

JAMES HUTCHENS, P.A.

CERTIFIED PUBLIC ACCOUNTANT

1211 MICHIGAN STREET, SUITE B ♦ SANDPOINT, ID 83864

(208) 265-2500 ♦ (800) 338-9835 ♦ (208) 265-5600 (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 May 31, 2013 and 2012, the related statement of revenues and expenditures for the one month and five months then ended, and the statement of cash flows for the one month and five months ended May 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 read "James H. D. PA". The signature is stylized and cursive, with the initials "JHD" being prominent.

June 18, 2013

Westwood Village Homeowners Association, Inc.
Statement of Assets, Liabilities, and Equity
May 31, 2013 and 2012

Assets

	<u>May 31 2013</u>	<u>May 31 2012</u>
Current Assets		
Cash in Bank - Checking	43,341.19	46,465.81
Cash in Bank - Capital Reserve	19,681.95	19,671.41
Cash in Bank - Insurance	20,000.00	22,200.00
Cash in Bank - Special Assessment	65,293.79	99,475.59
Total Cash	<u>148,316.93</u>	<u>187,812.81</u>
Accounts Receivable	703.00	541.00
Prepaid Cable	7,904.08	7,584.76
Prepaid Insurance	3,166.93	2,947.85
Total Current Assets	<u>160,090.94</u>	<u>198,886.42</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	-123,502.89	-123,040.89
Total Property and Equipment	<u>57,113.27</u>	<u>57,575.27</u>
Payroll Advances	40.00	0.00
Total Assets	<u><u>217,244.21</u></u>	<u><u>256,461.69</u></u>

Liabilities and Equity

Current Liabilities		
Accounts Payable	7,699.11	14,273.57
Income Tax Payable	30.00	30.00
Payroll Liabilities	0.00	1,376.62
Prepaid Assessments	9,274.34	9,436.34
Property Tax Payable	785.58	785.58
Total Current Liabilities	<u>17,789.03</u>	<u>25,902.11</u>
Total Liabilities	<u>17,789.03</u>	<u>25,902.11</u>
Equity		
Retained Earnings	191,880.39	202,214.76
Net Revenue Over (Under) Expenditures Current Year	-23,772.81	28,344.82
Patio/Retaining Wall	24,554.80	0.00
Bylaw & CCR Rewrite	6,792.80	0.00
Total Equity	<u>199,455.18</u>	<u>230,559.58</u>
Total Liabilities and Equity	<u><u>217,244.21</u></u>	<u><u>256,461.69</u></u>

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures
One Month and Five Months Ended
May 31, 2013 and 2012

	<u>This Year May 2013</u>	<u>Prior Year May 2012</u>	<u>This Year Jan-May 2013</u>	<u>Prior Year Jan-May 2012</u>
Revenue				
Regular Assessments	21,599.00	20,972.00	107,995.00	104,860.00
New Member Fee	200.00	0.00	400.00	0.00
Boat Moorage	570.00	2,500.00	16,950.00	18,550.00
Total Revenue	<u>22,369.00</u>	<u>23,472.00</u>	<u>125,345.00</u>	<u>123,410.00</u>
Expenditures				
Personnel Costs				
Caretakers Salary	9,441.16	9,244.69	39,532.36	38,332.82
Payroll Taxes	1,001.91	1,036.11	4,259.41	4,360.57
Bonus	150.00	150.00	750.00	750.00
Gas Allotment	0.00	0.00	250.00	250.00
Insurance - Health & WC	328.02	359.81	1,377.69	798.63
Maintenance & Repair				
Equipment Rent	0.00	0.00	53.00	0.00
Equipment - Fuel & Oil	0.00	0.00	0.00	66.00
Pool & Recreation Areas	175.92	1,553.61	435.62	3,557.03
Docks	305.58	117.25	1,650.05	877.27
Yards & Grounds	1,409.49	8,242.29	2,727.70	9,695.29
Irrigation Pump	0.00	0.00	0.00	3,734.20
Machines & Equipment	363.66	943.04	1,347.69	978.00
Electrical & Plumbing	0.00	127.89	80.00	1,017.39
Exterior & Buildings	139.00	42.14	306.00	875.37
Supplies	0.00	727.13	88.36	811.50
Snowplowing	-1,320.00	0.00	1,320.00	5,500.00
Miscellaneous Repairs	0.00	0.00	0.00	159.12
Utilities				
Electric	441.47	439.14	2,803.34	2,893.84
Water	1,730.63	1,714.59	7,928.38	8,454.50
Pool - Fuel	4.25	4.25	21.25	21.25
Sewer	3,068.85	2,816.52	14,909.14	14,162.11
Garbage & Recycle	217.83	249.93	1,089.15	1,127.51
Cable	1,129.16	1,083.53	5,645.80	5,417.65
Telephone	55.77	46.75	260.92	232.61
Long Distance	14.37	21.12	131.02	86.03
Other costs				
Accounting	550.00	550.00	3,008.00	2,750.00
Depreciation Expense	38.50	38.50	192.50	192.50
Dues	0.00	570.11	0.00	570.11
Contributions	0.00	101.70	0.00	101.70
Office Supplies	53.25	215.96	184.15	347.88
Freight & Postage	42.38	230.26	241.00	415.55
Total Expenditures	<u>19,341.20</u>	<u>30,626.32</u>	<u>90,592.53</u>	<u>108,536.43</u>
Total Revenue Over (Under) Expenditures	3,027.80	-7,154.32	34,752.47	14,873.57

