

1211 Michigan St., Suite B ♦ Sandpoint, ID 83864 ♦ (208) 265-2500 (phone) ♦ (800) 338-9835 (toll free) ♦ (208) 265-5600 (fax)
6769 Main ♦ Bonners Ferry, ID 83805 ♦ (208) 267-1665 (phone) ♦ (208) 267-9621 (fax)

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 June 30, 2013 and 2012, the related statement of revenues and expenditures for the one month and six months then ended, and the statement of cash flows for the one month and six months ended June 30, 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.

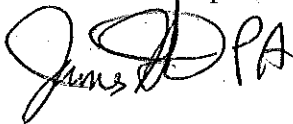
My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial 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 read "James D. PA". The signature is stylized with a large, looped "J" and "D".

July 22, 2013

Westwood Village Homeowners Association, Inc.
Statement of Assets, Liabilities, and Equity
June 30, 2013 and 2012

Assets

	<u>June 30 2013</u>	<u>June 30 2012</u>
Current Assets		
Cash in Bank - Checking	39,448.57	44,569.74
Cash in Bank - Capital Reserve	19,683.75	19,672.62
Cash in Bank - Insurance	20,000.00	20,823.50
Cash in Bank - Special Assessment	65,293.79	58,447.79
Total Cash	<u>144,426.11</u>	<u>143,513.65</u>
Accounts Receivable	351.50	758.00
Prepaid Cable	6,774.92	6,501.23
Prepaid Insurance	2,714.48	3,903.22
Total Current Assets	<u>154,267.01</u>	<u>154,676.10</u>
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	-123,541.39	-123,079.39
Total Property and Equipment	<u>57,074.77</u>	<u>57,536.77</u>
Payroll Advances	0.00	78.00
Total Assets	<u><u>211,341.78</u></u>	<u><u>212,290.87</u></u>

Liabilities and Equity

Current Liabilities		
Accounts Payable	7,707.77	6,531.96
Customer Refundable Deposit	800.00	0.00
Income Tax Payable	0.00	846.03
Payroll Liabilities	0.00	1,899.18
Prepaid Assessments	7,194.84	8,380.84
Property Tax Payable	785.58	785.58
Total Current Liabilities	<u>16,488.19</u>	<u>18,443.59</u>
Total Liabilities	<u>16,488.19</u>	<u>18,443.59</u>
Equity		
Retained Earnings	191,880.39	201,398.73
Net Revenue Over (Under) Expenditures Current Year	-29,234.40	-7,551.45
Patio/Retaining Wall	24,554.80	0.00
Bylaw & CCR Rewrite	7,652.80	0.00
Total Equity	<u>194,853.59</u>	<u>193,847.28</u>
Total Liabilities and Equity	<u><u>211,341.78</u></u>	<u><u>212,290.87</u></u>

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures
One Month and Six Months Ended
June 30, 2013 and 2012

