

# MARCHETTI & WEAVER, LLC

28 SECOND ST SUITE 213  
EDWARDS, CO 81632  
LARRY@MWC PAA.COM  
Phone: (970)926-6060 | Fax: (970)926-6040

June 19, 2017

Cotton Ranch Homeowners Assn  
PO Box 1930  
Gypsum, CO 81637

Cotton Ranch Homeowners Assn:

Enclosed is the 2016 Form 1120, U.S. Corporation Income Tax Return prepared for Cotton Ranch Homeowners Assn from the information provided. The original should be signed and dated by a corporate officer and mailed on or before October 16, 2017, to the following address:

Department of the Treasury  
Internal Revenue Service  
Ogden, UT 84201-0012

The corporation's federal return reflects neither a refund nor a balance due.

Enclosed is the 2016 Colorado income tax return, prepared for Cotton Ranch Homeowners Assn from the information provided. The original should be signed and dated, and mailed on or before April 18, 2017, to the following address:

Colorado Department of Revenue  
Denver, CO 80261-0005

The corporation's Colorado income tax return reflects neither a refund nor a balance due.

Thank you for the opportunity to be of service. For further assistance with your tax needs, please contact this office at (970)926-6060.

Sincerely,

Kenneth J Marchetti  
MARCHETTI & WEAVER, LLC

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PO Box 1930  
Gypsum, CO 81637

Your privacy is important to us. Please read the following privacy policy.

We collect nonpublic personal information about you from various sources, including:

- \* Interviews regarding your tax situation
- \* Applications, organizers, or other documents that supply such information as your name, address, telephone number, Social Security Number, number of dependents, income, and other tax-related data
- \* Tax-related documents you provide that are required for processing tax returns, such as Forms W-2, 1099R, 1099-INT and 1099-DIV, and stock transactions

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as requested by our clients or as required by law.

We restrict access to personal information concerning you, except to our employees who need such information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your personal information.

If you have any questions about our privacy policy, please contact us.

Sincerely,

Kenneth J Marchetti  
MARCHETTI & WEAVER, LLC

**FOR TAX YEAR 2016**

COTTON RANCH HOMEOWNERS ASSN

MARCHETTI & WEAVER, LLC

28 SECOND ST SUITE 213

EDWARDS, CO 81632

(970)926-6060

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

**2016**

Department of the Treasury  
Internal Revenue Service

▶ Information about Form 1120-H and its separate instructions is at [www.irs.gov/form1120h](http://www.irs.gov/form1120h).

For calendar year 2016 or tax year beginning \_\_\_\_\_, 2016, and ending \_\_\_\_\_, 20\_\_

<b>TYPE OR PRINT</b>	Name <b>COTTON RANCH HOMEOWNERS ASSN</b>	Employer identification number <b>84-1354453</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>PO BOX 1930</b>	Date association formed <b>02-13-1996</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>GYP SUM CO 81637</b>	

Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return

A Check type of homeowners association: <input type="checkbox"/> Condominium management association <input checked="" type="checkbox"/> Residential real estate association <input type="checkbox"/> Timeshare association	
B Total exempt function income. Must meet 60% gross income test. See instructions	<b>159,140</b>
C Total expenditures made for purposes described in 90% expenditure test. See instructions	<b>113,908</b>
D Association's total expenditures for the tax year. See instructions	<b>115,747</b>
E Tax-exempt interest received or accrued during the tax year	

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

1 Dividends	1
2 Taxable interest	2 1,956
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 <b>Gross income</b> (excluding exempt function income). Add lines 1 through 7	8 1,956

**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 2,087
16 <b>Total deductions.</b> Add lines 9 through 15	16 2,087
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17 (131)
18 Specific deduction of \$100	18 \$100.00

**Tax and Payments**

19 <b>Taxable income.</b> Subtract line 18 from line 17	19 (231)		
20 Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20		
21 Tax credits (see instructions)	21		
22 <b>Total tax.</b> Subtract line 21 from line 20. See instructions for recapture of certain credits	22		
23 a 2015 overpayment credited to 2016	23a	c Total ▶	23c
b 2016 estimated tax payments	23b		23d
d Tax deposited with Form 7004			23e
e Credit for tax paid on undistributed capital gains (attach Form 2439)			23f
f Credit for federal tax paid on fuels (attach Form 4136)			
g Add lines 23c through 23f			23g
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 2017 estimated tax</b> ▶	26	<b>Refunded</b> ▶	

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.

