

U.S. Income Tax Return for Homeowners Associations

2023

Department of the Treasury Internal Revenue Service

Go to www.irs.gov/Form1120H for instructions and the latest information.

For calendar year 2023 or tax year beginning , 2023, and ending , 20

Name: VILLAGES AT LYNX CREEK OWNERS ASSOCIATION INC. Employer identification number: 86-0675543. Address: 12200 E SR 69, Dewey, AZ 86327-4532. Date association formed: 01-16-1989.

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

A Check type of homeowners association: [] Condominium management association [x] Residential real estate association [] Timeshare association

Table with 2 columns: Description (B-E) and Amount. B: Total exempt function income 872,167. C: Total expenditures 695,275. D: Association's total expenditures. E: Tax-exempt interest.

Gross Income (excluding exempt function income)

Table with 2 columns: Description (1-8) and Amount. 1: Dividends. 2: Taxable interest 80,584. 3: Gross rents. 4: Gross royalties. 5: Capital gain net income. 6: Net gain or (loss) from Form 4797. 7: Other income 43,282. 8: Gross income 123,866.

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

Table with 2 columns: Description (9-18) and Amount. 9: Salaries and wages. 10: Repairs and maintenance 2,830. 11: Rents. 12: Taxes and licenses. 13: Interest. 14: Depreciation 77,788. 15: Other deductions 36,999. 16: Total deductions 117,617. 17: Taxable income before specific deduction 6,249. 18: Specific deduction of \$100.

Tax and Payments

Table with 2 columns: Description (19-26) and Amount. 19: Taxable income 6,149. 20: Enter 30% (0.30) of line 19. 21: Tax credits. 22: Total tax 1,845. 23a-f: Payments and credits. 23g: Total payments and credits 2,000. 24: Amount owed. 25: Overpayment 155. 26: Enter amount of line 25 you want: Credited to 2024 estimated tax 155.

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: 3-8-24 Title: [Blank]

Paid Preparer Use Only: Print/Type preparer's name: Janeen L Kramer. Preparer's signature: [Signature]. Date: 03-07-2024. Firm's name: Associates in Accounting LLC. Firm's EIN: 20-3931321. Firm's address: 8056 E Valley Road, Prescott Valley AZ 86314. Phone no: (928) 759-0860.

Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service

Attach to your tax return.

Go to www.irs.gov/Form4562 for instructions and the latest information.

| | | |
|---|---|---|
| Name(s) shown on return VILLAGES AT LYNX CREEK OWNERS | Business or activity to which this form relates FORM 1120 | Identifying number 86-0675543 |
|---|---|---|

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

| | | |
|--|------------------------------|------------------|
| 1 Maximum amount (see instructions) | 1 | 1,160,000 |
| 2 Total cost of section 179 property placed in service (see instructions) | 2 | 448,230 |
| 3 Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | 2,890,000 |
| 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | 0 |
| 5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | 1,160,000 |
| 6 (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| Statement #568 | 53,931 | 53,931 |
| 7 Listed property. Enter the amount from line 29 | 7 | |
| 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | 53,931 |
| 9 Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | 53,931 |
| 10 Carryover of disallowed deduction from line 13 of your 2022 Form 4562 | 10 | |
| 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions | 11 | 60,180 |
| 12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11 | 12 | 53,931 |
| 13 Carryover of disallowed deduction to 2024. Add lines 9 and 10, less line 12 | 13 | |

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

| | | |
|---|-----------|----------|
| 14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions. | 14 | 0 |
| 15 Property subject to section 168(f)(1) election | 15 | |
| 16 Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

| | | |
|---|-----------|--------------------------|
| 17 MACRS deductions for assets placed in service in tax years beginning before 2023 | 17 | 2,116 |
| 18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here | | <input type="checkbox"/> |

