

KCL FINANCIAL SERVICES
188 MCGREGOR DR
RANSON, WV 25438

March 25, 2021

Lake Front Royal POA
115 Lake Front Rd,
Front Royal, VA 22630-5851

Dear Client:

Enclosed is your 2020 Federal Income Tax Return for Homeowners Associations. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the Federal return on or before April 15, 2021 to:

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
KANSAS CITY, MO 64999-0012

Enclosed is your 2020 Virginia Corporation Income Tax Return. The original should be signed at the bottom of page two. No tax is payable with the filing of this return. Mail the Virginia return on or before April 15, 2021 to:

VIRGINIA DEPARTMENT OF TAXATION
P.O. BOX 1500
RICHMOND, VA 23218-1500

Please be sure to call if you have any questions.

Sincerely,

Kevin Lyle

Lake Front Royal POA

54-1179516

	2020	2019	Diff
EXEMPT FUNCTION INCOME AND EXPENDITURES			
Total exempt function income.....	29,452	35,845	-6,393
Expenditures described in 90% test.....	29,452	22,090	7,362
Total expenditures for the tax year.....	12,378	22,090	-9,712
GROSS INCOME (NON-EXEMPT FUNCTION INCOME)			
Taxable interest.....	37	0	37
Gross income.....	37	0	37
DEDUCTIONS			
Depreciation.....	253	0	253
Total deductions.....	253	0	253
TAXABLE INCOME			
Taxable income before specific ded.....	-216	0	-216
Specific deduction of \$100.....	100	100	0
Taxable income.....	-316	-100	-216
TAX COMPUTATION			
Tax (30% of taxable income).....	0	0	0
Net tax.....	0	0	0
PAYMENTS AND CREDITS			
Total payments and credits.....	0	0	0
REFUND OR AMOUNT DUE			
Overpayment.....	0	0	0
Tax due.....	0	0	0
TAX RATES			
Marginal tax rate.....	30.0%	30.0%	0.0%

Lake Front Royal POA

	2020	2019	Diff
FEDERAL INCOME			
Federal taxable income.....	-316	-100	-216
ADJUSTED INCOME			
Virginia taxable income.....	-316	-100	-216
TAX AND CREDITS			
Income tax is 6% of taxable income.....	0	0	0
REFUND OR TAX TO PAY			
Amount to be refunded.....	0	0	0
TAX RATES			
Marginal tax rate.....	0.0%	0.0%	0.0%

Forms needed for this return

Federal: 1120-H
Virginia: 500, Sch 500ADJ, Sch 500FED

Tax Rates

	<u>Marginal</u>	<u>Effective</u>
Federal	30%	0%
Virginia	0%	0%

Carryovers to 2021

None

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

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

2020

For calendar year 2020 or tax year beginning _____, 2020, and ending _____,

TYPE OR PRINT	Lake Front Royal POA 115 Lake Front Rd, Front Royal, VA 22630-5851	Employer identification number 54-1179516 Date association formed 1/01/1974
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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 29,452.
C Total expenditures made for purposes described in 90% expenditure test. See instructions	C 29,452.
D Association's total expenditures for the tax year. See instructions	D 12,378.
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 37.
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 37.

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)	14 253.
15 Other deductions (attach statement)	15
16 Total deductions. Add lines 9 through 15	16 253.
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17 -216.
18 Specific deduction of \$100	18 \$100

Tax and Payments

19 Taxable income. Subtract line 18 from line 17	19 -316.										
20 Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20 0.										
21 Tax credits (see instructions)	21										
22 Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	22 0.										
23 a 2019 overpayment credited to 2020. ... 23 a	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:30%;">23 b 2020 estimated tax payments</td><td style="width:30%;">23 c Total ▶ 0.</td></tr> <tr><td>23 d Tax deposited with Form 7004</td><td>23 d</td></tr> <tr><td>23 e Credit for tax paid on undistributed capital gains (attach Form 2439)</td><td>23 e</td></tr> <tr><td>23 f Credit for federal tax paid on fuels (attach Form 4136)</td><td>23 f</td></tr> <tr><td>23 g Add lines 23c through 23f</td><td>23 g 0.</td></tr> </table>	23 b 2020 estimated tax payments	23 c Total ▶ 0.	23 d Tax deposited with Form 7004	23 d	23 e Credit for tax paid on undistributed capital gains (attach Form 2439)	23 e	23 f Credit for federal tax paid on fuels (attach Form 4136)	23 f	23 g Add lines 23c through 23f	23 g 0.
23 b 2020 estimated tax payments		23 c Total ▶ 0.									
23 d Tax deposited with Form 7004		23 d									
23 e Credit for tax paid on undistributed capital gains (attach Form 2439)		23 e									
23 f Credit for federal tax paid on fuels (attach Form 4136)		23 f									
23 g Add lines 23c through 23f		23 g 0.									
24 Amount owed. Subtract line 23g from line 22. See instructions	24 0.										
25 Overpayment. Subtract line 22 from line 23g	25										
26 Enter amount of line 25 you want: Credited to 2021 estimated tax ▶	26 Refunded ▶										

