

WESTGATE SQUARE ASSOCIATION, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2010



M I R R A
& ASSOCIATES
— LLC —

A Certified Public Accounting and Consulting Firm

WESTGATE SQUARE ASSOCIATION, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2010

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Revenues and Expenses	3
Statement of Changes in Fund Balances	4
Statement of Cash Flows	5 - 6
Notes to the Financial Statements	7 - 11
SUPPLEMENTARY INFORMATION	
Future Major Repairs and Replacements (Unaudited)	12
Total Revenues, Operating Expenses and Allocations to Funds - Actual to Budget	13 - 15
Fund Expenses	16

Marie D. Mirra, CPA
~ NJ and NY

Member of:

American Institute of CPAs
Association of Certified Fraud Examiners
American Board of Forensic Accounting
New Jersey Society of CPAs
New York Society of CPAs



MIRRA
& ASSOCIATES
LLC

A Certified Public Accounting and Consulting Firm

284 US Hwy 206, Suite 8A
Hillsborough, NJ 08844
Tel 908.281.4500
Fax 908.281.4504
mmirra@mirracpas.com

INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF TRUSTEES AND UNIT OWNERS OF
WESTGATE SQUARE ASSOCIATION, INC.**

We have audited the accompanying balance sheet of Westgate Square Association, Inc. as of December 31, 2010 and the related statements of revenues and expenses, changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Association's Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westgate Square Association, Inc. as of December 31, 2010, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 through 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


MIRRA & ASSOCIATES, LLC

Hillsborough, New Jersey
April 1, 2011

WESTGATE SQUARE ASSOCIATION, INC.

BALANCE SHEET

DECEMBER 31, 2010

	TOTAL	OPERATING FUND	DEFERRED MAINTENANCE FUND	REPLACEMENT FUND
ASSETS				
Cash	\$ 89,578	\$ 89,578	\$ -	\$ -
Money market funds	241,089	164,468	-	76,621
Certificates of deposit	640,000	25,000	-	615,000
Investments	253,415	-	-	253,415
Accrued interest receivable	1,044	-	-	1,044
Assessments receivable, net of allowance for doubtful accounts of \$2,000	23,567	23,567	-	-
Due from Township	16,101	16,101	-	-
Other receivable	1,251	1,251	-	-
Prepaid insurance	21,668	21,668	-	-
Prepaid Federal income taxes	2,610	2,610	-	-
Due to/from funds	-	(54,232)	58,260	(4,028)
TOTAL ASSETS	\$ 1,290,323	\$ 290,011	\$ 58,260	\$ 942,052
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 47,888	\$ 47,888	\$ -	\$ -
Assessments received in advance	57,505	57,505	-	-
TOTAL LIABILITIES	105,393	105,393	-	-
COMMITMENT	-	-	-	-
FUND BALANCES	1,184,930	184,618	58,260	942,052
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,290,323	\$ 290,011	\$ 58,260	\$ 942,052

The accompanying notes are an integral part of these financial statements.

WESTGATE SQUARE ASSOCIATION, INC.

STATEMENT OF REVENUES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

	TOTAL	OPERATING FUND	DEFERRED MAINTENANCE FUND	REPLACEMENT FUND
REVENUES				
Membership assessments	\$ 1,378,080	\$ 738,829	\$ 245,000	\$ 394,251
Bad debt recovery	16,471	16,471	-	-
Membership fees	15,660	15,660	-	-
Interest and investment income	13,677	2,370	-	11,307
Late, legal and fines income	8,460	8,460	-	-
Township reimbursement	7,915	7,915	-	-
Clubhouse rental income	7,250	7,250	-	-
Realized gain on investments	5,816	-	-	5,816
TOTAL REVENUES	1,453,329	796,955	245,000	411,374
EXPENSES				
Administrative	251,672	251,547	-	125
Grounds maintenance	317,125	317,125	-	-
Other maintenance	122,105	122,105	-	-
Utilities	64,184	64,184	-	-
Recreation	33,639	33,639	-	-
Federal income taxes	890	108	-	782
Fund expenses	780,742	-	277,706	503,036
TOTAL EXPENSES	1,570,357	788,708	277,706	503,943
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (117,028)	\$ 8,247	\$ (32,706)	\$ (92,569)

The accompanying notes are an integral part of these financial statements.

