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November 20, 2011

Westwood Village Homeowners Association, Inc.
P. O. Box 773
Sandpoint, ID 83864

I have compiled the accompanying balance sheets for Westwood Village Homeowners Association, Inc. as of October 31, 2011 and 2010 and the related statements of revenues and expenditures, cash flows and supplemental schedules 1 and 2, which are presented for supplementary analysis only, for the month and the months then ended in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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.

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

Brian C. Jensen
Certified Public Accountant

WESTWOOD HOMEOWNERS ASSOCIATION
BALANCE SHEET
OCTOBER 31, 2011 AND 2010

| | THIS YEAR | PRIOR YEAR |
|------------------------------------|--------------|--------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| CASH IN BANK - CHECKING | 30,777.24 | 13,290.82 |
| CASH IN BANK - CAPITAL RESERVE | 49,217.82 | 50,966.44 |
| CASH IN BANK - SP. ASSESS. RES | 127,235.84 | 60,021.34 |
| CASH IN BANK - INSURANCE RESER | 20,338.88 | 23,450.68 |
| | <hr/> | <hr/> |
| TOTAL CASH | 227,569.78 | 147,729.28 |
| ACCOUNTS RECEIVABLE | 806.50 | 1,660.00 |
| PREPAID INSURANCE | 4,607.48 | 3,639.40 |
| PREPAID CABLE | 3,182.19 | 3,182.14 |
| PREPAID INCOME TAX | | 1,059.00 |
| | <hr/> | <hr/> |
| TOTAL CURRENT ASSETS | 236,165.95 | 157,269.82 |
| | | |
| FIXED ASSETS | | |
| LAND | 54,578.40 | 54,578.40 |
| CAPITOL IMPROVEMENTS | 43,605.24 | 43,605.24 |
| EQUIPMENT | 82,432.52 | 82,432.52 |
| LESS: ACCUMULATED DEPRECIATION | (122,771.39) | (122,309.39) |
| | <hr/> | <hr/> |
| NET FIXED ASSETS | 57,844.77 | 58,306.77 |
| | | |
| OTHER ASSETS | | |
| | <hr/> | <hr/> |
| TOTAL OTHER ASSETS | .00 | .00 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 294,010.72 | 215,576.59 |
| | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES AND FUND BALANCE | | |
| CURRENT LIABILITIES | | |
| ACCOUNTS PAYABLE | 10,961.67 | 1,243.52 |
| PREPAID ASSESSMENTS | 6,207.39 | 4,262.14 |
| PROPERTY TAX PAYABLE | 1,613.68 | 1,265.98 |
| INCOME TAX PAYABLE | | 355.67 |
| | <hr/> | <hr/> |
| TOTAL CURRENT LIABILITIES | 18,782.74 | 7,127.31 |
| | | |
| LONG-TERM LIABILITIES | | |
| | <hr/> | <hr/> |
| TOTAL LONG-TERM LIABILITIES | .00 | .00 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 18,782.74 | 7,127.31 |
| | | |
| FUND BALANCE | | |
| FUND BALANCE - BEGIN YEAR | 221,623.07 | 133,570.82 |
| NET REVENUE OVER (UNDER) | | |
| EXPENDITURES CURRENT YEAR | 53,604.91 | 74,878.46 |
| | <hr/> | <hr/> |
| TOTAL FUND BALANCE | 275,227.98 | 208,449.28 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | 294,010.72 | 215,576.59 |
| | <hr/> <hr/> | <hr/> <hr/> |