Section B - Assets Placed in Service During 2023 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only-see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|---------------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | 13,808 | 3 | HY | SL | 2,301 |
| b 5-year property | #569 | | | | | 943 |
| c 7-year property | | | | | | |
| d 10-year property | #570 | | | | | 18,283 |
| e 15-year property | | 6,430 | 15 | HY | SL | 214 |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 39 yrs. | MM | S/L | |

Section C - Assets Placed in Service During 2023 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|-----------------------|--|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 30-year | | | 30 yrs. | MM | S/L | |
| d 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | |
|--|-----------|---------------|
| 21 Listed property. Enter amount from line 28 | 21 | |
| 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions | 22 | 77,788 |
| 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

For Paperwork Reduction Act Notice, see separate instructions.

Federal Supporting Statements

2023 PG01

Name(s) as shown on return

Tax ID Number

VILLAGES AT LYNX CREEK OWNERS

86-0675543

Form 1120H - Line 7 - Other Income

Statement #1

| <u>Description</u> | <u>Amount</u> |
|-----------------------|---------------|
| BADGES | 425 |
| COPY AND FAX | 141 |
| CRIER | 12,435 |
| DIRECTORY | 109 |
| KEYS | 25 |
| FACILITY RENTALS | 2,265 |
| LAUNDRY | 5,874 |
| WATER | 1,172 |
| OFFICE | 140 |
| KITCHEN | 497 |
| RV STORAGE 1 28 NORTH | 3,223 |
| RV STORAGE 1 60 SOUTH | 16,531 |
| LATE FEE | 445 |
| Total | 43,282 |

Form 1120H - Line 15 - Other Deductions

PG01
Statement #5

| <u>Description</u> | <u>Amount</u> |
|-------------------------|---------------|
| Commissions | 2,474 |
| Miscellaneous | 15,422 |
| Printing | 6,749 |
| Supplies | 1,695 |
| LAUNDRY | 6,330 |
| STORAGE LOT MAINTENANCE | 4,329 |
| Total | 36,999 |

Federal Supporting Statements

2023 PG01

Name(s) as shown on return

Tax ID Number

VILLAGES AT LYNX CREEK OWNERS

86-0675543

FORM 4562 - LINE 6

Statement #568

DESCRIPTION OF PROPERTY

COST

ELECTED COST

| | | |
|------------------|----------------------|----------------------|
| HVAC BATHROOM | 7,457 | 7,457 |
| HVAC GAME ROOM | 8,795 | 8,795 |
| MAINTENANCE GATE | 3,300 | 3,300 |
| MISC GAME ITEMS | 1,311 | 1,311 |
| COPY MACHINE | 9,675 | 9,675 |
| POOL | 23,393 | 23,393 |
| Total | <u>53,931</u> | <u>53,931</u> |

Form 4562 - Line 19b

PG01
Statement #569

| <u>Basis</u> | <u>RP</u> | <u>CV</u> | <u>Method</u> | <u>Deduction</u> |
|---------------------|------------------|------------------|----------------------|-------------------------|
| 1,099 | 5 | HY | SL | 110 |
| 6,330 | 5 | HY | SL | 633 |
| 1,000 | 5 | HY | 200 DB | 200 |
| Total | | | | <u>943</u> |

Form 4562 - Line 19d

PG01
Statement #570

| <u>Basis</u> | <u>RP</u> | <u>CV</u> | <u>Method</u> | <u>Deduction</u> |
|---------------------|------------------|------------------|----------------------|-------------------------|
| 1,614 | 10 | HY | SL | 81 |
| 355,452 | 10 | HY | SL | 17,773 |
| 2,974 | 10 | HY | SL | 149 |
| 4,592 | 10 | HY | SL | 230 |
| 1,000 | 10 | HY | SL | 50 |
| Total | | | | <u>18,283</u> |

1120**Overflow Statement**

(This page is not filed with the return. It is for your records only.)