WESTGATE SQUARE ASSOCIATION, INC.

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2010

	TOTAL	OPERATING FUND	DEFERRED MAINTENANCE FUND	REPLACEMENT FUND		
				TOTAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	REPLACEMENT FUND
FUND BALANCES - BEGINNING OF YEAR	<u>\$ 1,305,463</u>	<u>\$176,371</u>	<u>\$ 90,966</u>	<u>\$ 1,038,126</u>	<u>\$ -</u>	<u>\$ 1,038,126</u>
COMPREHENSIVE INCOME (LOSS):						
NET UNREALIZED LOSS ON INVESTMENTS	(3,505)	-	-	(3,505)	(3,505)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(117,028)</u>	<u>8,247</u>	<u>(32,706)</u>	<u>(92,569)</u>	<u>-</u>	<u>(92,569)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>(120,533)</u>	<u>8,247</u>	<u>(32,706)</u>	<u>(96,074)</u>	<u>(3,505)</u>	<u>(92,569)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,184,930</u></u>	<u><u>\$184,618</u></u>	<u><u>\$ 58,260</u></u>	<u><u>\$ 942,052</u></u>	<u><u>\$ (3,505)</u></u>	<u><u>\$ 945,557</u></u>

The accompanying notes are an integral part of these financial statements.

WESTGATE SQUARE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	TOTAL	OPERATING FUND	DEFERRED MAINTENANCE FUND	REPLACEMENT FUND
CASH FLOWS FROM				
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ (117,028)	\$ 8,247	\$ (32,706)	\$ (92,569)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash used in operating activities:				
Change in assets and liabilities:				
Accrued interest receivable	2,202	-	-	2,202
Assessments receivable	(19,384)	(19,384)	-	-
Other receivable	4,208	4,208	-	-
Prepaid insurance	-	-	-	-
Prepaid Federal income taxes	5,936	5,936	-	-
Due to/from funds	-	(119,001)	32,706	86,295
Accounts payable and accrued expenses	9,110	9,110	-	-
Assessments received in advance	137	137	-	-
NET CASH USED IN				
OPERATING ACTIVITIES	(114,819)	(110,747)	-	(4,072)

(CONTINUED)

The accompanying notes are an integral part of these financial statements.

WESTGATE SQUARE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	TOTAL	OPERATING FUND	DEFERRED MAINTENANCE FUND	REPLACEMENT FUND
(CONTINUED)				
CASH FLOWS FROM INVESTING ACTIVITIES				
Maturity of certificates of deposit	940,000	185,000	-	755,000
Purchase of certificates of deposit	(640,000)	(25,000)	-	(615,000)
Purchase of investments	(206,811)	-	-	(206,811)
Net activity in money market funds	73,577	2,694	-	70,883
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 166,766	 162,694	 -	 4,072
 NET INCREASE IN CASH	 51,947	 51,947	 -	 -
 CASH - BEGINNING OF YEAR	 37,631	 37,631	 -	 -
 CASH - END OF YEAR	 \$ 89,578	 \$ 89,578	 \$ -	 \$ -
 SUPPLEMENTAL DISCLOSURE:				
Income taxes paid	\$ -			

The accompanying notes are an integral part of these financial statements.

WESTGATE SQUARE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 1 - NATURE OF ORGANIZATION:

Westgate Square Association, Inc. is a New Jersey corporation subject to the provisions of the Condominium Act of the State of New Jersey. The purpose of the Association is to provide for the preservation of the values and amenities in the community and for the operation and maintenance of the common property. Consisting of 396 residential units, the Association is located in Edison, New Jersey. Recreational facilities include a clubhouse, swimming pool and tennis courts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Fund Accounting - The Association's governing documents (i.e., Public Offering Statement, Master Deed, and By-laws) provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts in accordance with the principles of fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund represents the portion of expendable funds that is available for the general operations of the Association.

