

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2007 or tax year beginning _____, 2007, and ending _____, 20

WATERFORD CROSSING HOMEOWNERS ASSOCIATION 18881 WATERFORD PKWY STRONGSVILLE OH 44149-0923	Employer identification number (see page 5)
	Date association formed 11-1-1993

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 123,275
C Total expenditures made for purposes described in 90% expenditure test (see instructions)	C 266,043
D Association's total expenditures for the tax year (see instructions)	D 267,628
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	7,774
3 Gross rents	3	10,825
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	18,599

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

9 Salaries and wages	9	
10 Repairs and maintenance	10	14,019
11 Rents	11	
12 Taxes and licenses	12	
13 Interest	13	
14 Depreciation (attach Form 4562)	14	
15 Other deductions (attach schedule)	15	6,082
16 Total deductions. Add lines 9 through 15	16	20,101
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17	(1,502)
18 Specific deduction of \$100	18	\$100 00

Tax and Payments

19 Taxable income. Subtract line 18 from line 17	19	(1,602)
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 2006 overpayment credited to 2007	23a	
b 2007 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 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 2008 estimated tax <input type="checkbox"/> Refunded <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 *Michael A. Novak* | 13-14-08 | TTEE
Signature of officer Date Title

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 <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ()	

Waterford Crossing Homeowners' Association
#34-1765979
Year ending December 31, 2007

Statement #1
Form 1120-H, Line 15

Insurance	\$1,137
Snow Removal	\$1,267
Utilities	<u>\$3,678</u>
	<u>\$6,082</u>

WCHOA 1120 -H 2007 worksheet

B	\$123,275	(all dues recd. in 2007 – not including rents or interest)
C	\$266,043	[all expenses (line D), less \$1,585 (bank fees, deposit/item reversals, payment to entertainment activities (Wesolowski), & refunds of overpayment of annual dues. Does not include inter-bank acct tfrs for cash flow mgt. All other expenses fall within IRS category of acquiring, building, managing, & caring for property.]
D	\$267,628	(all expenses for calendar year 2007, per bank stmt analysis/report)
1	-	
2	\$7,774	Parkview 1099 stmt
3	\$10,825	Rental income (only), per Sandy's "clubhouse" report
4	-	
5	-	
6	-	
7	-	
8	\$18,599	Total of lines 2 & 3
9	-	
10	\$14,019	\$700 /mth x 12 mths (\$8,400) plus Rec. Ctr. Maint. expense category (\$5,619) [as per prior year's 1120-H method]
11	-	
12	-	
13	-	
14	-	
15	\$6,082	Insurance (\$1,137), Snow removal (\$1,267), Utilities (\$3,678) [per 20% "method" as done in prior year 1120-H filing]
16	\$20,101	Total of lines 10 & 15
17	-\$1,502	Taxable income
18	\$100	Specific deduction (per 1120-H)
19	-\$1,602	
	NO TAX DUE	

** See attached worksheets and other supporting documentation.