<b>Sign Here</b>	Signature of officer 	Date <b>7/28/17</b>	Title <b>Treasurer</b>
	May the IRS discuss this return with the preparer shown below? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>KENNETH J MARCHETTI</b>	Preparer's signature 	Date <b>7/21/17</b>	Check <input type="checkbox"/> if PTIN self-employed	PTIN <b>P00152900</b>
	Firm's name ▶ <b>MARCHETTI &amp; WEAVER, LLC</b>	Firm's EIN ▶ <b>47-1260605</b>			
	Firm's address ▶ <b>28 SECOND ST SUITE 213 EDWARDS CO 81632</b>	Phone no. <b>(970) 926-6060</b>			

Federal Supporting Statements

2016 PG01

Name(s) as shown on return

COTTON RANCH HOMEOWNERS ASSN

FEIN

84-1354453

FORM 1120H - LINE 15 - OTHER DEDUCTIONS

Statement #5

DESCRIPTION

SEE ATTACHMENT TO FORM 1120H

AMOUNT

2,087

**TOTAL**

**2,087**

**Cotton Ranch Homeowners' Association****84-1354453**

Attachment to Form 1120H-U.S. Corporation Income Tax Return

Allocation to Member and Non-member

For the year ended 12/31/16

	<u>Member</u>	<u>Non-Member</u>	<u>Total</u>
Expenses (Line 15, Form 1120H)			
Accounting & Administration	22,501	1,436	23,938
Bad Debt Expense	1,896		1,896
Billing Expenses	2,033		2,033
Covenant Enforcement	7,150		7,150
DRB Expenses	17,630		17,630
Office Expenses	794	51	845
Functions	1,493		1,493
Insurance	4,669		4,669
Landscape Maintenance	31,372		31,372
Miscellaneous Service Costs	3,234		3,234
Repairs & Maintenance	4,147		4,147
Snow Plowing	5,142		5,142
Tax Return Preparation	-	600	600
Utilities	259		259
Water	11,340		11,340
	<u>113,660</u>	<u>2,087</u>	<u>115,747</u>

(0023)  
**2016**  
 -Or-

**Colorado C Corporation  
 Income Tax Form 112**  
 Do not submit federal return, forms or  
 schedules when filing this return.



160112 11024

Fiscal Year Beginning (MM/DD/16)	Year Ending (MM/DD/YY)
	2016

Name of Corporation	Colorado Account Number	
COTTON RANCH HOMEOWNERS ASSN		
Address	FEIN	
PO BOX 1930	84-1354453	
City	State	ZIP
GYPSPUM	CO	81637
Final Return <input type="checkbox"/>	If you are submitting a statement disclosing a listed or reported transaction, mark this box <input type="checkbox"/>	

**A. Apportionment of Income.** This return is being filed for:

<input checked="" type="checkbox"/> (42) A corporation not apportioning income;	<input type="checkbox"/> (45) A corporation electing to pay a tax on its gross Colorado sales;
<input type="checkbox"/> (43) A corporation engaged in interstate business apportioning income using single-factor apportionment (Schedule SF required);	<input type="checkbox"/> (46) A corporation claiming an exemption under P.L. 86-272;
<input type="checkbox"/> (44) A corporation engaged in interstate business apportioning income using special regulation (Schedule SF required);	<input type="checkbox"/> (47) Other appointment method, must be pre-approved by the department (fill in below)

**B. Separate/Consolidate/Combined Filing.** This return is being filed for:

<input checked="" type="checkbox"/> A single corporation filing a separate return;	<input type="checkbox"/> An affiliated group of corporations required to file a combined return (Schedule C required.);
<input type="checkbox"/> An affiliated group of corporations electing to file a consolidated return. <b>Warning:</b> such election is binding for four years. If your election was made in a prior year, enter the year of election in line below. (Schedule C required);	<input type="checkbox"/> An affiliated group of corporations required to file a combined return that includes another affiliated, consolidated group (Schedule C required)

Enter the year of election (YYYY)

Federal Taxable Income		Round to nearest dollar	
1. Federal taxable income from Federal form 1120 or 990-T	• 1	(231)	00
2. Federal taxable income of companies not included in this return	• 2		00
3. Net federal taxable income, line 1 minus line 2	3	(231)	00
Additions			
4. Federal net operating loss deduction	• 4		00
5. Colorado income tax deduction	• 5		00
6. Other additions, include explanation	• 6		00
7. Total of lines 3 through 6	7	(231)	00