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 _____ Date _____	Treasurer _____ Title _____	May the IRS discuss this return with the preparer shown below? See instrs. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Paid Preparer Use Only	Print/Type preparer's name Kevin Lyle	Preparer's signature _____	Date _____	Check <input checked="" type="checkbox"/> self-employed if PTIN P00925674	Firm's EIN ▶ 26-2923586
	Firm's name ▶ KCL Financial Services			Firm's address ▶ 188 McGregor Dr	
	Firm's address ▶ Ranson, WV 25438			Phone no. _____	

Form 500

Department of Taxation
P.O. Box 1500
Richmond, VA 23218-1500

**2020 Virginia Corporation
Income Tax Return**



Attention: Return must be filed electronically. Use this form only if you have an approved waiver.
Do not file this form to carry back a net operating loss. Use Form 500NOLD.

Official Use Only

FISCAL or **SHORT** Year Filer: **Beginning Date** _____, _____; **Ending Date** _____, _____

Short Year Return **Change in Accounting Period**

FEIN 54-1179516		Name Lake Front Royal POA		Check all that apply: <input type="checkbox"/> Initial Filer <input type="checkbox"/> Name Change <input type="checkbox"/> Mailing Address Change <input type="checkbox"/> Physical Address Change		
Mailing Address 115 Lake Front Rd,						
City or Town Front Royal		State VA	ZIP Code 22630-5851			
Physical Address (if different from Mailing Address)						
Physical City or Town				Entity Type Code CC	NAICS Code 531390	
Date Incorporated 01011974	State or Country of Incorporation VA		Description of Business Activity Homeowners Associati			

Check Applicable Boxes	Final Return	Corporate Telecommunications Company
<input type="checkbox"/> Consolidated – Sch. 500AC Enclosed	<input type="checkbox"/> Final Return – Check here and applicable boxes below.	Enter amount from Form 500T, Line 7: _____ .00
<input type="checkbox"/> Combined – Sch. 500AC Enclosed		
<input type="checkbox"/> Change in Filing Status	<input type="checkbox"/> Withdrawn	Noncorporate Telecommunications Company
<input type="checkbox"/> Sch. 500A Enclosed	<input type="checkbox"/> Dissolved – No longer liable for tax.	<input type="checkbox"/> Check box and enter amount from Form 500T, Line 10: _____ .00
<input type="checkbox"/> Schedule 500AB Enclosed	Dissolved Date: _____	Electric Supplier Company
<input type="checkbox"/> Nonprofit Corporation	<input type="checkbox"/> Merged	Enter amount from Sch. 500EL, Line 7 or 14: _____ .00
<input type="checkbox"/> Certified Company Apportionment – Sch. 500AP Enclosed	Merger Date: _____	Home Service Contract Provider
Enter number of affiliates: _____	Merger FEIN: _____	Enter amount from Form 500HS, Line 10: <input type="checkbox"/> Check box if a noncorporate HSCP. _____ .00
<input type="checkbox"/> Amended Return (See instructions)	<input type="checkbox"/> S Corp Effective: _____	
Enter reason code: _____		

Questions and Related Information

A Have you made any payments to an affiliated corporation, a related individual, or other related entity for interest, royalties or other expenses related to intangible property (patents, trademarks, copyrights, and similar intangible property)? If yes, complete and enclose Schedule 500AB.
Enter exception amount from Schedule 500AB, Line 8. **A** _____ .00

B Coalfield Employment Enhancement Tax Credit earned from 2020 Form 306, Line 11. **B** _____ .00

C If a net operating loss deduction was claimed in computing federal taxable income on the U.S. Corporation Income Tax Return, provide the requested information. If a NOL resulted from a merger, enter the FEIN of the company generating the NOL prior to the merger date.
FEIN _____
 (If there are NOLs for more than one year, enclose a schedule for each year with the information requested in Section C.)