Deferred Maintenance Fund - The purpose of this fund is to accumulate sufficient amounts which will allow the Association to have the necessary resources to perform painting, siding replacement and other maintenance services which occur less frequently than annually.

Replacement Fund - The purpose of the replacement fund is to accumulate funds over the lives of capital assets which are part of the common elements that are the Association's responsibility to replace so that sufficient amounts are available to pay for their eventual replacement.

Recognition of Assets - The Association's property and common elements are owned by the unit owners in condominium form pursuant to the master deed wherein each of the individual unit owners holds legal title to an undivided interest in property constituting the common elements. Accordingly, no amounts related to these common elements are included on the accompanying balance sheet of the Association. The common elements generally consist of sidewalks, roadways, recreational facilities, open areas, and portions of the buildings not comprising the individual units.

Cash - Cash is held in bank deposit accounts.

(CONTINUED)

WESTGATE SQUARE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Money Market Funds - Money market funds are recorded at cost which approximated market value at December 31, 2010.

Investments - Securities are classified as investments. The Association reports its investments under the provision of Statement of Financial Accounting Standards No. 115 - "Accounting for Certain Debt and Equity Securities" (SFAS 115). In accordance with this statement the Association has classified its investments as available for sale.

Securities classified as available for sale may be sold in response to changes in interest rates, liquidity needs and for other purposes. Available for sale securities are carried at fair value and include all debt and equity securities not classified as held to maturity. Any resulting unrealized gains and losses are reflected as comprehensive income. Realized gains and losses for securities classified as available for sale are reported in the statement of revenues and expenses based on the adjusted cost of the specific security sold.

Membership Assessments and Assessments Receivable - The Association's members are subject to annual assessments which are billed monthly based upon the annual budget and as determined by the Board of Trustees. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods, or as otherwise specified by the Association's governing documents. A portion of the monthly assessments to owners are allocated to the replacement fund and deferred maintenance fund.

On a periodic basis, the Board and management evaluate the assessments receivable and estimate an allowance for doubtful accounts, based on the current legal status of past due accounts.

Interest and Investment Income Earned - It is the Association's policy to allocate interest and investment income earned on replacement fund money market funds, certificates of deposit and investments to the replacement fund. Interest income earned on all other money market funds and certificates of deposit is recorded to the operating fund.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the Board to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - The Association has evaluated events and transactions for potential recognition or disclosure through the date of the auditor's report which is the date the financial statements were available to be issued.

WESTGATE SQUARE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 3 - CERTIFICATES OF DEPOSIT:

Certificates of deposit consisted of the following at December 31, 2010:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Replacement Fund</u>
Within one year	0.20%-1.09%	\$440,000	\$25,000	\$415,000
One to two years	0.85%-1.00%	<u>200,000</u>	<u>-</u>	<u>200,000</u>
	Total	<u>\$640,000</u>	<u>\$25,000</u>	<u>\$615,000</u>

The Association intends to hold these certificates of deposit until maturity. Market values approximated cost at December 31, 2010.

NOTE 4 - INVESTMENTS:

At December 31, 2010, investments consisted of mutual funds which were recorded at market value and are classified as available for sale as follows:

	<u>Amortized Cost</u>	<u>Unrealized Loss</u>	<u>Market Value</u>
Vanguard GNMA Funds	<u>\$256,920</u>	<u>\$(3,505)</u>	<u>\$253,415</u>

The unrealized loss has been included in comprehensive income (loss) in the accompanying financial statements.

NOTE 5 - DUE FROM TOWNSHIP / TOWNSHIP REIMBURSEMENT:

The Association is reimbursed by the Township of Edison for a portion of snow removal and street lighting expenses. During March 2010, the Association received reimbursements for 2008 snow removal and street lighting for \$7,915 which is recorded in the accompanying financial statements. The reimbursements for 2009 and 2010 have not been received as of December 31, 2010; therefore, such are recorded as Due from Township in the accompanying financial statements based on actual reimbursements received in prior years.