2023

Page 1

Name(s) as shown on return

VILLAGES AT LYNX CREEK OWNERS

FEIN

86-0675543

Other Deductions - Printing

| Description | Amount |
|--------------------|-----------------|
| BADGE PRINTING | \$ 2,227 |
| NEWSLETTER | 4,522 |
| Total: | \$ 6,749 |

Form 1120, Page 1, Line 14 - Repairs and Maintenance

| Description | Amount |
|----------------------|-----------------|
| WATER MACHINE REPAIR | \$ 2,775 |
| WASHER/DRYER REPAIR | 55 |
| Total: | \$ 2,830 |

Other Deductions - Supplies

| Description | Amount |
|--------------------|-----------------|
| KITCHEN | \$ 1,646 |
| LOCKS AND KEYS | 49 |
| Total: | \$ 1,695 |

Form 1120, Page 1, Line 5 - Interest Income

| Description | Amount |
|-------------------------|------------------|
| INTEREST IN INVESTMENTS | \$ 80,583 |
| INTEREST ON CHECKING | 1 |
| Total: | \$ 80,584 |

EFI INCOME

| Description | Amount |
|------------------------|-------------------|
| EFI ASSESSMENT INCOME | \$ 735,480 |
| EFI ASSET PRESERVATION | 92,083 |
| MI HOA DISCLOSURE | 16,782 |
| MI HOA TRANSFER | 1,534 |
| UTILITY FEE INCOME | 24,138 |
| FINES AND VIOLATION | 2,150 |
| Total: | \$ 872,167 |

1120

Overflow Statement

(This page is not filed with the return. It is for your records only.)

2023

Page 2

Name(s) as shown on return

VILLAGES AT LYNX CREEK OWNERS

FEIN

86-0675543

EXPENSES

| Description | Amount |
|-------------------------|-------------------|
| ADMINISTRATIVE | \$ 239,802 |
| COMMON AREA UTILITIES | 176,071 |
| EXPENSES AGAINST INCOME | 24,406 |
| PAYROLL | 254,996 |
| Total: | \$ 695,275 |

Estimated Tax Worksheet for Corporations

For calendar year 2024, or tax year beginning _____, 2024, and ending _____, 20____

2024

(This page is not filed with the return. It is for your records only)

| Estimated Tax Computation | | VILLAGES AT LYNX CREEK OWNERS | | | | 86-0675543 |
|---------------------------|--|-------------------------------|------------|------------|------------|------------|
| 1 | Taxable income expected for the tax year | 1 | 6,149 | | | |
| 2 | Multiply line 1 by the applicable percentage | | | | 2 | 1,845 |
| 3 | Tax credits. See instructions | | | | 3 | |
| 4 | Subtract line 3 from line 2 | | | | 4 | 1,845 |
| 5 | Other taxes. See instructions | | | | 5 | |
| 6 | Total tax. Add lines 4 and 5 | | | | 6 | 1,845 |
| 7 | Credit for federal tax paid on fuels and other refundable credits. See instructions | | | | 7 | |
| 8 | Subtract line 7 from line 6. Note: If the result is less than \$500, the corporation is not required to make estimated tax payments | | | | 8 | 1,845 |
| 9a | Enter the tax shown on the corporation's 2023 tax return. See instructions. Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 8 on line 9b | | | | 9a | |
| 9b | Enter the smaller of line 8 or line 9a. If the corporation is required to skip line 9a, enter the amount from line 8 | | | | 9b | 1,845 |
| 10 | Instalment due dates. See 1120 instructions | | (a) | (b) | (c) | (d) |
| | | 10 | 04-15-2024 | 06-17-2024 | 09-16-2024 | 12-16-2024 |
| 11 | Required installments. Enter 25% of line 9b in columns (a) through (d). | | 11 | 461 | 461 | 461 |
| | | | | 461 | 461 | 461 |

* Item is included in UBIA for Section 199A calculations. See "UBIA" in lower right corner. (This page is not filed with the return. It is for your records only.)