SEE ACCOMPANYING ACCOUNTANTS LETTER

WESTWOOD HOMEOWNERS ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTHS AND THE TEN MONTHS
ENDED OCTOBER 31, 2011 AND 2010

| | CURRENT MONTH | | YEAR TO DATE | |
|---|---------------|------------|--------------|-------------|
| | THIS YEAR | PRIOR YEAR | THIS YEAR | PRIOR YEAR |
| REVENUE | | | | |
| REGULAR ASSESSMENTS | 20,340.00 | 18,972.00 | 203,400.00 | 189,720.00 |
| BOAT MOORAGE | | | 18,800.00 | 18,600.00 |
| REPAIR ASSESSMENT | 6,132.00 | 5,487.00 | 66,740.00 | 65,870.00 |
| NEW MEMBER FEE | | | | 400.00 |
| | | | | |
| TOTAL REVENUE | 26,472.00 | 24,459.00 | 288,940.00 | 274,590.00 |
| EXPENDITURES | | | | |
| SALARIES CARETAKER | 3,524.46 | 3,421.80 | 35,244.60 | 34,218.00 |
| SALARY OTHER | 4,681.16 | 2,654.04 | 43,954.92 | 40,981.35 |
| PAYROLL TAXES CARETAKER | 322.25 | 306.46 | 3,725.27 | 3,747.10 |
| PAYROLL TAX OTHER | 448.27 | 279.47 | 4,396.46 | 4,427.52 |
| ACCOUNTING | 550.00 | 550.00 | 5,654.00 | 5,500.00 |
| GAS ALLOTMENT | | | 750.00 | 1,074.44 |
| BANK SERVICE CHARGES | | | | 20.00 |
| CONTRIBUTIONS | | | | 50.00 |
| DUES | | | 500.00 | 500.00 |
| DEPRECIATION | 38.50 | 38.50 | 385.00 | 385.00 |
| EQUIPMENT RENT | | | 154.76 | |
| FREIGHT AND POSTAGE | 44.88 | 52.81 | 650.05 | 724.42 |
| GAS AND OIL | 355.04 | 472.94 | 1,420.82 | 732.28 |
| INSURANCE - EMP. HEALTH & WC | | 330.00 | 2,796.24 | 3,917.00 |
| LEGAL | | 36.00 | 4,029.00 | 486.00 |
| MISCELLANEOUS | | | 65.38 | 96.40 |
| OFFICE SUPPLIES | 31.17 | 2.00 | 222.61 | 933.02 |
| BONUS | 150.00 | 150.00 | 1,500.00 | 1,500.00 |
| MAINTENANCE AND REPAIR | 3,479.41 | 581.69 | 57,479.84 | 37,106.57 |
| SUPPLIES | | | 1,895.37 | 7,161.00 |
| TAXES | 119.26 | 119.26 | 1,192.60 | 1,192.60 |
| TELEPHONE | | 128.01 | 477.19 | 897.65 |
| TELEPHONE LONG DISTANCE | | 8.17 | 132.23 | 76.23 |
| UTILITIES | 6,745.02 | 9,029.32 | 70,829.76 | 64,773.17 |
| SPECIAL PROJECTS | | | 8,098.00 | 1,499.79 |
| | | | | |
| TOTAL EXPENDITURES | 20,489.42 | 18,160.47 | 245,554.10 | 211,999.54 |
| | | | | |
| TOTAL REVENUE OVER (UNDER) EXPENDITURES | 5,982.58 | 6,298.53 | 43,385.90 | 62,590.46 |
| | | | | |
| OTHER REVENUE (EXPENDITURES) | | | | |
| INSURANCE ASSESSMENTS | 2,212.00 | 2,212.00 | 22,120.00 | 22,120.00 |
| INTEREST INCOME | 4.57 | 353.22 | 59.71 | 639.27 |
| EASEMENT | | | | 2,556.00 |
| EXTRA INCOME | 150.00 | | 1,504.90 | 150.00 |
| INSURANCE EXPENSE | (1,346.56) | (1,282.16) | (13,465.60) | (12,821.60) |
| | | | | |
| TOTAL OTHER REVENUE (EXPENDITURE) | 1,020.01 | 1,283.06 | 10,219.01 | 12,643.67 |
| | | | | |
| REVENUE OVER (UNDER) EXPENDITURE BEFORE INCOME TAXES | 7,002.59 | 7,581.59 | 53,604.91 | 75,234.13 |
| | | | | |
| INCOME TAX EXPENSE PROVISION FOR INCOME TAX | | (5.93) | | 355.67 |
| | | | | |
| NET REVENUE OVER (UNDER) EXPENDITURES | 7,002.59 | 7,587.52 | 53,604.91 | 74,878.46 |