WESTGATE SQUARE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 6 - FEDERAL INCOME TAXES:

Under the Internal Revenue Code, associations may be taxed as a condominium association at their election, or as a regular corporation. The association may select either method in any year and will generally select the method that results in the lowest tax due. A method selected in one year affects only that year and the association is free to select either method in future years. By filing as a regular corporation, the association is generally taxed at a lower rate than by filing as a condominium association.

For the year ended December 31, 2010, the Association has not elected to be taxed as a condominium association and will, therefore, be taxed as a corporation. Income taxes of \$890 have been provided based on the excess of non-membership income over non-membership expenses.

The Association adopted the new accounting for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns. The Association's income tax returns are subject to examination by taxing authorities for three years after the returns are filed. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

The Association is incorporated pursuant to Title 15A of the New Jersey Statutes and, therefore, is not liable for New Jersey corporation business income tax.

NOTE 7 - REPLACEMENT FUND:

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for expenditures for normal operations.

FWH Associates, professional engineering consultants, updated the replacement study in January 2008 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on the then current estimated replacement costs. The table included in the unaudited supplementary information on future major repairs and replacements is based on this study.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of current replacement costs utilizing the cash flow method averaged over 30 years. Interest and investment income earned on replacement funds and realized gains on investments, net of income taxes, are also allocated to the replacement fund.

(CONTINUED)

WESTGATE SQUARE ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

NOTE 7 - REPLACEMENT FUND (CONTINUED):

The Association has engaged an engineer who is currently in the process of updating the reserve study.

Funds are being accumulated in the replacement fund based upon estimated costs for repairs and replacements of common property components. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments or delay major repairs and replacements until funds are available, if possible.

NOTE 8 - MEMBERSHIP FEES:

Upon the acquisition of title to a unit, each new member of the Association must contribute a one-time, non-refundable membership fee equivalent to three months' of the current maintenance fees. Such fees have been allocated as operating revenues in the accompanying financial statements.

NOTE 9 - COMMITMENT:

During November 2010, the Association entered into a contract for roof replacements above the living room and second bedroom of the units in five courts within the Association at a cost of approximately \$348,000 plus engineering fees. No work had begun as of December 31, 2010 and is anticipated to commence in Spring 2011; therefore, no amounts have been recorded in the accompanying financial statements.

WESTGATE SQUARE ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

FUTURE MAJOR REPAIRS AND REPLACEMENTS

(UNAUDITED)

DECEMBER 31, 2010

FWH Associates, P.A., professional engineering consultants, conducted a study in 2008 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

The following information is based on the study and presents significant information about the components of common property.

<u>COMPONENTS</u>	<u>AS OF 2008 STUDY</u>	
	<u>ESTIMATED REMAINING USEFUL LIVES (YEARS)</u>	<u>ESTIMATED CURRENT REPLACEMENT COSTS</u>
Site work	1 - 28	\$ 2,665,766
Structures	1 - 25	5,760,057
Mechanical / electrical	2 - 14	8,100
Miscellaneous	2	<u>5,000</u>
		<u>\$ 8,438,923</u>

Replacement fund balance as of December 31, 2010 \$942,052

WESTGATE SQUARE ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

TOTAL REVENUES, OPERATING EXPENSES AND
ALLOCATIONS TO FUNDS - ACTUAL TO BUDGET

FOR THE YEAR ENDED DECEMBER 31, 2010

	ACTUAL	(UNAUDITED) BUDGET
REVENUES		
Membership assessments	\$ 1,378,080	\$ 1,378,080
Bad debt recovery	16,471	-
Membership fees	15,660	16,800
Interest and investment income	13,677	31,700
Late, legal and fines income	8,460	7,500
Township reimbursement	7,915	9,000
Clubhouse rental income	7,250	3,500
Realized gain on investments	5,816	-
Other income	-	500
	<hr/>	<hr/>
TOTAL REVENUES	1,453,329	1,447,080
	<hr/>	<hr/>
EXPENSES		
ADMINISTRATIVE		
Insurance	99,105	100,000
Management	88,506	89,100
Payroll - maintenance	27,952	33,000
Office expense	14,379	12,500
Legal and other professional fees	7,997	7,500
Audit	4,200	4,900
Payroll taxes	3,789	4,620
Telephone	2,796	4,200
Engineering	2,213	3,000
Dues and subscriptions	424	500
Social events	186	500
Bad debt expense	-	15,000
	<hr/>	<hr/>
TOTAL ADMINISTRATIVE EXPENSES	251,547	274,820
	<hr/>	<hr/>