Depreciation Detail Listing

FORM 1120

2023

PAGE 1

Name(s) as shown on return

VILLAGES AT LYNK CREEK OWNERS

Social security number/EIN

86-0675543

| No. | Description | Date | Cost | Basis Adjustment | Business percentage | Section 179 | Bonus depreciation | Depreciable Basis | Life | Method | Rate | Prior Depreciation | Current Depreciation | Accumulated Depreciation | AMT Current |
|---------------|-----------------------|----------|----------------|------------------|---------------------|------------------|--------------------|-------------------|------|-----------|--------|--------------------|----------------------|--------------------------|-------------|
| 1 | ROAD RESURFACING | 07102020 | 66,642 | | 100.00 | | | 66,642 | 31.5 | SL | 3.175 | 5,202 | 2,116 | 7,318 | |
| 2 | HVAC EQUIPMENT REPLAC | 01102022 | 52,735 | | 100.00 | | 52,735 | 0 | 15 | DB HY | 9.5 | 52,735 | | 52,735 | |
| 3 | HVAC BATHROOM | 01012023 | 7,457 | | 100.00 | CY | | 0 | 15 | SL HY | 0 | | | 7,457 | |
| 4 | HVAC GAME ROOM | 01012023 | 8,795 | | 100.00 | CY | | 0 | 15 | SL HY | 0 | | | 8,795 | |
| 5 | MAINTENANCE GATE | 02202023 | 3,300 | | 100.00 | CY | | 0 | 15 | SL HY | 0 | | | 3,300 | |
| 6 | MISC GAME ITEMS | 03012023 | 1,311 | | 100.00 | CY | | 0 | 3 | SL HY | 0 | | | 1,311 | |
| 7 | COPY MACHINE | 12132023 | 9,675 | | 100.00 | CY | | 0 | 3 | SL HY | 0 | | | 9,675 | |
| 8 | FITNESS ROOM | 01052023 | 13,808 | | 100.00 | | | 13,808 | 3 | SL HY | 16.667 | | 2,301 | 2,301 | |
| 9 | GAME | 01012023 | 1,099 | | 100.00 | | | 1,099 | 5 | SL HY | 10 | | 110 | 110 | |
| 10 | LAUNDRY | 02092023 | 6,330 | | 100.00 | | | 6,330 | 5 | SL HY | 10 | | 633 | 633 | |
| 11 | LIBRARY | 12272023 | 1,614 | | 100.00 | | | 1,614 | 10 | SL HY | 5 | | 81 | 81 | |
| 12 | MAIL BOXES | 10272023 | 6,430 | | 100.00 | | | 6,430 | 15 | SL HY | 3.333 | | 214 | 214 | |
| 13 | POOL | 02062023 | 23,393 | | 100.00 | CY | | 0 | 3 | SL HY | 0 | | | 23,393 | |
| 14 | ROADS | 03102023 | 355,452 | | 100.00 | | | 355,452 | 10 | SL HY | 5 | | 17,773 | 17,773 | |
| 15 | RV STORAGE | 05012023 | 2,974 | | 100.00 | | | 2,974 | 10 | SL HY | 5 | | 149 | 149 | |
| 16 | SIGNAGE | 05022023 | 4,592 | | 100.00 | | | 4,592 | 10 | SL HY | 5 | | 230 | 230 | |
| 17 | WOODSHOP SAW TABLE | 08082023 | 1,000 | | 100.00 | | | 1,000 | 5 | 200 DB HY | 20 | | 200 | 200 | |
| 18 | STAINLESS STEEL SINK | 12052023 | 1,000 | | 100.00 | | | 1,000 | 10 | SL HY | 5 | | 50 | 50 | |
| Totals | | | 567,607 | | | CY 53,931 | | 460,941 | | | | 57,937 | 23,857 | 135,725 | |

Land Amount

PY 52,735

CY 179 and CY Bonus

53,931

ST ADJ: (5,010)

**2023 AZ120A Filing Instructions
VILLAGES AT LYNX CREEK OWNERS**

Form filed:

AZ120A and supplemental forms and schedules

Filing method:

Your return will not be e-filed. Sign and date your return and check or money order. Mail them on or before the due date of the return to the address listed below.