SEE ACCOMPANYING ACCOUNTANTS LETTER

WESTWOOD HOMEOWNERS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE MONTHS AND THE TEN MONTHS
ENDED OCTOBER 31, 2011 AND 2010

| | CURRENT MONTH | | YEAR TO DATE | |
|--|---------------|------------|--------------|------------|
| | THIS YEAR | PRIOR YEAR | THIS YEAR | PRIOR YEAR |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| NET REVENUE OVER(UNDER) EXPEND | 7,002.59 | 7,587.52 | 53,604.91 | 74,878.46 |
| Adjustments to reconcile net revenue over (under) expenditure to net cash provided (used) by operating activities: | | | | |
| DEPRECIATION | 38.50 | 38.50 | 385.00 | 385.00 |
| (INC) DEC IN RECEIVABLES | 1,212.50 | (181.73) | (161.50) | (1,057.75) |
| (INC) DEC IN PREPAID EXPENSE | 1,083.53 | 1,079.36 | 8,170.90 | (4,938.44) |
| (INC) DEC IN PREPAID TAXES | | | | 5,475.00 |
| INC (DEC) IN ACCOUNTS PAYABLE | 2,904.87 | (5,076.22) | 4,809.45 | 1,243.52 |
| INC (DEC) IN TAXES PAYABLE | 119.26 | 113.33 | 1,006.60 | 1,548.27 |
| INC (DEC) IN PREPAID ASSESS | 222.65 | (153.00) | 1,378.25 | (7,831.41) |
| NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES | 12,583.90 | 3,407.76 | 69,193.61 | 69,702.65 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| (INC) DEC IN DEPOSITS | (55.00) | | | |
| NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES | (55.00) | .00 | .00 | .00 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| NET CASH PROVIDED (USED) FROM FINANCING ACTIVITIES | .00 | .00 | .00 | .00 |
| NET INCREASE (DECREASE) IN CASH | 12,528.90 | 3,407.76 | 69,193.61 | 69,702.65 |
| CASH AT BEGINNING OF PERIOD | 215,040.88 | 144,321.52 | 158,376.17 | 78,026.63 |
| CASH AT END OF PERIOD | 227,569.78 | 147,729.28 | 227,569.78 | 147,729.28 |

SEE ACCOMPANYING ACCOUNTANTS LETTER

WESTWOOD HOMEOWNERS ASSOCIATION
SUPPLEMENTAL SCHEDULE 1
REVENUE AND EXPENDITURE BUDGET ANALYSIS
FOR THE MONTHS AND THE TEN MONTHS
ENDED OCTOBER 31, 2011