	<u>This Year June 2013</u>	<u>Prior Year June 2012</u>	<u>This Year Jan-June 2013</u>	<u>Prior Year Jan-June 2012</u>
Revenue				
Regular Assessments	21,599.00	20,972.00	129,594.00	125,832.00
New Member Fee	400.00	0.00	800.00	0.00
Boat Moorage	<u>1,850.00</u>	<u>-570.00</u>	<u>18,800.00</u>	<u>17,980.00</u>
Total Revenue	<u>23,849.00</u>	<u>20,402.00</u>	<u>149,194.00</u>	<u>143,812.00</u>
Expenditures				
Personnel Costs				
Caretakers Salary	8,868.04	8,794.24	48,400.40	47,127.06
Payroll Taxes	930.22	979.72	5,189.63	5,340.29
Bonus	150.00	600.00	900.00	1,350.00
Gas Allotment	250.00	250.00	500.00	500.00
Insurance - Health & WC	308.43	342.56	1,686.12	1,141.19
Maintenance & Repair				
Equipment Rent	0.00	0.00	53.00	0.00
Equipment - Fuel & Oil	57.88	49.35	57.88	115.35
Pool & Recreation Areas	4,196.64	749.60	4,632.26	4,306.63
Docks	912.79	9,887.00	2,562.84	10,764.27
Yards & Grounds	3,120.24	2,968.31	5,847.94	12,663.60
Irrigation Pump	1.25	0.00	1.25	3,734.20
Machines & Equipment	21.54	0.00	1,369.23	978.00
Electrical & Plumbing	0.00	0.00	80.00	1,017.39
Exterior & Buildings	1,462.66	0.00	1,768.66	875.37
Supplies	0.00	0.00	88.36	811.50
Snowplowing	0.00	0.00	1,320.00	5,500.00
Miscellaneous Repairs	0.00	90.00	0.00	249.12
Utilities				
Electric	706.59	529.00	3,509.93	3,422.84
Water	2,079.10	1,957.78	10,007.48	10,412.28
Pool - Fuel	845.13	460.29	866.38	481.54
Sewer	3,322.21	2,952.77	18,231.35	17,114.88
Garbage & Recycle	217.83	0.00	1,306.98	1,127.51
Cable	1,129.16	1,083.53	6,774.96	6,501.18
Telephone	55.75	46.66	316.67	279.27
Long Distance	12.36	12.22	143.38	98.25
Other costs				
Accounting	610.00	734.00	3,618.00	3,484.00
Depreciation Expense	38.50	38.50	231.00	231.00
Dues	0.00	0.00	0.00	570.11
Contributions	0.00	0.00	0.00	101.70
Office Supplies	394.93	151.19	579.08	499.07
Freight & Postage	<u>209.02</u>	<u>90.95</u>	<u>450.02</u>	<u>506.50</u>
Total Expenditures	<u>29,900.27</u>	<u>32,767.67</u>	<u>120,492.80</u>	<u>141,304.10</u>
Total Revenue Over (Under) Expenditures	-6,051.27	-12,365.67	28,701.20	2,507.90

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures
One Month and Six Months Ended
June 30, 2013 and 2012

	<u>This Year</u> <u>June 2013</u>	<u>Prior Year</u> <u>June 2012</u>	<u>This Year</u> <u>Jan-June 2013</u>	<u>Prior Year</u> <u>Jan-June 2012</u>
Other Revenue				
Bank Interest	1.80	8.59	5.44	47.73
Easement	2,000.00	2,557.50	2,000.00	5,137.50
Fines	0.00	25.00	25.00	250.00
Other Income	0.00	0.00	1,000.00	0.00
Late Fee	50.00	25.00	400.00	150.00
Repair Assessments	0.00	3,150.00	0.00	20,900.00
Insurance Assessment	257.91	2,212.00	3,049.16	13,272.00
Total Other Revenue	<u>2,309.71</u>	<u>7,978.09</u>	<u>6,479.60</u>	<u>39,757.23</u>
Other Expenditures				
Insurance Expense	0.00	421.13	0.00	8,032.78
Bylaw & CCR Rewrite	860.00	1,818.00	7,652.80	3,006.00
Patio/Retaining Wall	0.00	7,895.16	24,554.80	15,395.16
Tennis Courts	0.00	21,374.40	0.00	23,382.64
Total Other Expenditures	<u>860.00</u>	<u>31,508.69</u>	<u>32,207.60</u>	<u>49,816.58</u>
Net Revenue Over (Under) Expenditures	<u><u>-4,601.56</u></u>	<u><u>-35,896.27</u></u>	<u><u>2,973.20</u></u>	<u><u>-7,551.45</u></u>

Westwood Village Homeowners Association, Inc.