Due date:

04-15-2024

Payment:

\$56.00

Transaction method:

Make your check or money order payable to the Arizona Department of Revenue. Mail this payment along with your form and any attachments. Do not staple this payment to any form. Include the corporation's TIN on your payment.

Mail-to address:

Arizona Department of Revenue
PO Box 29079
Phoenix, AZ 85038-9079

For the [X] calendar year 2023 or [] fiscal year beginning [] and ending []
[] Check this box if this return is based on a 52/53 week taxable year.

Business Telephone Number (with area code) Name: VILLAGES AT LYNX CREEK OWNERS Employer Identification Number (EIN): 86-0675543
Address - number and street or PO Box: 12200 E SR 69
City, Town or Post Office: Dewey State: AZ ZIP Code: 86327-4532

IMPORTANT: Do not use Form 120A to file an Arizona combined or consolidated return. Use Form 120.
Check box if return is filed under extension: [] 82 [] 82F []

68 Check box if:
A [] This is a first return B [] Name change C [] Address change
A Is FEDERAL return filed on a consolidated basis? [] Yes [X] No
B Is this the corporation's final ARIZONA return under this EIN? [] Yes [X] No
C Marijuana Establishments only:
1 [] Adult Use only 2 [] Dual Lic. elected for-profit 3 [] Dual Lic. did not elect for-profit

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.
88
81 PM 66 RCVD

Arizona Taxable Income Computation

Table with 2 columns: Description and Amount. Line 1: Taxable income per included federal return 6,149.00. Line 2: Additions to taxable income from page 2, Schedule A, line A9 77,788.00. Line 3: Total taxable income: Add lines 1 and 2. Enter the total 83,937.00. Line 4: Subtractions from taxable income from page 2, Schedule B, line B11 82,798.00. Line 5: Adjusted income: Subtract line 4 from line 3. Enter the difference 1,139.00. Line 6: Arizona basis net operating loss carryover: Include computation schedule. Line 7: Arizona taxable income: Subtract line 6 from line 5. Enter the difference 1,139.00.

Arizona Tax Liability Computation

Table with 2 columns: Description and Amount. Line 8: Enter tax: Tax is 4.9 percent of line 7 or fifty dollars (\$50), whichever is greater 56.00. Line 9: Tax from recapture of tax credits from Arizona Form 300, Part 2, line 23. Line 10: Subtotal: Add lines 8 and 9. Enter the total 56.00. Line 11: Nonrefundable tax credits from Arizona Form 300, Part 2, line 42. Line 12: Credit type: Enter form number for each nonrefundable credit used: 121 3 122 3 123 3 124 3. Line 13: Tax liability: Subtract line 11 from line 10. Enter the difference 56.00.

Tax Payments

Table with 2 columns: Description and Amount. Line 14: Refundable tax credits: Check box(es) and enter amount: 141 [] 308 142 [] 334 143 [] 349. Line 15: Extension payment made with Form 120/165EXT or online: See instructions. Line 16: Estimated tax payments: 16a [] 00 Claim of Right: 16b [] 00 Add 16a and 16b. Line 17: Total payments: Add lines 14, 15, and 16c. Enter the total 0.00.