| | CURRENT MONTH | | | YEAR TO DATE | | |
|--|---------------|-----------|----------|--------------|------------|------------|
| | ACTUAL | BUDGET | VARIANCE | ACTUAL | BUDGET | VARIANCE |
| REVENUE | | | | | | |
| REGULAR ASSESSMENTS | 20,340.00 | 20,340.00 | | 203,400.00 | 203,400.00 | |
| BOAT MOORAGE | | | | 18,800.00 | 18,000.00 | 800.00 |
| INSURANCE ASSESSMENTS | 2,212.00 | 2,212.00 | | 22,120.00 | 22,120.00 | |
| INTEREST INCOME | 4.57 | 58.33 | (53.76) | 59.71 | 583.33 | (523.62) |
| EASEMENT | | | | | 2,500.00 | (2,500.00) |
| EXTRA INCOME | 150.00 | 83.33 | 66.67 | 1,504.90 | 833.33 | 671.57 |
| | | | | | | |
| TOTAL REVENUE | 22,706.57 | 22,693.66 | 12.91 | 245,884.61 | 247,436.66 | (1,552.05) |
| | | | | | | |
| PERSONNEL COSTS | | | | | | |
| SALARIES CARETAKER | 3,524.46 | 3,524.41 | (.05) | 35,244.60 | 35,244.13 | (.47) |
| PAYROLL TAXES CARETAKER | 322.25 | 192.25 | (130.00) | 3,725.27 | 1,922.50 | (1,802.77) |
| BONUS | 150.00 | 158.33 | 8.33 | 1,500.00 | 1,583.33 | 83.33 |
| GAS ALLOTMENT | | 83.33 | 83.33 | 750.00 | 833.33 | 83.33 |
| SALARY OTHER | 4,681.16 | 3,994.25 | (686.91) | 43,954.92 | 39,942.53 | (4,012.39) |
| PAYROLL TAX OTHER | 448.27 | 516.00 | 67.73 | 4,396.46 | 5,160.00 | 763.54 |
| INSURANCE - EMP. HEALTH & WC | | 400.00 | 400.00 | 2,796.24 | 4,000.00 | 1,203.76 |
| MAINTENANCE, REPAIR AND SUPPLY | | | | | | |
| EQUIPMENT RENT | | | | 154.76 | 1,000.00 | 845.24 |
| EQUIPMENT - FUEL & OIL | 355.04 | 125.00 | (230.04) | 1,420.82 | 1,250.00 | (170.82) |
| M&R - POOL & RECREATION AREAS | 1,300.00 | 391.66 | (908.34) | 5,601.33 | 3,916.66 | (1,684.67) |
| M&R - DOCKS | 416.50 | | (416.50) | 15,157.02 | 15,000.00 | (157.02) |
| M&R - YARD & GROUNDS | 1,027.07 | 1,250.00 | 222.93 | 15,614.52 | 12,500.00 | (3,114.52) |
| M&R - EXTERIOR & BUILDINGS | | 375.00 | 375.00 | 11,691.71 | 3,750.00 | (7,941.71) |
| M&R - IRRIGATION PUMP | | 166.66 | 166.66 | 19.08 | 1,666.66 | 1,647.58 |
| M&R - MACHINES & EQUIPMENT | 735.84 | 291.66 | (444.18) | 4,672.33 | 2,916.66 | (1,755.67) |
| M&R - ELECTRICAL & PLUMBING | | 83.33 | 83.33 | 806.47 | 833.33 | 26.86 |
| M&R - MISCELLANEOUS REPAIRS | | 250.00 | 250.00 | 12.38 | 2,500.00 | 2,487.62 |
| M&R - ROADS | | | | | 1,000.00 | 1,000.00 |
| SNOWPLOWING | | | | 3,905.00 | 8,000.00 | 4,095.00 |
| SUPPLIES - POOL & RECREATION | | | | 1,009.12 | | (1,009.12) |
| SUPPLIES - YARD AND GROUNDS | | | | 146.89 | | (146.89) |
| SUPPLIES - BUILDINGS & EXTER. | | | | 16.18 | | (16.18) |
| SUPPLIES - MISCELLANEOUS | | | | 723.18 | | (723.18) |
| UTILITIES | | | | | | |
| POOL -FUEL | 4.12 | 4.00 | (.12) | 3,240.80 | 4,992.00 | 1,751.20 |
| ELECTRIC | 337.26 | 787.08 | 449.82 | 7,121.25 | 7,870.83 | 749.58 |
| WATER | 2,171.38 | 2,083.33 | (88.05) | 20,460.40 | 20,833.33 | 372.93 |
| SEWER | 2,936.85 | 2,666.67 | (270.18) | 26,936.98 | 26,666.67 | (270.31) |
| GARBAGE AND RECYCLE | 211.88 | 264.58 | 52.70 | 2,235.03 | 2,645.83 | 410.80 |
| CABLE | 1,083.53 | 1,041.67 | (41.86) | 10,835.30 | 10,416.66 | (418.64) |
| MISC SERVICES AND COSTS | | | | | | |
| ACCOUNTING | 550.00 | 625.00 | 75.00 | 5,654.00 | 6,250.00 | 596.00 |
| BANK SERVICE CHARGES | | 8.33 | 8.33 | | 83.33 | 83.33 |
| DUES | | 50.00 | 50.00 | 500.00 | 500.00 | |
| FREIGHT AND POSTAGE | 44.88 | 58.33 | 13.45 | 650.05 | 583.33 | (66.72) |
| INSURANCE EXPENSE | 1,346.56 | 1,750.00 | 403.44 | 13,465.60 | 17,500.00 | 4,034.40 |
| LEGAL | | 166.66 | 166.66 | 4,029.00 | 1,666.66 | (2,362.34) |
| MISCELLANEOUS | | 41.66 | 41.66 | 65.38 | 416.66 | 351.28 |
| OFFICE SUPPLIES | 31.17 | 62.50 | 31.33 | 222.61 | 625.00 | 402.39 |
| TAXES | 119.26 | | (119.26) | 1,192.60 | 750.00 | (442.60) |
| TELEPHONE | | 100.00 | 100.00 | 477.19 | 1,000.00 | 522.81 |
| TELEPHONE LONG DISTANCE | | 8.33 | 8.33 | 132.23 | 83.33 | (48.90) |
| | | | | | | |
| TOTAL EXPENDITURES | 21,797.48 | 21,520.02 | (277.46) | 250,536.70 | 245,902.76 | (4,633.94) |
| TOTAL REVENUE OVER (UNDER) EXPENDITURES | 909.09 | 1,173.64 | (264.55) | (4,652.09) | 1,533.90 | (6,185.99) |