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures
One Month and Five Months Ended
May 31, 2013 and 2012

	<u>This Year</u> <u>May 2013</u>	<u>Prior Year</u> <u>May 2012</u>	<u>This Year</u> <u>Jan-May 2013</u>	<u>Prior Year</u> <u>Jan-May 2012</u>
Other Revenue				
Bank Interest	0.84	8.67	3.64	39.14
Easement	0.00	0.00	0.00	2,580.00
Fines	0.00	0.00	25.00	225.00
Other Income	1,000.00	0.00	1,000.00	0.00
Late Fee	25.00	100.00	350.00	125.00
Repair Assessments	0.00	3,150.00	0.00	17,750.00
Insurance Assessment	257.91	2,212.00	2,791.28	11,060.00
Total Other Revenue	<u>1,283.75</u>	<u>5,470.67</u>	<u>4,169.92</u>	<u>31,779.14</u>
Other Expenditures				
Insurance Expense	0.00	5,927.13	0.00	7,611.65
Bylaw & CCR Rewrite	2,000.00	270.00	6,792.80	1,188.00
Patio/Retaining Wall	11,480.00	0.00	24,554.80	7,500.00
Tennis Courts	0.00	2,008.24	0.00	2,008.24
Total Other Expenditures	<u>13,480.00</u>	<u>8,205.37</u>	<u>31,347.60</u>	<u>18,307.89</u>
Net Revenue Over (Under) Expenditures	<u><u>-9,168.45</u></u>	<u><u>-9,889.02</u></u>	<u><u>7,574.79</u></u>	<u><u>28,344.82</u></u>

