
NOT A FINANCIAL STATEMENT

The accompanying federal income tax return does **NOT** constitute a financial statement. We have not audited, reviewed or compiled the accompanying income tax return and, accordingly, do not express an opinion or any other form of assurance on it.

An income tax return is not intended to constitute financial statements prepared in accordance with generally accepted accounting principles. Accordingly, it does not necessarily include all financial information or disclosures required by generally accepted accounting principles. If the omitted financial information or disclosures were included with the tax return, they might influence the users' conclusions about the taxpayer's financial position, results of operations and cash flows. Accordingly, this income tax return is not designed to be used in lieu of financial statements.

RECORD RETENTION

Copies of your tax returns are enclosed for your files. It is your responsibility to retain copies of your tax information. We recommend the following guidelines:

- Tax returns – keep indefinitely.
- Supporting documentation – keep for 8 years.
- Records supporting your tax basis in personal, investment and business assets and gift documentation – keep indefinitely.

Please note: Eide Bailly retains copies of tax returns, workpapers and other tax information for a period of eight years. After that, we dispose of all records. If you have questions regarding retention of tax records, please contact us.

Form **1120-H** Department of the Treasury Internal Revenue Service

U.S. Income Tax Return for Homeowners Associations

OMB No. 1545-0123 **2016**

EXTENSION GRANTED TO 10/15/17

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

For calendar year 2016 or tax year beginning , and ending

TYPE OR PRINT

Name: WANDERMERE ESTATES HOMEOWNERS ASSOCIATION

Number, street, and room or suite no. If a P.O. box, see instructions: C/O WEB PROPERTIES, P.O. BOX 21469

City or town, state or province, country, and ZIP or foreign postal code: SPOKANE, WA 99201

Employer identification number: **-***5896

Date association formed: 01/01/2011

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 STATEMENT 1	B	165,316.
C	Total expenditures made for purposes described in 90% expenditure test SEE STATEMENT 2	C	165,728.
D	Association's total expenditures for the tax year	D	165,728.
E	Tax-exempt interest received or accrued during the tax year	E	0.

Gross Income (excluding exempt function income)

1	Dividends	1	
2	Taxable interest SEE STATEMENT 3	2	100.
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	100.

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	
13	Interest	13	
14	Depreciation (attach Form 4562)	14	
15	Other deductions (attach statement)	15	
16	**Total deductions.** Add lines 9 through 15	16	0.
17	Taxable income before specific deduction of $100. Subtract line 16 from line 8	17	100.
18	Specific deduction of $100	18	$100.00

Tax and Payments

19	**Taxable income.** Subtract line 18 from line 17	19	0.
20	Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20	0.
21	Tax credits	21	
22	**Total tax.** Subtract line 21 from line 20. See instructions for recapture of certain credits	22	0.
23 a	2015 overpayment credited to 2016 23a		
b	2016 estimated tax payments 23b c Total ▶ 23c 0.		
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.
24	**Amount owed.** Subtract line 23g from line 22. See instructions	24	
25	**Overpayment.** Subtract line 22 from line 23g	25	
26	Enter amount of line 25 you want: **Credited to 2017 estimated tax ▶** **Refunded ▶**	26	

COPY
Eide Bailly LLP
CPAs & BUSINESS ADVISORS

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: 5/24/17 Title: PROPERTY MANAGER

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

Paid Preparer's Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
LEEANNA CALDWELL	LEEANNA CALDWELL [signature], CPA	04/28/17	☐	P01071151

Firm's name ▶ EIDE BAILLY LLP Firm's EIN ▶ **-***0958

Firm's address ▶ 999 W. RIVERSIDE AVE, STE 200 SPOKANE, WA 99201-1006 Phone no. 509-747-6154

610591 12-06-16 JWA **For Paperwork Reduction Act Notice, see separate instructions.** Form **1120-H** (2016)

Form **7004** (Rev. December 2016) Department of the Treasury Internal Revenue Service

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

▶ File a separate application for each return.

▶ Information about Form 7004 and its separate instructions is at *www.irs.gov/form7004*.

OMB No. 1545-0233

Print or Type

Name: WANDERMERE ESTATES HOMEOWNERS ASSOCIATION

Identifying number: **-***5896

Number, street, and room or suite no. (If P.O. box, see instructions.)
C/O WEB PROPERTIES, P.O. BOX 21469

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)).
SPOKANE, WA 99201

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 Extension for C Corporations With Tax Years Ending December 31. See instructions.

1a Enter the form code for the return listed below that this application is for 17

Application Is For:	Form Code	Application Is For:	Form Code
Form 1120	12	Form 1120-ND (section 4951 taxes)	20
Form 1120-C	34	Form 1120-PC	21
Form 1120-F	15	Form 1120-POL	22
Form 1120-FSC	16	Form 1120-REIT	23
Form 1120-H	17	Form 1120-RIC	24
Form 1120-L	18	Form 1120-SF	26
Form 1120-ND	19		

Part II Automatic Extension for Certain Estates and Trusts. See instructions.

b Enter the form code for the return listed below that this application is for ....

Application Is For:	Form Code	Application Is For:	Form Code
Form 1041 (estate other than a bankruptcy estate)	04	Form 1041 (trust)	05

Part III Automatic Extension for Entities Not Using Part I, II, or IV. See instructions.

c Enter the form code for the return listed below that this application is for ....

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-C	34	Form 8725	30
Form 1120-F	15	Form 8804	31
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

Part IV Automatic Extension for C Corporations With Tax Years Ending June 30. See instructions.

d Enter the form code for the return listed below that this application is for ....

Application Is For:	Form Code	Application Is For:	Form Code
Form 1120	12	Form 1120-ND (section 4951 taxes)	20
Form 1120-C	34	Form 1120-PC	21
Form 1120-F	15	Form 1120-POL	22
Form 1120-FSC	16	Form 1120-REIT	23
Form 1120-H	17	Form 1120-RIC	24
Form 1120-L	18	Form 1120-SF	26
Form 1120-ND	19		

Part V All Filers Must Complete This Part

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.

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 2016, 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)

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

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
OGDEN, UT 84201-0045

FORM 1120-H	EXEMPT FUNCTION INCOME	STATEMENT 1

DESCRIPTION	AMOUNT
HOA MEMBERSHIP DUES	163,046.
HOA LATE PAYMENT FEES	145.
MISCELLANEOUS FEES	1,600.
OTHER INCOME	525.
TOTAL TO FORM 1120-H, ITEM B	165,316.

FORM 1120-H	EXPENDITURES DESCRIBED IN 90% TEST	STATEMENT 2

DESCRIPTION	AMOUNT
ADVERTISING	898.
INSURANCE	3,303.
LANDSCAPING	36,818.
MAINTENANCE	7,025.
OFFICE EXPENSE	2,143.
OTHER ADMINISTRATIVE EXPENSE	9,060.
PAYROLL EXPENSES	4,193.
PROFESSIONAL FEES	43,015.
PROPERTY MANAGEMENT FEE	16,750.
SNOW MAINTENANCE	16,461.
STREET REPAIR	4,684.
TAXES AND LICENSES	228.
UTILITIES	21,150.
TOTAL TO FORM 1120-H, ITEM C	165,728.

FORM 1120-H	INTEREST INCOME	STATEMENT 3

DESCRIPTION	US	OTHER
INTEREST INCOME		100.
TOTAL TO FORM 1120-H, LINE 2		100.