

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

**2010**

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.

For calendar year 2010 or tax year beginning \_\_\_\_\_, 2010, and ending \_\_\_\_\_, 20\_\_

<b>Use IRS label. Otherwise, print or type.</b>	Name <b>Waterford Crossing Homeowners' Association</b> Number, street, and room or suite no. If a P.O. box, see instructions. 18881 Waterford Pkwy City or town, state, and ZIP code Strongsville, OH 44149-0923	Employer identification number _____ Date association formed 11/01/1993
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Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return

<b>A</b> 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>B</b> Total exempt function income. Must meet 60% gross income test (see instructions)	<b>B</b> 263,418
<b>C</b> Total expenditures made for purposes described in 90% expenditure test (see instructions)	<b>C</b> 265,032
<b>D</b> Association's total expenditures for the tax year (see instructions)	<b>D</b> 283,040
<b>E</b> Tax-exempt interest received or accrued during the tax year	<b>E</b>

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

<b>1</b> Dividends	<b>1</b>
<b>2</b> Taxable interest	<b>2</b> 2,191
<b>3</b> Gross rents	<b>3</b> 11,050
<b>4</b> Gross royalties	<b>4</b>
<b>5</b> Capital gain net income (attach Schedule D (Form 1120))	<b>5</b>
<b>6</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	<b>6</b>
<b>7</b> Other income (excluding exempt function income) (attach schedule)	<b>7</b>
<b>8</b> <b>Gross income</b> (excluding exempt function income). Add lines 1 through 7	<b>8</b> 13,241

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

<b>9</b> Salaries and wages	<b>9</b>
<b>10</b> Repairs and maintenance	<b>10</b> 18,008
<b>11</b> Rents	<b>11</b>
<b>12</b> Taxes and licenses	<b>12</b>
<b>13</b> Interest	<b>13</b>
<b>14</b> Depreciation (attach Form 4562)	<b>14</b>
<b>15</b> Other deductions (attach schedule)	<b>15</b>
<b>16</b> <b>Total deductions.</b> Add lines 9 through 15	<b>16</b> 18,008
<b>17</b> Taxable income before specific deduction of \$100. Subtract line 16 from line 8	<b>17</b> -4,767
<b>18</b> Specific deduction of \$100	<b>18</b> \$100 00

**Tax and Payments**

<b>19</b> <b>Taxable income.</b> Subtract line 18 from line 17	<b>19</b> -4,867
<b>20</b> Enter 30% of line 19. (Timeshare associations, enter 32% of line 19.)	<b>20</b> 0
<b>21</b> Tax credits (see instructions)	<b>21</b>
<b>22</b> <b>Total tax.</b> Subtract line 21 from line 20. See instructions for recapture of certain credits	<b>22</b> 0
<b>23</b> a 2009 overpayment credited to 2010 <b>23a</b> _____	c Total ▶ <b>23c</b> _____ <b>23d</b> _____ <b>23e</b> _____ <b>23f</b> _____ <b>23g</b> 0
b 2010 estimated tax payments <b>23b</b> _____	
d Tax deposited with Form 7004 <b>23d</b> _____	
e Credit for tax paid on undistributed capital gains (attach Form 2439) <b>23e</b> _____	
f Credit for federal tax paid on fuels (attach Form 4136) <b>23f</b> _____	
g Add lines 23c through 23f <b>23g</b> 0	
<b>24</b> <b>Amount owed.</b> Subtract line 23g from line 22 (see instructions)	<b>24</b> 0
<b>25</b> <b>Overpayment.</b> Subtract line 22 from line 23g	<b>25</b> 0
<b>26</b> Enter amount of line 25 you want: <b>Credited to 2011 estimated tax</b> ▶ <b>Refunded</b> ▶	<b>26</b> 0

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.

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Sign Here** *James E. Moseny* **2-22-11** **Assistant Treasurer**  
Signature of officer Date Title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no. ▶

**Waterford Crossing HOA**  
**Summary of Revenue and Expense**  
**Year ending December 31, 2010**

	Bud-10	YTD-10	Bud-11	Comments
<b>Revenue</b>				
Dues	\$ 255,000	\$ ① 260,600	\$ 260,550	Collected dues from 604 residences
Rental income	9,000	11,050	10,000	Rental income in 2009 - \$8,620
Interest income	3,000	2,191	2,000	Minimal money market rates in 2010
Misc income	-	① 2,818	-	RE tax refund, pool passes, tennis court keys
	<b>\$ 267,000</b>	<b>\$ 276,659</b>	<b>\$ 272,550</b>	
<b>Expenses</b>				
Landscaping & lawn maintenance	\$ 96,000	\$ 107,752	\$ 86,000	Routine mowings & fertilization - \$50,675 Spring clean-up - \$39,482 Fall clean-up - \$10,448 Other pruning and landscape - \$7,147
Pool	42,500	47,976	44,000	Annual Metropolitan contract - \$38,347 Pool cover repair - \$5,703 Miscellaneous supplies & service - \$3,926
Utilities	38,700	33,437	36,500	Electric - \$17,052 Water/sewer - \$8,415 Natural gas - \$4,704 Trash removal - \$1,885 Telephone - \$1,107 Security system - \$274
Common area maint	14,000	18,606	14,000	Pond Control - \$6,322 Fountain service & repair - \$2,523 Letters for front entrance - \$2,380 Aerator service - \$2,360 Lighting repairs & light bulbs - \$2,031 Concrete repair - \$1,450 Miscellaneous items - \$629 Signs - \$511
Clubhouse maintenance	19,000	① 18,008	23,000	Fence repair - \$400 Manager fees - \$10,475 Repairs & maintenance - \$4,738 Supplies - \$2,795
Sprinkler maintenance	10,000	8,776	9,500	Robert's Lawn Sprinkler Service
Snow removal	8,000	14,505	9,500	Salupo
Insurance	8,500	8,170	8,500	State Farm
Tree removal	5,000	3,017	4,000	Cartwright Tree Service
Taxes	1,500	1,469	1,500	Cuyahoga County
Printing	1,500	1,705	2,000	Two newsletters, pool passes and dues invoice
Postage	800	440	500	USPS
Miscellaneous expense	200	447	500	Liens - \$252 Strongsville Swim League - \$100 Office supplies - \$95
Capital Improvements	-	18,732	17,000	Patio Doors & roof repair - \$7,223 Squire Construction - various repairs - \$3,800 Concrete pad - \$2,695 Seven benches - \$2,546 Two outdoor garbage receptacles - \$1,508 Bench and garbage receptacle installation - \$960
	<b>\$ 245,700</b>	<b>\$ 283,040</b>	<b>\$ 256,500</b>	
Cash increase (decrease)	\$ 21,300	\$ (6,381)	\$ 16,050	Σ ① = 263,418
Cash, beginning of year		\$ 72,732		
Cash, end of year		\$ 66,351		