(CONTINUED)

WESTGATE SQUARE ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

TOTAL REVENUES, OPERATING EXPENSES AND
ALLOCATIONS TO FUNDS - ACTUAL TO BUDGET

FOR THE YEAR ENDED DECEMBER 31, 2010

	ACTUAL	(UNAUDITED) BUDGET
EXPENSES (CONTINUED)		
 GROUNDS MAINTENANCE		
Snow removal	121,867	80,000
Lawn care	103,950	105,991
Landscaping	48,852	50,000
Drainage	25,998	25,000
Sprinkler maintenance	16,458	18,900
	<hr/>	<hr/>
 TOTAL GROUNDS MAINTENANCE EXPENSES	317,125	279,891
	<hr/>	<hr/>
 OTHER MAINTENANCE		
Structure	42,188	35,000
Trash removal	41,655	42,000
Electrical and plumbing repairs	12,945	8,000
Exterminating	9,654	15,000
Common property maintenance	5,036	15,000
Water main break repairs / contingency	4,066	10,000
Auto	2,629	2,600
Street sweeper	2,456	2,300
Janitorial supplies	932	1,000
Equipment	373	350
Painting	171	500
	<hr/>	<hr/>
 TOTAL OTHER MAINTENANCE EXPENSES	122,105	131,750
	<hr/>	<hr/>
 UTILITIES		
Water and sewer	32,825	25,300
Electricity	29,800	31,000
Gas	1,559	3,700
	<hr/>	<hr/>
 TOTAL UTILITIES EXPENSES	64,184	60,000
	<hr/>	<hr/>

(CONTINUED)

WESTGATE SQUARE ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

TOTAL REVENUES, OPERATING EXPENSES AND
ALLOCATIONS TO FUNDS - ACTUAL TO BUDGET

FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>ACTUAL</u>	<u>(UNAUDITED) BUDGET</u>
(CONTINUED)		
RECREATION		
Recreation - pool	32,370	30,000
Clubhouse expense	1,135	2,500
Heat / air conditioner	134	750
	<u>33,639</u>	<u>33,250</u>
TOTAL RECREATION EXPENSES		
	<u>33,639</u>	<u>33,250</u>
FEDERAL INCOME TAXES - OPERATING	<u>108</u>	<u>5,400</u>
DEFERRED MAINTENANCE FUND		
Maintenance assessments (contributions)	<u>245,000</u>	<u>245,000</u>
REPLACEMENT FUND		
Maintenance assessments (contributions)	394,251	394,251
Interest and investment income	11,307	24,000
Realized gain on investments	5,816	-
	<u>411,374</u>	<u>418,251</u>
TOTAL ALLOCATIONS TO THE REPLACEMENT FUND		
	<u>411,374</u>	<u>418,251</u>
TOTAL EXPENSES AND ALLOCATIONS TO THE FUNDS	<u>1,445,082</u>	<u>1,448,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE BUDGETED SURPLUS CARRYOVER	8,247	(1,282)
BUDGETED SURPLUS CARRYOVER	<u>-</u>	<u>1,282</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 8,247</u>	<u>\$ -</u>

WESTGATE SQUARE ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

FUND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

DEFERRED MAINTENANCE FUND EXPENSES:

Painting	\$ 139,377
Siding replacement	121,976
Dryer vent cleaning	<u>16,353</u>

**TOTAL DEFERRED MAINTENANCE
FUND EXPENSES**

\$ 277,706

REPLACEMENT FUND EXPENSES:

Roof replacement	\$ 329,445
Balconies and wood decks	116,728
Chimney caps	21,595
Clubhouse HVAC	16,691
Pool resurfacing	10,990
Garage and entry doors	5,671
Walkway lights	1,216
Clubhouse hot water heater	<u>700</u>

TOTAL REPLACEMENT FUND EXPENSES

\$ 503,036