(1) Year of Loss _____
 (2) Federal NOL _____
 (3) Percent of federal NOL used this year _____ %

D If pass-through entity withholding is claimed, enter the number of Schedules VK-1 and complete and enclose Schedule 500ADJ, Page 2. **D** _____

E Has your federal income tax liability been redetermined with the IRS and finalized for any prior year(s) that has not previously been reported to the Department? If yes, provide the year(s).
Year E _____
Year _____
Year _____

F Location of corporation's books 115 Lake Front Road, Front Royal, VA, 22630
 Contact for corporation's books Ken Harvey Contact Phone Number _____

**2020 Virginia
Form 500**

FEIN 54-1179516



Page 2

Lake Front Royal POA

INCOME

1	Federal taxable income (from enclosed federal return)	1	-316	.00
2	Total additions from Schedule 500ADJ, Section A, Line 7	2		.00
3	Total (add Lines 1 and 2)	3	-316	.00
4	Total subtractions from Schedule 500ADJ, Section B, Line 10	4		.00
5	Balance (subtract Line 4 from Line 3)	5	-316	.00
6	Savings and Loan Association's Bad Debt Deduction (see instructions)	6		.00
7	Virginia taxable income (subtract Line 6 from Line 5)	7	-316	.00

TAX COMPUTATION

8 Apportionable Income (Schedule 500A Filers) – Complete Lines 8(a) through 8(d). See instructions.

(a)	Income subject to Virginia tax from Schedule 500A, Section B, Line 3(j)	8(a)		.00
(b)	Apportionment factor percentage from Schedule 500A, Section B, Line 1 or Line 2(f)	8(b)		%
(c)	Nonapportionable investment function income from Schedule 500A, Section B, Line 3(c)	8(c)		.00
(d)	Nonapportionable investment function loss from Schedule 500A, Section B, Line 3(e)	8(d)		.00
9	Income tax [6% of Line 7 or 6% of Line 8(a)]	9	0	.00

PAYMENTS AND CREDITS

10	Nonrefundable tax credits: Enter the amount from Schedule 500CR, Section 2, Part 1, Line 1B	10	0	.00
11	Adjusted corporate tax (subtract Line 10 from Line 9)	11	0	.00
12	2020 estimated Virginia income tax payments including overpayment credit from 2019	12		.00
13	Extension payment	13		.00
14	Refundable tax credits from Schedule 500CR, Section 4, Part 1, Line 1A	14		.00
15	Pass-through entity total withholding from Schedule 500ADJ, Section D	15		.00
16	Total payments and credits (add Lines 12 through 15)	16	0	.00

REFUND OR TAX DUE

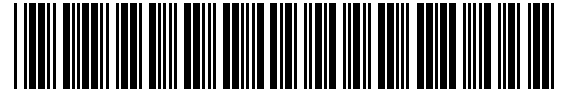
17	Tax owed (if Line 11 is greater than Line 16, subtract Line 16 from Line 11)	17	0	.00
18	Penalty (see instructions)	18		.00
19	Interest (see instructions)	19		.00
20	Additional charge from Form 500C, Line 17 (enclose Form 500C)	20		.00
21	Total due (add Lines 17 through 20)	21	0	.00
22	Overpayment (if Line 16 is greater than Line 11, subtract Line 11 from Line 16)	22		.00
23	Amount to be credited to 2021 estimated tax	23		.00
24	Amount to be refunded (subtract Line 23 from Line 22)	24		.00

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act on behalf of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than the taxpayer, this declaration is based on all information of which he or she has any knowledge.

By checking the box to the right, I (we) authorize the Department to discuss this return with the undersigned preparer. →

Date	Signature of Officer	Title
		Treasurer
Printed Name of Officer		Phone Number
Print Preparer's Name and Firm Name		Preparer Phone Number
Kevin Lyle		
Date	Individual or Firm, Signature of Preparer	Address of Preparer
		KCL Financial Services 188 McGregor Dr Ranson, WV 25438
Preparer's FEIN, PTIN, or SSN		Approved Vendor Code
P00925674		1032

IMPORTANT: INCLUDE A COPY OF YOUR FEDERAL RETURN WITH THIS RETURN



Name as shown on Virginia return Lake Front Royal POA	FEIN 54-1179516
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Use **Schedule 500ADJS** in addition to the Schedule 500ADJ if you are claiming more additions or subtractions than the Schedule 500ADJ allows. Refer to the Form 500 Instructions for addition and subtraction codes.

Check this box and enclose Schedule 500ADJS with your return.

Section A – Additions to Federal Taxable Income

1 Fixed date conformity addition – Depreciation.....	1		.00
2 Fixed date conformity addition – Other.....	2		.00
3 Taxable addition from Schedule 500AB, Line 10.....	3		.00
4 Net income tax and other taxes that are based on, measured by, or computed with reference to net income.....	4		.00
5 Interest on state obligations other than Virginia.....	5		.00
6 Other Additions <i>See instructions for addition codes</i>		Code	
6 a			.00
6 b			.00
6 c			.00
7 Total Additions. Add Lines 1-5 and 6a-6c. Enter here and on Form 500, Line 2.....	7		.00