SEE ACCOMPANYING ACCOUNTANTS LETTER

WESTWOOD HOMEOWNERS ASSOCIATION
SUPPLEMENTAL SCHEDULE 1
REVENUE AND EXPENDITURE BUDGET ANALYSIS
FOR THE MONTHS AND THE TEN MONTHS
ENDED OCTOBER 31, 2011

| | CURRENT MONTH | | | YEAR TO DATE | | |
|---|---------------|------------|----------|--------------|-------------|------------|
| | ACTUAL | BUDGET | VARIANCE | ACTUAL | BUDGET | VARIANCE |
| OTHER REVENUE/EXPENDITURES | | | | | | |
| REPAIR ASSESSMENT | 6,132.00 | 6,636.00 | (504.00) | 66,740.00 | 66,360.00 | 380.00 |
| ROOF | | | | | (9,762.00) | 9,762.00 |
| RESERVES | | (5,833.33) | 5,833.33 | | (58,333.33) | 58,333.33 |
| SPECIAL PROJECT -DRIVEWAYS | | | | (8,098.00) | | (8,098.00) |
| | | | | | | |
| TOTAL OTHER REVENUE/EXP | 6,132.00 | 802.67 | 5,329.33 | 58,642.00 | (1,735.33) | 60,377.33 |
| | | | | | | |
| NET CASH REVENUE OVER (UNDER) EXPENDITURES | 7,041.09 | 1,976.31 | 5,064.78 | 53,989.91 | (201.43) | 54,191.34 |
| | | | | | | |
| NON CASH EXPENSE | | | | | | |
| DEPRECIATION | 38.50 | | (38.50) | 385.00 | | (385.00) |
| | | | | | | |
| TOTAL NON CASH EXPENSE | 38.50 | .00 | (38.50) | 385.00 | .00 | (385.00) |
| | | | | | | |
| NET REVENUE OVER (UNDER) EXPENDITURES | 7,002.59 | 1,976.31 | 5,026.28 | 53,604.91 | (201.43) | 53,806.34 |

