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To the Board of Directors

Westwood Village Homeowners Association, Inc.
Sandpoint, ID 83864

I have compiled the accompanying statement of assets, liabilities, and equity – modified accrual basis of Westwood Village Homeowners Association, Inc. (a corporation) as of July 31, 2013 and 2012, the related statement of revenues and expenditures for the one month and seven months then ended, and the statement of cash flows for the one month and seven months ended July 31, 2013. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified accrual basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified accrual basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

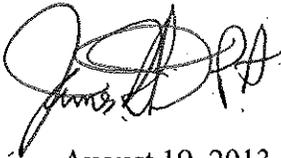
My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

The American Institute of Certified Public Accountants has determined that supplementary information about future repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. These financial statements do not present this supplementary information.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified accrual basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenditures. Accordingly, these financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Westwood Homeowners Association, Inc.

A handwritten signature in black ink, appearing to be "James A. [unclear]", written in a cursive style.

August 19, 2013

Westwood Village Homeowners Association, Inc.
Statement of Assets, Liabilities, and Equity-Modified Accrual Basis
July 31, 2013 and 2012

Assets

	July 31 2013	July 31 2012
Current Assets		
Cash in Bank - Checking	36,585.86	41,167.24
Cash in Bank - Capital Reserve	19,683.75	19,673.46
Cash in Bank - Insurance	20,000.00	21,659.00
Cash in Bank - Special Assessment	65,293.79	70,087.79
Total Cash	141,563.40	152,587.49
Accounts Receivable	608.00	3,146.95
Prepaid Cable	5,645.76	5,417.70
Prepaid Insurance	2,262.06	4,858.59
Total Current Assets	150,079.22	166,010.73
Property and Equipment		
Land	54,578.40	54,578.40
Capital Improvements	43,605.24	43,605.24
Equipment	82,432.52	82,432.52
Accumulated Depreciation	-123,579.89	-123,117.89
Total Property and Equipment	57,036.27	57,498.27
Payroll Advances	-40.00	78.00
Total Assets	207,075.49	223,587.00

Liabilities and Equity

Current Liabilities		
Accounts Payable	8,367.57	21,456.35
Income Tax Payable	0.00	846.03
Payroll Liabilities	0.00	1,771.40
Prepaid Assessments	8,266.50	8,630.84
Property Tax Payable	785.58	785.58
Total Current Liabilities	17,419.65	33,490.20
Total Liabilities	17,419.65	33,490.20
Equity		
Retained Earnings	191,880.39	201,398.73
Net Revenue Over (Under) Expenditures Current Year	-34,672.15	-11,301.93
Patio/Retaining Wall	24,554.80	0.00
Bylaw & CCR Rewrite	7,892.80	0.00
Total Equity	189,655.84	190,096.80
Total Liabilities and Equity	207,075.49	223,587.00

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures-Modified Accrual Basis
One Month and Seven Months Ended
July 31, 2013 and 2012