Supplemental Schedule I

Budget to Actual

For the Six Months Ended June 30, 2013

	Actual	Budget	Variance
Revenue			
Regular Assessments	129,594.00	129,594.00	0.00
New Member Fee	800.00	0.00	800.00
Boat Moorage	18,800.00	9,500.00	9,300.00
Total Revenue	<u>149,194.00</u>	<u>139,094.00</u>	<u>10,100.00</u>
Expenditures			
Personnel Costs			
Caretakers Salary	48,400.40	49,605.00	-1,204.60
Payroll Taxes	5,189.63	4,901.00	288.63
Bonus	900.00	900.00	0.00
Gas Allotment	500.00	500.00	0.00
Insurance - Health & WC	1,686.12	2,500.00	-813.88
Maintenance & Repair			
Equipment Rent	53.00	77.50	-24.50
Equipment - Fuel & Oil	57.88	750.00	-692.12
Pool & Recreation Areas	4,632.26	2,750.00	1,882.26
Docks	2,562.84	7,500.00	-4,937.16
Yards & Grounds	5,847.94	7,250.00	-1,402.06
Irrigation Pump	1.25	3,000.00	-2,998.75
Machines & Equipment	1,369.23	2,382.50	-1,013.27
Electrical & Plumbing	80.00	500.00	-420.00
Exterior & Buildings	1,768.66	2,500.00	-731.34
Supplies	88.36	300.00	-211.64
Snowplowing	1,320.00	5,000.00	-3,680.00
Miscellaneous Repairs	0.00	3,875.00	-3,875.00
Roads	0.00	250.00	-250.00
Utilities			
Electric	3,509.93	5,000.00	-1,490.07
Water	10,007.48	12,500.00	-2,492.52
Pool - Fuel	866.38	2,000.00	-1,133.62
Sewer	18,231.35	16,000.00	2,231.35
Garbage & Recycle	1,306.98	1,600.00	-293.02
Cable	6,774.96	7,125.00	-350.04
Telephone	316.67	600.00	-283.33
Long Distance	143.38	100.00	43.38
Other costs			
Accounting	3,618.00	3,500.00	118.00
Bank Service Charges	0.00	50.00	-50.00
Depreciation Expense	231.00	0.00	231.00
Dues	0.00	300.00	-300.00
Contributions	0.00	50.00	-50.00
Office Supplies	579.08	500.00	79.08
Freight & Postage	450.02	500.00	-49.98
Taxes	0.00	750.00	-750.00
Total Expenditures	<u>120,492.80</u>	<u>145,116.00</u>	<u>-24,623.20</u>
Total Revenue Over (Under) Expenditures	28,701.20	-6,022.00	34,723.20

Westwood Village Homeowners Association, Inc.
Supplemental Schedule I
Budget to Actual

For the Six Months Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Other Revenue			
Bank Interest	5.44	0.00	5.44
Easement	2,000.00	1,250.00	750.00
Fines	25.00	0.00	25.00
Investment Income	0.00	500.00	-500.00
Late Fee	400.00	0.00	400.00
Other Income	1,000.00	500.00	500.00
Insurance Assessment	3,049.16	13,272.00	-10,222.84
Total Other Revenue	<u>6,479.60</u>	<u>15,522.00</u>	<u>-9,042.40</u>
Other Expenditures			
Insurance Expense	0.00	9,500.00	-9,500.00
Bylaw & CCR Rewrite	7,652.80	0.00	7,652.80
Patio/Retaining Wall	24,554.80	0.00	24,554.80
Total Other Expenditures	<u>32,207.60</u>	<u>9,500.00</u>	<u>22,707.60</u>
Net Revenue Over Expenditures	<u><u>2,973.20</u></u>	<u><u>0.00</u></u>	<u><u>2,973.20</u></u>

Westwood Village Homeowners Association, Inc.
Statement of Cash Flows
For the One Month and Six Months Ended June 30, 2013

	<u>Current Month</u> <u>June 2013</u>	<u>Year to Date</u> <u>Jan - June 2013</u>
Cash Flows from Operating Activities		
Net Income		
Net Income (Loss)	-5,461.56	-29,234.40
Patio/Retaining Walls	860.00	24,554.80
Bylaw & CCR Rewrite	0.00	7,652.80
Total Net Income	<u>-4,601.56</u>	<u>2,973.20</u>
Adjustments to Reconcile Net Income		
(Increase) Decrease in:		
Accounts Receivable	351.47	-13.53
Prepaid Cable	1,129.16	-6,774.92
Prepaid Insurance	452.42	-2,714.48
Increase (Decrease) in:		
Accounts Payable	8.66	-8,321.41
Income Tax Payable	-30.00	-30.00
Customer Refundable Deposit	800.00	800.00
Prepaid Assessments	-2,079.47	826.03
Total Adjustments	<u>632.24</u>	<u>-16,228.31</u>
Net Cash Provided by Operating Activities	-3,969.32	-13,255.11
Cash Flows from Investing Activities		
Accumulated Depreciation	38.50	231.00
Payroll Advances	40.00	0.00
Net Cash Provided by Investing Activities	<u>78.50</u>	<u>231.00</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	-3,890.82	-13,024.11
Cash at Beginning of Period	148,316.93	157,450.22
Cash at End of Period	<u><u>144,426.11</u></u>	<u><u>144,426.11</u></u>