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

For the Five Months Ended May 31, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Regular Assessments	107,995.00	107,995.00	0.00
New Member Fee	400.00	0.00	400.00
Boat Moorage	16,950.00	7,916.67	9,033.33
Total Revenue	<u>125,345.00</u>	<u>115,911.67</u>	<u>9,433.33</u>
Expenditures			
Personnel Costs			
Caretakers Salary	39,532.36	41,337.50	-1,805.14
Payroll Taxes	4,259.41	4,084.18	175.23
Bonus	750.00	750.00	0.00
Gas Allotment	250.00	416.66	-166.66
Insurance - Health & WC	1,377.69	2,083.33	-705.64
Maintenance & Repair			
Equipment Rent	53.00	64.59	-11.59
Equipment - Fuel & Oil	0.00	625.00	-625.00
Pool & Recreation Areas	435.62	2,291.66	-1,856.04
Docks	1,650.05	6,250.00	-4,599.95
Yards & Grounds	2,727.70	6,041.66	-3,313.96
Irrigation Pump	0.00	2,500.00	-2,500.00
Machines & Equipment	1,347.69	1,985.43	-637.74
Electrical & Plumbing	80.00	416.66	-336.66
Exterior & Buildings	306.00	2,083.33	-1,777.33
Supplies	88.36	250.00	-161.64
Snowplowing	1,320.00	4,166.66	-2,846.66
Miscellaneous Repairs	0.00	3,229.18	-3,229.18
Roads	0.00	208.33	-208.33
Utilities			
Electric	2,803.34	4,166.68	-1,363.34
Water	7,928.38	10,416.66	-2,488.28
Pool - Fuel	21.25	1,666.66	-1,645.41
Sewer	14,909.14	13,333.34	1,575.80
Garbage & Recycle	1,089.15	1,333.33	-244.18
Cable	5,645.80	5,937.50	-291.70
Telephone	260.92	500.00	-239.08
Long Distance	131.02	83.33	47.69
Other costs			
Accounting	3,008.00	2,916.68	91.32
Bank Service Charges	0.00	41.66	-41.66
Depreciation Expense	192.50	0.00	192.50
Dues	0.00	250.00	-250.00
Contributions	0.00	41.66	-41.66
Legal	0.00	0.00	0.00
Office Supplies	184.15	416.66	-232.51
Freight & Postage	241.00	416.66	-175.66
Taxes	0.00	625.00	-625.00
Total Expenditures	<u>90,592.53</u>	<u>120,929.99</u>	<u>-30,337.46</u>
Total Revenue Over (Under) Expenditures	34,752.47	-5,018.32	39,770.79

Westwood Village Homeowners Association, Inc.

Supplemental Schedule I

Budget to Actual

For the Five Months Ended May 31, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Other Revenue			
Bank Interest	3.64	0.00	3.64
Easement	0.00	1,041.68	-1,041.68
Fines	25.00	0.00	25.00
Investment Income	0.00	416.66	-416.66
Late Fee	350.00	0.00	350.00
Other Income	1,000.00	416.66	583.34
Repair Assessments	0.00	0.00	0.00
Insurance Assessment	2,791.28	11,060.00	-8,268.72
Total Other Revenue	<u>4,169.92</u>	<u>12,935.00</u>	<u>-8,765.08</u>
Other Expenditures			
Insurance Expense	0.00	7,916.68	-7,916.68
Bylaw & CCR Rewrite	6,792.80	0.00	6,792.80
Patio/Retaining Wall	24,554.80	0.00	24,554.80
Tennis Courts	0.00	0.00	0.00
Total Other Expenditures	<u>31,347.60</u>	<u>7,916.68</u>	<u>23,430.92</u>
Net Revenue Over Expenditures	<u>7,574.79</u>	<u>-0.00</u>	<u>7,574.79</u>

Westwood Village Homeowners Association, Inc.
Statement of Cash Flows
For the One Month and Five Months Ended May 31, 2013

	<u>Current Month</u> <u>May 2013</u>	<u>Year to Date</u> <u>Jan - May 2013</u>
Cash Flows from Operating Activities		
Net Income		
Net Income (Loss)	-22,648.45	-23,772.81
Patio/Retaining Walls	11,480.00	24,554.80
Bylaw & CCR Rewrite	2,000.00	6,792.80
Total Net Income	<u>-9,168.45</u>	<u>7,574.79</u>
Adjustments to Reconcile Net Income		
(Increase) Decrease in:		
Accounts Receivable	-669.00	-365.00
Prepaid Cable	1,129.16	-7,904.08
Prepaid Insurance	452.42	-3,166.93
Increase (Decrease) in:		
Accounts Payable	2,497.70	-8,330.07
Prepaid Assessments	-565.50	2,905.50
Total Adjustments	<u>2,844.78</u>	<u>-16,860.58</u>
Net Cash Provided by Operating Activities	-6,323.67	-9,285.79
Cash Flows from Investing Activities		
Accumulated Depreciation	38.50	192.50
Payroll Advances	-40.00	-40.00
Net Cash Provided by Investing Activities	<u>-1.50</u>	<u>152.50</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	-6,325.17	-9,133.29
Cash at Beginning of Period	154,642.10	157,450.22
Cash at End of Period	<u>148,316.93</u>	<u>148,316.93</u>