	<u>This Year</u> <u>July 2013</u>	<u>Prior Year</u> <u>July 2012</u>	<u>This Year</u> <u>Jan-July 2013</u>	<u>Prior Year</u> <u>Jan-July 2012</u>
Revenue				
Regular Assessments	21,599.00	20,972.00	151,193.00	146,804.00
New Member Fee	0.00	200.00	800.00	200.00
Boat Moorage	0.00	500.00	18,800.00	18,480.00
Total Revenue	<u>21,599.00</u>	<u>21,672.00</u>	<u>170,793.00</u>	<u>165,484.00</u>
Expenditures				
Personnel Costs				
Caretakers Salary	10,110.76	9,118.69	58,511.16	56,245.75
Payroll Taxes	1,053.91	1,005.68	6,243.54	6,345.97
Bonus	150.00	150.00	1,050.00	1,500.00
Gas Allotment	0.00	0.00	500.00	500.00
Insurance - Health & WC	350.93	354.99	2,037.05	1,496.18
Maintenance & Repair				
Equipment Rent	0.00	0.00	53.00	0.00
Equipment - Fuel & Oil	0.00	36.00	57.88	151.35
Pool & Recreation Areas	47.54	2,847.83	4,679.80	7,154.46
Docks	321.64	115.92	2,884.48	10,880.19
Yards & Grounds	2,007.52	1,398.42	7,855.46	14,062.02
Irrigation Pump	418.20	0.00	419.45	3,734.20
Machines & Equipment	387.28	0.00	1,756.51	978.00
Electrical & Plumbing	147.00	383.90	227.00	1,401.29
Exterior & Buildings	1,237.00	1,192.39	3,005.66	2,067.76
Supplies	335.57	139.31	423.93	950.81
Snowplowing	0.00	0.00	1,320.00	5,500.00
Miscellaneous Repairs	0.00	0.00	0.00	249.12
Utilities				
Electric	1,029.07	1,026.70	4,539.00	4,449.54
Water	2,940.52	2,274.86	12,948.00	12,687.14
Pool - Fuel	546.10	717.08	1,412.48	1,198.62
Sewer	3,407.58	2,949.25	21,638.93	20,064.13
Garbage & Recycle	231.17	454.12	1,538.15	1,581.63
Cable	1,129.16	1,083.53	7,904.12	7,584.71
Telephone	51.80	49.88	368.47	329.15
Long Distance	13.80	11.55	157.18	109.80
Other costs				
Accounting	800.00	578.00	4,418.00	4,062.00
Bank Service Charges	39.50	-5.00	39.50	-5.00
Depreciation Expense	38.50	38.50	269.50	269.50
Dues	0.00	0.00	0.00	570.11
Contributions	0.00	0.00	0.00	101.70
Office Supplies	106.65	95.99	685.73	595.06
Freight & Postage	48.82	42.75	498.84	549.25
Total Expenditures	<u>26,950.02</u>	<u>26,060.34</u>	<u>147,442.82</u>	<u>167,364.44</u>
Total Revenue Over (Under) Expenditures	-5,351.02	-4,388.34	23,350.18	-1,880.44

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures-Modified Accrual Basis
One Month and Seven Months Ended
July 31, 2013 and 2012

	<u>This Year</u> <u>July 2013</u>	<u>Prior Year</u> <u>July 2012</u>	<u>This Year</u> <u>Jan-July 2013</u>	<u>Prior Year</u> <u>Jan-July 2012</u>
Other Revenue				
Bank Interest	0.00	0.84	5.44	48.57
Easement	0.00	0.00	2,000.00	5,137.50
Fines	0.00	0.00	25.00	250.00
Other Income	85.36	0.00	1,085.36	0.00
Late Fee	50.00	50.00	450.00	200.00
Repair Assessments	0.00	3,150.00	0.00	24,050.00
Insurance Assessment	257.91	2,212.00	3,307.07	15,484.00
Total Other Revenue	<u>393.27</u>	<u>5,412.84</u>	<u>6,872.87</u>	<u>45,170.07</u>
Other Expenditures				
Insurance Expense	0.00	421.13	0.00	8,453.91
Bylaw & CCR Rewrite	240.00	1,134.00	7,892.80	4,140.00
Patio/Retaining Wall	0.00	0.00	24,554.80	15,395.16
Tennis Courts	0.00	50.95	0.00	23,433.59
Roof	0.00	3,168.90	0.00	3,168.90
Total Other Expenditures	<u>240.00</u>	<u>4,774.98</u>	<u>32,447.60</u>	<u>54,591.56</u>
Net Revenue Over (Under) Expenditures	<u><u>-5,197.75</u></u>	<u><u>-3,750.48</u></u>	<u><u>-2,224.55</u></u>	<u><u>-11,301.93</u></u>