160112 21024

Form 112 (08/31/16)  
COLORADO DEPARTMENT OF REVENUE

Form 112

84-1354453

Name	Account Number
COTTON RANCH HOMEOWNERS ASSN	
<b>Subtractions</b>	
8. Exempt federal interest • 8	00
9. Excludable foreign source income • 9	00
10. Colorado source capital gain (assets acquired on or after 5/9/94, held five years) • 10	00
11. Colorado Marijuana Business Deduction • 11	00
12. Other subtractions, include explanation • 12	00
13. Total of lines 8 through 12 13	00
<b>Taxable Income</b>	
14. Modified federal taxable income, line 7 minus line 13 14	(231) 00
15. Colorado taxable income before net operating loss deduction • 15	(231) 00
16. Colorado net operating loss deduction • 16	00
17. Colorado taxable income, line 15 minus line 16 17	(231) 00
18. Tax, 4.63% of the amount on line 17 • 18	0 00
<b>Credits</b>	
19. Total nonrefundable credits from line 27, Form 112CR (may not exceed tax on line 18) • 19	00
20. Non-refundable Enterprise Zone credits used - as calculated, or from DR 1366 line 87 • 20	00
21. Net tax, line 18 minus lines 19 and 20 21	00
22. Recapture of prior year credits • 22	00
23. Total of lines 21 and 22 23	00
24. Estimated tax and extension payments and credits • 24	00
25. W-2G Withholding from lottery winnings • 25	00
26. Gross Conservation Easement Credit from DR 1305G line 33 • 26	00
27. Innovative Motor Vehicle Credit from form DR 0617 • 27	00
28. Business Personal Property Credit: Use the worksheet in the DR 112 book instructions to calculate, submit copy of assessor's statement • 28	00
29. Renewable Energy Tax Credit from line 88 of form DR 1366 • 29	00
30. Total of lines 24 through 29 30	00
31. Net tax due. Subtract line 30 from line 23 31	00
32. Penalty • 32	00





160112 31024

84-1354453

Name		Account Number	
COTTON RANCH HOMEOWNERS ASSN			
<b>Do Not Submit Federal Return, Forms or Schedules when Filing this Return</b>			
33. Interest	• 33		00
34. Estimated tax penalty due	• 34		00
35. Total due. Enter the sum of lines 31 through 34	• 35		00
36. Overpayment, line 30 minus line 23	36		00
37. Amount from line 36 to carry forward for future year estimated tax	• 37		00
38. Amount from line 36 to be refunded	• 38		00
<p><b>Direct Deposit</b></p> <p>Routing Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></p> <p>Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings</p> <p>Account Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></p>			
<p>The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment directly from your bank account electronically.</p>			
<p>Pay electronically at <a href="http://www.Colorado.gov/RevenueOnline">www.Colorado.gov/RevenueOnline</a> or  <b>Mail and Make Checks Payable to:</b> Colorado Department of Revenue          Denver, CO 80261-0006</p>			
C. The corporation's books are in care of:			
Last Name	First Name	Middle Initial	Phone Number
WEAVER LLC	MARCHETTI		970 926-6060
Address		City	State   Zip
28 SECOND ST SUITE 213		EDWARDS	CO   81632
D. Business code number per federal return (NAICS)		E. Year corporation began doing business in Colorado	
• 531310		• 02-13-1996	
F. May the Colorado Department of Revenue discuss this return with the paid preparer show below (see instructions)		• <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G. Kind of business in detail HOMEOWNER ASSOCIATION			
H. Has the Internal Revenue Service made any adjustments in the corporation's income or tax or have you filed amended federal income tax returns at any time during the last four years?		• <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If yes, for which year(s)? (YYYY)			
Did you file amended Colorado returns to reflect such changes or submit copies of the Federal Agent's reports?		• <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	



160112 41024

Name		Account Number	
COTTON RANCH HOMEOWNERS ASSN			
Last Name of person or firm preparing return	First Name	Middle Initial	
MARCHETTI	KENNETH		
Address of person or firm preparing return		Phone Number	
28 SECOND ST SUITE 213		970 926-6060	
City	State	Zip	
EDWARDS	CO	81632	
Under penalties of perjury in the second degree, I declare that I have examined this return and to the best of my knowledge is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Signature or Title of Officer		Date (MM/DD/YY)	
<i>M. S. Treasurer</i>		07/28/17	

**New For This Year.**

If you are filing this return **with** a check or payment, please mail the return to:

COLORADO DEPARTMENT OF REVENUE  
 Denver, CO 80261-0006

If you are filing this return **without** a check or payment, please mail the return to:

COLORADO DEPARTMENT OF REVENUE  
 Denver, CO 80261-0005