Computation of Total Due or Overpayment

Table with 2 columns: Description and Amount. Line 18: Balance of tax due: If line 13 is larger than line 17, subtract line 17 from line 13. Enter the difference. Skip line 19 56.00. Line 19: Overpayment of tax: If line 17 is larger than line 13, subtract line 13 from line 17. Enter the difference 0.00. Line 20: Penalty and interest. Line 21: Estimated tax underpayment penalty: If Form 220/PTE is included, check box 21A []. Line 22: TOTAL DUE: See instructions 56.00. Line 23: OVERPAYMENT: See instructions 0.00. Line 24: Amount of line 23 to be applied to 2024 estimated tax 24 [] 00. Line 25: Amount to be refunded: Subtract line 24 from line 23. Enter the difference 0.00.

Continued on page 2 ->

| | |
|--|-------------------|
| Name (as shown on page 1) VILLAGES AT LYNX CREEK OWNERS | EIN 86-0675543 |
|--|-------------------|

SCHEDULE A Additions to Taxable Income

| | | | |
|--|----|--------|----|
| A1 Total federal depreciation | A1 | 77,788 | 00 |
| A2 Taxes based on income paid to any state (INCLUDING ARIZONA), local governments or foreign governments | A2 | | 00 |
| A3 Interest on obligations of other states, foreign countries, or political subdivisions | A3 | | 00 |
| A4 Special deductions claimed on federal return | A4 | | 00 |
| A5 Federal net operating loss deduction claimed on federal return | A5 | | 00 |
| A6 Additions related to Arizona tax credits: See instructions | A6 | | 00 |
| A7 Capital loss from exchange of legal tender | A7 | | 00 |
| A8 Other additions to federal taxable income: See instructions | A8 | | 00 |
| A9 Total: Add lines A1 through A8. Enter the total here and on page 1, line 2 | A9 | 77,788 | 00 |

SCHEDULE B Subtractions From Taxable Income

| | | | |
|--|-----|--------|----|
| B1 Recalculated Arizona depreciation: See instructions | B1 | 82,798 | 00 |
| B2 Basis adjustment for property sold or otherwise disposed of during the taxable year: See instructions | B2 | | 00 |
| B3 Dividends received from 50% or more controlled domestic corporations | B3 | | 00 |
| B4 Foreign dividend gross-up | B4 | | 00 |
| B5 Dividends received from foreign corporations | B5 | | 00 |
| B6 Interest on U.S. obligations | B6 | | 00 |
| B7 Agricultural crops charitable contribution | B7 | | 00 |
| B8 Expenses related to certain federal tax credits: See instructions | B8 | | 00 |
| B9 Capital gain from exchange of legal tender | B9 | | 00 |
| B10 Other subtractions from federal taxable income: See instructions | B10 | | 00 |
| B11 Total: Add lines B1 through B10. Enter the total here and on page 1, line 4 | B11 | 82,798 | 00 |

SCHEDULE C Additional Information

C1 Date business began in Arizona: 01-16-1989

C2 Address at which tax records are located for audit purposes: Number/Street: 12200 S SR 69
City: Dewey State: AZ ZIP Code: 86327

C3 The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorizes the disclosure of confidential information to this individual. (See instructions.)
Name: GAIL HAUGLAND Office Phone: 928-775-7047
Title: ACCOUNTANT (Area Code)
Email: _____ Cell Phone: _____
(Area Code)

C4 List prior taxable years ending in MM/DD/YYYY format for which a federal examination has been finalized:

NOTE: A.R.S. § 43-327 requires the taxpayer, within ninety days after final determination, to report these changes under separate cover to the Arizona Department of Revenue or to file amended returns reporting these changes. (See instructions.)

C5 Indicate tax accounting method: Cash Accrual Other (Specify method.) _____


Continued on page 3 →

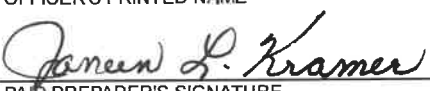
| | |
|--|-------------------|
| Name (as shown on page 1) VILLAGES AT LYNX CREEK OWNERS | EIN 86-0675543 |
|--|-------------------|

The following declaration must be signed by one of the following officers: president, treasurer, or any other principal officer.