Westwood Village Homeowners Association, Inc.
Supplemental Schedule I
Budget to Actual-Modified Accrual Basis
For the Seven Months Ended July 31, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			0.00
Regular Assessments	151,193.00	151,193.00	800.00
New Member Fee	800.00	0.00	7,716.68
Boat Moorage	18,800.00	11,083.32	8,516.68
	<u>170,793.00</u>	<u>162,276.32</u>	
Total Revenue			
Expenditures			
Personnel Costs			638.66
Caretakers Salary	58,511.16	57,872.50	525.70
Payroll Taxes	6,243.54	5,717.84	0.00
Bonus	1,050.00	1,050.00	-83.32
Gas Allotment	500.00	583.32	-879.61
Insurance - Health & WC	2,037.05	2,916.66	
Maintenance & Repair			-37.42
Equipment Rent	53.00	90.42	-817.12
Equipment - Fuel & Oil	57.88	875.00	1,471.46
Pool & Recreation Areas	4,679.80	3,208.34	-5,865.52
Docks	2,884.48	8,750.00	-602.86
Yards & Grounds	7,855.46	8,458.32	-3,080.55
Irrigation Pump	419.45	3,500.00	-1,023.08
Machines & Equipment	1,756.51	2,779.59	-356.34
Electrical & Plumbing	227.00	583.34	89.00
Exterior & Buildings	3,005.66	2,916.66	73.93
Supplies	423.93	350.00	-4,513.32
Snowplowing	1,320.00	5,833.32	-4,520.84
Miscellaneous Repairs	0.00	4,520.84	-291.67
Roads	0.00	291.67	
Utilities			-1,294.34
Electric	4,539.00	5,833.34	-1,635.34
Water	12,948.00	14,583.34	-920.84
Pool - Fuel	1,412.48	2,333.32	2,972.26
Sewer	21,638.93	18,666.67	-328.52
Garbage & Recycle	1,538.15	1,866.67	-408.38
Cable	7,904.12	8,312.50	-331.53
Telephone	368.47	700.00	40.52
Long Distance	157.18	116.66	
Other costs			334.66
Accounting	4,418.00	4,083.34	-18.84
Bank Service Charges	39.50	58.34	269.50
Depreciation Expense	269.50	0.00	-350.00
Dues	0.00	350.00	-58.32
Contributions	0.00	58.32	102.39
Office Supplies	685.73	583.34	-84.48
Freight & Postage	498.84	583.32	-875.00
Taxes	0.00	875.00	-21,859.16
	<u>147,442.82</u>	<u>169,301.98</u>	
Total Expenditures			30,375.84
Total Revenue Over (Under) Expenditures	23,350.18	-7,025.66	

Westwood Village Homeowners Association, Inc.
Supplemental Schedule I
Budget to Actual-Modified Accrual Basis
For the Seven Months Ended July 31, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Other Revenue	5.44	0.00	5.44
Bank Interest	2,000.00	1,458.34	541.66
Easement	25.00	0.00	25.00
Fines	0.00	583.34	-583.34
Investment Income	450.00	0.00	450.00
Late Fee	1,085.36	583.32	502.04
Other Income	3,307.07	15,484.00	-12,176.93
Insurance Assessment	<u>6,872.87</u>	<u>18,109.00</u>	<u>-11,236.13</u>
Total Other Revenue			-11,083.34
Other Expenditures	0.00	11,083.34	7,892.80
Insurance Expense	7,892.80	0.00	24,554.80
Bylaw & CCR Rewrite	24,554.80	0.00	21,364.26
Patio/Retaining Wall	<u>32,447.60</u>	<u>11,083.34</u>	
Total Other Expenditures			<u>-2,224.55</u>
Net Revenue Over Expenditures	<u><u>-2,224.55</u></u>	<u><u>-0.00</u></u>	<u><u>-2,224.55</u></u>

Westwood Village Homeowners Association, Inc.
Statement of Cash Flows-Modified Accrual Basis
For the One Month and Seven Months Ended July 31, 2013

	<u>Current Month</u> <u>July 2013</u>	<u>Year to Date</u> <u>Jan - July 2013</u>
Cash Flows from Operating Activities		
Net Income		
Net Income (Loss)	-5,437.75	-34,672.15
Patio/Retaining Walls	0.00	24,554.80
Bylaw & CCR Rewrite	240.00	7,892.80
Total Net Income	<u>-5,197.75</u>	<u>-2,224.55</u>
Adjustments to Reconcile Net Income		
(Increase) Decrease in:		
Accounts Receivable	-256.50	-270.00
Prepaid Cable	1,129.16	-5,645.76
Prepaid Insurance	452.42	-2,262.06
Increase (Decrease) in:		
Accounts Payable	659.80	-7,661.61
Income Tax Payable	0.00	-30.00
Customer Refundable Deposit	-800.00	0.00
Prepaid Assessments	1,071.66	1,897.66
Total Adjustments	<u>2,256.54</u>	<u>-13,971.77</u>
Net Cash Provided by Operating Activities	-2,941.21	-16,196.32
Cash Flows from Investing Activities		
Accumulated Depreciation	38.50	269.50
Payroll Advances	40.00	40.00
Net Cash Provided by Investing Activities	<u>78.50</u>	<u>309.50</u>
Cash Flows from Financing Activities		
Net Cash Provided by Financing Activities	<u>0.00</u>	<u>0.00</u>
Net Cash Increase for Period	-2,862.71	-15,886.82
Cash at Beginning of Period	144,426.11	157,450.22
Cash at End of Period	<u><u>141,563.40</u></u>	<u><u>141,563.40</u></u>