SEE ACCOMPANYING ACCOUNTANTS LETTER

WESTWOOD HOMEOWNERS ASSOCIATION
SUPPLEMENTAL SCHEDULE 2
BREAKDOWN OF VARIOUS COSTS
FOR THE MONTHS AND THE TEN MONTHS
ENDED OCTOBER 31, 2011 AND 2010

| | CURRENT MONTH | | YEAR TO DATE | |
|--------------------------------|---------------|------------|--------------|------------|
| | THIS YEAR | PRIOR YEAR | THIS YEAR | PRIOR YEAR |
| MAINTENANCE AND REPAIR | | | | |
| M&R - POOL & RECREATION AREAS | 1,300.00 | | 5,601.33 | 3,826.83 |
| M&R - DOCKS | 416.50 | 390.00 | 15,157.02 | 9,886.22 |
| M&R - YARD & GROUNDS | 1,027.07 | 165.00 | 15,614.52 | 10,246.48 |
| M&R - EXTERIOR & BUILDINGS | | 26.69 | 11,691.71 | 5,776.54 |
| M&R - IRRIGATION PUMP | | | 19.08 | 330.64 |
| M&R - MACHINES & EQUIPMENT | 735.84 | | 4,672.33 | 2,719.88 |
| M&R - ELECTRICAL & PLUMBING | | | 806.47 | 437.15 |
| M&R - MISCELLANEOUS REPAIRS | | | 12.38 | |
| M&R - ROADS | | | | 1,855.61 |
| SNOWPLOWING | | | 3,905.00 | 2,027.22 |
| | | | | |
| TOTAL MAINTENANCE AND REPAIR | 3,479.41 | 581.69 | 57,479.84 | 37,106.57 |
| | | | | |
| SUPPLIES | | | | |
| SUPPLIES - POOL & RECREATION | | | 1,009.12 | 4,146.83 |
| SUPPLIES - YARD AND GROUNDS | | | 146.89 | 159.21 |
| SUPPLIES - BUILDINGS & EXTER. | | | 16.18 | 299.75 |
| SUPPLIES - RESTROOM & CLEANING | | | | 53.74 |
| SUPPLIES - MACHINES & EQUIP. | | | | 35.27 |
| SUPPLIES - ELECTRICAL & PLUMB. | | | | 29.10 |
| SUPPLIES - MISCELLANEOUS | | | 723.18 | 2,437.10 |
| | | | | |
| TOTAL SUPPLIES | .00 | .00 | 1,895.37 | 7,161.00 |
| | | | | |
| GAS AND OIL | | | | |
| EQUIPMENT - FUEL & OIL | 355.04 | 472.94 | 1,420.82 | 732.28 |
| | | | | |
| TOTAL GAS AND OIL | 355.04 | 472.94 | 1,420.82 | 732.28 |
| | | | | |
| UTILITIES | | | | |
| POOL -FUEL | 4.12 | 665.44 | 3,240.80 | 2,826.58 |
| ELECTRIC | 337.26 | 1,530.20 | 7,121.25 | 7,290.57 |
| WATER | 2,171.38 | 2,696.39 | 20,460.40 | 18,446.84 |
| SEWER | 2,936.85 | 2,592.02 | 26,936.98 | 22,990.73 |
| GARBAGE AND RECYCLE | 211.88 | 461.74 | 2,235.03 | 2,383.08 |
| CABLE | 1,083.53 | 1,083.53 | 10,835.30 | 10,835.37 |
| | | | | |
| TOTAL UTILITIES | 6,745.02 | 9,029.32 | 70,829.76 | 64,773.17 |
| | | | | |
| SPECIAL PROJECTS | | | | |
| ROOF | | | | 1,499.79 |
| SPECIAL PROJECT -DRIVEWAYS | | | 8,098.00 | |
| | | | | |
| TOTAL SPECIAL PROJECTS | .00 | .00 | 8,098.00 | 1,499.79 |

SEE ACCOMPANYING ACCOUNTANTS LETTER