Section B – Subtractions from Federal Taxable Income

1 Fixed date conformity subtraction – Depreciation.....	1		.00	
2 Fixed date conformity subtraction – Other.....	2		.00	
3 Income from obligations or securities of the U.S. exempt from state income taxes, but not from federal income taxes.....	3		.00	
4 Foreign dividend gross-up (IRC § 78).....	4		.00	
5 Refund or credit of income taxes included in federal taxable income.....	5		.00	
6 Subpart F income (IRC § 951) and/or Global Intangible Low-Taxed Income (IRC § 951A).....	6		.00	
7 Foreign source income subtraction allowed by Va. Code § 58.1-402 C 8.....	7		.00	
8 Dividends received from corporations in which the recipient owns 50% or more of the voting stock, to the extent remaining in federal taxable income.....	8		.00	
9 Other Subtractions <i>See instructions for subtraction codes.</i>		Certification Number	Code	
9 a				.00
9 b				.00
9 c				.00
10 Total Subtractions. Add Lines 1-8 and 9a-9c. Enter here and on Form 500, Line 4.....	10		.00	

Section C – Amended Return

If you are filing an amended return, complete Section C to determine if you will receive an additional refund or if you need to make an additional payment.

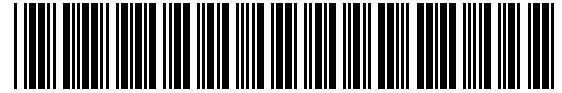
1 Add amount paid with original return plus additional tax paid after it was filed. (Do not include amount paid from Form 500, Line 20.).....	1		.00
2 Add Line 1 from above and Line 16 from Form 500 and enter the total here.....	2		.00
3 Overpayment, if any, as shown on original return or as previously adjusted.....	3		.00
4 Subtract Line 3 from Line 2.....	4		.00
5 If Line 4 above is less than Line 11 on amended Form 500, subtract Line 4 above from Line 11 on amended Form 500. This is the tax you owe.	5		.00
6 Refund. If Line 11 on amended Form 500 is less than Line 4 above, subtract Line 11 on amended Form 500 from Line 4 above. This is the tax you overpaid.	6		.00

EXPLANATION OF CHANGES TO INCOME AND MODIFICATIONS

Enclose an explanation for amending return. Provide the line reference from the Form 500 for which a change is reported and give the reason for each change. Show any computation in detail and enclose any applicable schedules.

**2020 Virginia
Schedule 500FED**

**Corporation Schedule of
Federal Line Items**



Enclose Schedule 500FED with your Virginia Corporation Income Tax Return, Form 500.

Schedule 500FED does not replace the requirement to enclose a complete federal Form 1120 with your Virginia return.

Name as shown on Virginia return Lake Front Royal POA FEIN 54-1179516

Form 1120 – Deductions and Taxable Income

1	Federal Taxable Income before NOL and Special Deductions	1	16,818.00
2	Net Operating Loss Deduction	2	.00
3	Special Deductions	3	.00
4	Federal Taxable Income after NOL and Special Deductions	4	16,818.00

Form 1120, Schedule C – Dividends and Special Deductions

5	Subpart F Income and/or Global Intangible Low-Taxed Income	5	.00
6	Gross-Up for Foreign Taxes Deemed Paid	6	.00

Form 1120, Schedule K or M-1

7	Tax Exempt Interest	7	.00
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Form 5884 – Work Opportunity Credit

8	Salaries and Wages not deducted due to the WOTC	8	.00
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Form 4562 – Special Depreciation Allowance and Other Depreciation

9	Special depreciation allowance for qualified property placed in service during the taxable year	9	.00
10	Property subject to 168(f)(1) election	10	.00
11	Other depreciation	11	.00

Form 1118, Schedule A – Income or Loss Before Adjustments – Gross Income or Loss

12	Total: Dividends (Exclude Gross-Up)	12	.00
13	Total: Dividends (Gross-up)	13	.00
14	Total: Inclusions (Exclude Gross-up)	14	.00
15	Total: Inclusions (Gross-up)	15	.00
16	Total: Interest	16	.00
17	Total: Gross Rents, Royalties, and License Fees	17	.00
18	Total: Gross Income from Performance of Services	18	.00
19	Total: Other	19	.00
20	Total: Total Gross Income or Loss from Outside the US	20	.00

Form 1118, Schedule A – Income or Loss Before Adjustments – Deductions

21	Total: Allocable – Rental, Royalty, and Licensing Expenses – Depreciation, Depletion, and Amortization	21	.00
22	Total: Allocable – Rental, Royalty, and Licensing Expenses – Other Expenses	22	.00
23	Total: Allocable – Expenses Related to Gross Income from Performance of Services	23	.00
24	Total: Allocable – Other Allocable Deductions	24	.00
25	Total: Total Allocable Deductions	25	.00
26	Total: Apportioned Share of Deductions	26	.00
27	Total: Net Operating Loss Deduction	27	.00
28	Total: Total Deductions	28	.00

Form 1118, Schedule A – Income or Loss Before Adjustments – Total Income

29	Total: Total Income or (Loss) Before Adjustments	29	.00
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