

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

2004

Department of the Treasury
Internal Revenue Service

For calendar year 2004 or tax year beginning _____, 2004, and ending _____, 20

[REDACTED] WATERFORD CROSSING HOMEOWNERS ASSOCIATION PO BOX 360353 STRONGSVILLE OH 44136-0006	Employer identification number (see page 5) : : : Date association formed 11/1/1993
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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	210,655	-
C Total expenditures made for purposes described in 90% expenditure test (see instructions)	C	185,725	-
D Association's total expenditures for the tax year (see instructions)	D	205,733	-
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	1743	-
3 Gross rents	3	12,585	-
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 schedule)	7		
8 Gross income (excluding exempt function income). Add lines 1 through 7	8	14,328	-

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

9 Salaries and wages	9		
10 Repairs and maintenance	10	13,538	-
11 Rents	11		
12 Taxes and licenses	12		
13 Interest	13		
14 Depreciation (attach Form 4562)	14		
15 Other deductions (attach schedule)	15	6470	-
16 Total deductions. Add lines 9 through 15	16	20,008	-
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17	5680	-
18 Specific deduction of \$100	18	\$100	00

Tax and Payments

19 Taxable income. Subtract line 18 from line 17	19	5780	-
20 Enter 30% of line 19. (Timeshare associations, enter 32% of line 19.)	20		
21 Tax credits (see instructions)	21		
22 Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits.	22		
23 Payments: a 2003 overpayment credited to 2004	23a		
b 2004 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 on fuels (attach Form 4136)	23f		
g Add lines 23c through 23f	23g		
24 Tax due. Subtract line 23g from line 22. See instructions for depository method of tax payment	24		
25 Overpayment. Subtract line 22 from line 23g	25		
26 Enter amount of line 25 you want: Credited to 2005 estimated tax Refunded	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

Signature of officer: James E. Manning

Date: 13-7-05

Title: TRUSTEE

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

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no. ()

Waterford Crossing HOA
Summary of Revenue and Expense
Year Ending December 31, 2004

YTD-04

Revenue

Dues (518 homes @ 1/1/04)	193,800.00
Dues - Move-ins	5,917.02
Dues - Late fees & prior years' fees	3,962.67
Rental income	12,585.00
Interest income	1,743.19
Misc income	6,975.00
	224,982.88

① $\Sigma \textcircled{1} = 210,655$
 ↓
 ✓ LINE 3
 ✓ LINE 2
 ①

Expenses

Landscaping/Lawn maint	35,529.26
Pool - Mgmt/lifeguards	31,546.00
Spring clean-up and landscaping	46,421.49
Electric	16,880.76
Natural gas	11,911.42
Rec center maint	19,187.78
Add'l common area maint/lake	10,796.06
Sprinkler maintenance	3,227.47
Pool - Supplies/maint	7,313.99
Insurance	4,783.00
Waterford Commons	4,500.00
Tree removal	3,780.00
Sewer	1,500.22
Water	1,547.96
Snow removal	1,115.00
Telephone	1,517.79
Printing charge	1,660.84
Miscellaneous expense	601.10
Legal	21.94
Postage	122.10
Taxes	812.00
Social/entertainment	272.42
Security alarm	274.80
Bank fees	10.00
Capital Improvements	400.00
Reserve for replacement	-
	205,733.40

x 20% = 3480 LN 15
 ✓ + (5650) = 13,538 LN 10
 x 33% ≈ 1600 LN 15
 LN 15
 LN 15

Cash increase (decrease)	19,249.48
Cash, beg of month	75,516.55
Cash, end of month	94,766.03

Waterford Crossing Homeowners' Association
#34-1765979
Year ending December 31, 2004

Statement 2
Form 1120-H, Line 15
Other Deductions

Insurance	\$	1,600
Security		275
Snow Removal		1,115
Utilities		<u>3,480</u>
	\$	<u><u>6,470</u></u>