Declaration Under penalties of perjury, I, the undersigned officer authorized to sign this return, declare that I have examined this return, including the accompanying schedules and statements, and to the best of my knowledge and belief, it is a true, correct and complete return, made in good faith, for the taxable year stated pursuant to the income tax laws of the State of Arizona.

Please Sign Here

| | | |
|---|------------|-----------|
|  | 03-07-2024 | TREASURER |
| OFFICER'S SIGNATURE | DATE | TITLE |
| Lonnie Fay | | |
| OFFICER'S PRINTED NAME | | |

| | | |
|---|------------|---------------------|
|  | 03-07-2024 | P01073652 |
| PAID PREPARER'S SIGNATURE | DATE | PAID PREPARER'S TIN |
| Janeen L Kramer | | |
| PAID PREPARER'S PRINTED NAME | | |

Paid Preparer's Use Only

| | |
|---|-------------------------|
| Associates in Accounting LLC | 20-3931321 |
| FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF EMPLOYED) | FIRM'S EIN |
| 8056 E Valley Road | 928-759-0860 |
| FIRM'S STREET ADDRESS | FIRM'S TELEPHONE NUMBER |
| Prescott Valley | 86314 |
| CITY | STATE ZIP CODE |
| | AZ |
| | STATE |

This form must be e-filed unless the corporation has a waiver or is exempt from e-filing. See instructions for details.

Name (as shown on page 1)

VILLAGES AT LYNX CREEK OWNERS

EIN

86-0675543

SCHEDULE A Additions to Taxable Income Continued

| | | | |
|--|----------|--|----|
| A6 Additions related to Arizona tax credits: | | | |
| A Pollution Control Credit: | | | |
| 1 Excess Federal Depreciation or Amortization | A1 | | 00 |
| 2 Excess in Federal Adjusted Basis | A2 | | 00 |
| B Credit for Taxes Paid for Coal Consumed in Generating Electrical Power | B | | 00 |
| C Credit for Employment of TANF Recipients | C | | 00 |
| D Credit for Donation of School Site | D | | 00 |
| E Credit for Motion Picture Production Costs | E | | 00 |
| F Credit for Corporate Contributions to School Tuition Organizations | F | | 00 |
| G Credit for Corporate Contributions to School Tuition Organizations for Displaced Students or Students with Disabilities | G | | 00 |
| H Total Additions Related to Arizona Tax Credits. Enter this amount on page 2, Schedule A, line A6 | H | | 00 |
| A8 Other additions to federal taxable income: | | | |
| A Positive Partnership Income Adjustment | A | | 00 |
| B Federal Exploration Expenses | B | | 00 |
| C Federal Amortization or Depreciation for Facilities and Equipment Amortized Under Arizona Law: | | | |
| 1 Pollution Control Devices | C1 | | 00 |
| 2 Child Care Facilities | C2 | | 00 |
| D Expenses and Interest Relating to Income Not Taxed by Arizona | D | | 00 |
| E Amounts Repaid in Current Taxable Year | E | | 00 |
| F Excess Federal Capital Loss Carryover Under a Claim of Right Restoration | F | | 00 |
| G Domestic International Sales Corporations | G | | 00 |
| H Expenditures for the Americans With Disabilities Act | H | | 00 |
| I Total Other Additions to Federal Taxable Income. Enter this amount on page 2, Schedule A, line A8 | I | | 00 |

