

RICA SERVICES COMPANY

Tax Planning and Taxes

We know how important for HOAs to properly file their tax returns to keep their exempt status active, In fact, we are here to offer you our professional help to file your taxes and keep your HOA status active.

RICA SERVICES COMPANY has the following features which allow RICA to provide a high quality service with unbeatable prices:

▪ HOA Tax Consulting	▪ Accounting Education
▪ Enrolled Agent License	▪ Trust and Satisfaction
▪ Real Estate License	▪ Unbeatable Prices
▪ Legal Study Education	▪ Audit Representation

By having RICA SERVICES COMPANY as your tax service provider, you will be able to have the following benefits from each of our features:

- **HOA Tax Consulting.** As an “Enrolled Agent”, we have the unlimited rights and the same power as an attorney to represent taxpayers before the IRS and no matter if you are a Home Owner Association (HOA) exempt under the section 501(c) or qualified under the Section 528, we can do your tax returns as well as represent you in all of the IRS issues. Moreover, with our tax planning services, we will choose the best tax form for your HOA under which the HOA’s income will be exempt the most and provide you the best savings.
- **Enrolled Agent and Real Estate License.** Doing the HOA tax work and being able to provide the best result, it is not enough to just have tax law knowledge, but the real estate law knowledge is necessary as well. Thus, our HOA tax consultants hold such licenses and are knowledgeable in both taxes and real estate laws, so your HOA tax planning and taxes can be done with us in more favorable ways to you.
- **Legal Study and Accounting Education.** Our HOA tax professionals highly educated in both law and accounting, in fact, they can easily clarify the facts and issues in the audit process and are able to build a strong argument and defense. Therefore, this knowledge helps our HOA tax professionals have both understanding in the tax agency’s theory and the court interpretation of the tax rules. Accordingly, by using our tax planning and taxes services, you will be able to safely get better results than just using either a CPA, who generally only specialize in calculations, or an attorney whose specialties are mostly in legal theories only.
- **Trust and Satisfaction.** We work with high care in getting the best result because we want to have a long run relationship with our clients; in fact, we care about our clients trust and satisfaction first. If we will be your service provider, you will have a tax consulting firm to whom you can trust and with whom you will be fully satisfied.
- **Unbeatable Prices.** Because we build our business based on this strategy, “*Why should our clients pay us more for the same result, if they can get such results elsewhere with less money?*” you will pay us an unbeatable price for our quality work.
- **Full Audit Representation.** Because of our many years of experience in the IRS and the Washington state Department of Revenue audits, in addition to the tax planning and tax services, we will be able to provide you high quality with unbeatable prices in tax audit service. Thus, as having us as your tax service provider, you will not have to hire and overpay an attorney or a CPA who only generally knows the tax law to resolve such audit.
- **References and HOA Tax Savings Tips.** See back of this page for our references and HOA tax savings tips.

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HOA Tax Tips

Generally, all expenses in HOA properties shall be deducted as an exempt function expense; however, some of them can be allocated between exempt function income and gross taxable income. The following expenses herein stated can be 100% deducted against taxable income.

- ✓ **Tax Preparation Fee.** If the main reason of hiring a tax firm to do the HOA income tax return was because of the non exempt income and expenses, then the tax preparation fee can be fully deducted as a non exempt expense and it will decrease the HOA's taxable income.
- ✓ **Accounting Fee.** If the main reason of finding an accountant to do the HOA accounting was because of the non exempt income and expenses, then the accounting fee can be fully deducted as a non exempt expense and it can decrease the HOA's taxable income.
- ✓ **Audit Expenditures.** If the IRS or any other tax agency audit's your HOA tax return because of the taxable income and expense issues, all of the expenditures related to such audit can be deducted as a non exempt expense and it can decrease your HOA's taxable income.

All other expenses, if it cannot be allocated based on the percentage of exempt, non exempt income and expenses, shall be treated as an exempt function expense and cannot be used to decrease the taxable income. So, it is very important that even though the HOA will not have any taxable income, still treat the above expenses as a non exempt expense otherwise the IRS may disallow you to treat such expense as a non exempt expense in the future.

RICA's HOA Portfolio

RICA successfully, with high expertise, provided tax and related to tax services to all of these home owner association properties listed below:

1226 Alki Ave SW -HOA	Greenwood Plaza - HOA	Sidney Condo Ass. - HOA
Carrol place - HOA	North 45 th Street condo - HOA	1 st Ave North Ass. - HOA
Circle Point Homes - HOA	Remington Court - HOA	Fairview Green Lake- HOA
Bostad - HOA	Moderne Condo - HOA	Forest Park States Ass. - HOA
Edmond Court- HOA	1- 10 Nineteenth Ave E.- HOA	Renaissance Cond. - HOA
Bridgeview - HOA	North Lake- HOA	Republican Court - HOA
Ballard Square - HOA	Midori Ass. - HOA	Seawest- HOA
337 Kirkland North 45 th St. -HOA	Francis Fremont - HOA	Sendero Townhouse—LCC -HOA
939 Condos -HOA	Gemstone II-HOA	Shore Crest - HOA
1350 Alki Condo- HOA	Haida Townhouse - HOA	Sunrise North Condo - HOA
1400 Taylor Condo - HOA	Harborcrest- HOA	Sunset Villa-HOA
1430 Northwest Condo - HOA	Horizon View - HOA	Trailside Townhouse Ass. - HOA
2048 Owner Ass. - HOA	Jhonston Manor – HOA	Valley View States - HOA
2818 Northwest - HOA	Laurel Court- HOA	Villa de Madera - HOA
3615 Whitman - HOA	Madison Place - HOA	Westminster 500 - HOA
4224 Beach Drive - HOA	Madison View - HOA	Wildwood @ Magnolia - HOA
Avalon condo HOA	Meydenbauer House - HOA	Yeslers Mews - HOA

"I really enjoyed working with RICA Services this year for our HOA tax filings for 2012. I represent over 50 associations so it is great to have a company that can take on a good amount of work and take care of it in such a timely manner. Alex Tsaruk was always available to take my calls and answer any questions that I might have. All of this and done for a fantastic price. I will definitely be using their services in the future!" Adrienne Corcoran, Property Manager, Circle Point Homes P (206) 729-3540.

"As a business owner, it is really important for me to have a tax professional who is honest and to whom I can fully trust by knowing that the job will be done properly and on time without any delays. So, if you want to have a good tax professional, I definitely recommend RICA SERVICES Company. Thomas Wilkerson the president of Circle Point Homes P (206) 819-4652.