SCHEDULE B Subtractions from Taxable Income Continued

| | | | |
|---|----------|--|----|
| B8 Expenses related to certain federal tax credits: | | | |
| A Work Opportunity Credit | A | | 00 |
| B Empowerment Zone Employment Credit | B | | 00 |
| C Credit for Employer-Paid Social Security Taxes on Employee Cash Tips | C | | 00 |
| D Indian Employment Credit | D | | 00 |
| E Total Expenses Related to Certain Federal Tax Credits. Enter this amount on page 2, Schedule B, line B8 | E | | 00 |
| B10 Other subtractions from federal taxable income: | | | |
| A Refunds of Taxes Based on Income | A | | 00 |
| B Negative Partnership Income Adjustment | B | | 00 |
| C Expense Recapture, Mine Explorations | C | | 00 |
| D Deferred Exploration Expenses | D | | 00 |
| E Exploration Expenses: Oil, Gas or Geothermal Resources | E | | 00 |
| F Arizona Amortization of Facilities and Equipment: | | | |
| 1 Pollution Control Devices | F1 | | 00 |
| 2 Cost of Child Care Facilities | F2 | | 00 |
| G Interest on Federally Taxable Arizona Obligations Evidenced by Bonds | G | | 00 |
| H Expenses and Interest Relating to Tax-Exempt Income | H | | 00 |
| I Claim of Right Adjustment | I | | 00 |
| J Dividends from Domestic International Sales Corporation (DISC) | J | | 00 |
| K Expenditures for the Americans with Disabilities Act | K | | 00 |
| L Contribution in Aid of Construction (see instructions) | L | | 00 |
| M Marijuana Establishments only (see instructions) | | | |
| 1 Federal Disallowed Expenses, or | M1 | | 00 |
| 2 Federal Taxable Income Attributable to NMMD Operations | M2 | | 00 |
| N Total Other Subtractions from Federal Taxable Income. Enter this amount on page 2, Schedule B, line B10 | N | | 00 |

Depreciation and Amortization
(Including Information on Listed Property)

State **AZ**

▶ See separate instructions. ▶ Keep for your records.

Name(s) shown on return
VILLAGES AT LYNX CREEK OWNERS

Business or activity to which this form relates
FORM 1120

Identifying number
86-0675543

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

| | | |
|--|---|----------------------------|
| 1 Maximum amount (see instructions) | 1 | 1,160,000 |
| 2 Total cost of section 179 property placed in service (see instructions) | 2 | 448,230 |
| 3 Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | 2,890,000 |
| 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | 0 |
| 5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | 1,160,000 |
| 6 (a) Description of property See ST DEPR Schedule | (b) Cost (business use only) 448,230 | (c) Elected cost 53,931 |
| 7 Listed property. Enter the amount from line 29 | 7 | |
| 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | 53,931 |
| 9 Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | 53,931 |
| 10 Carryover of disallowed deduction from line 13 of your 2022 Form 990 | 10 | |
| 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions | 11 | 60,180 |
| 12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11 | 12 | 53,931 |
| 13 Carryover of disallowed deduction to 2024. Add lines 9 and 10, less line 12 | 13 | |

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

| | | |
|---|-----------|--|
| 14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions. | 14 | |
| 15 Property subject to section 168(f)(1) election | 15 | |
| 16 Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

| | | |
|--|-----------|-------|
| 17 MACRS deductions for assets placed in service in tax years beginning before 2023 | 17 | 7,126 |
| 18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> | | |

Section B - Assets Placed in Service During 2023 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only-see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|---------------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | 13,808 | 3 | HY | SL HY | 2,301 |
| b 5-year property | See ST | | 5 | | | 943 |
| c 7-year property | | | | | | |
| d 10-year property | See ST | | 10 | | | 18,283 |
| e 15-year property | | 6,430 | 15 | HY | SL HY | 214 |
| f 20-year property | | | 25 yrs. | | S/L | |
| g 25-year property | | | 27.5 yrs. | MM | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 39 yrs. | MM | S/L | |

Section C - Assets Placed in Service During 2023 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|-----------------------|--|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 30-year | | | 30 yrs. | MM | S/L | |
| d 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | |
|--|-----------|--------|
| 21 Listed property. Enter amount from line 28 | 21 | |
| 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions | 22 | 82,798 |
| 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

For Paperwork Reduction Act Notice, see separate instructions.