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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 December 31, 2012 and 2011, the related statement of revenues and expenditures for the one month and year then ended, and the statement of cash flows for the one month and year ended December 31, 2012. 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 AD". The signature is stylized and somewhat cursive.

February 22, 2013

Westwood Village Homeowners Association, Inc.
Statement of Assets, Liabilities, and Equity
December 31, 2012 and 2011

Assets

	Dec 31 2012	Dec 31 2011
Current Assets		
Cash in Bank - Checking	52,478.12	31,048.10
Cash in Bank - Capital Reserve	19,678.31	12,990.85
Cash in Bank - Insurance	20,000.00	25,042.88
Cash in Bank - Special Assessment	65,293.79	80,383.59
Total Cash	157,450.22	149,465.42
Accounts Receivable	338.00	1,732.00
Prepaid Cable	0.00	13,002.41
Prepaid Insurance	0.00	0.00
Undeposited Funds	0.00	0.00
Total Current Assets	157,788.22	164,199.83
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	-123,310.39	-122,848.39
Total Property and Equipment	57,305.77	57,767.77
Total Assets	215,093.99	221,967.60

Liabilities and Equity

Current Liabilities		
Accounts Payable	16,029.18	9,186.29
Income Tax Payable	30.00	30.00
Payroll Liabilities	0.00	1,511.63
Prepaid Assessments	6,368.84	8,239.34
Property Tax Payable	785.58	785.58
Total Current Liabilities	23,213.60	19,752.84
Total Liabilities	23,213.60	19,752.84
Equity		
Retained Earnings	202,214.76	219,040.49
Net Revenue Over (Under) Expenditures Current Year	55,526.48	-16,825.73
Tennis Courts	-23,560.79	0.00
Patio/Retaining Wall	-15,395.16	0.00
Roof	-3,168.90	0.00
Bylaw & CCR Rewrite	-23,736.00	0.00
Total Equity	191,880.39	202,214.76
Total Liabilities and Equity	215,093.99	221,967.60

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures
One Month and Year Ended December 31, 2012 and 2011

	<u>This Year Dec 2012</u>	<u>Prior Year Dec 2011</u>	<u>This Year Jan-Dec 2012</u>	<u>Prior Year Jan-Dec 2011</u>
Revenue				
Regular Assessments	20,972.00	12,788.00	251,655.00	244,080.00
New Member Fee	0.00	0.00	800.00	0.00
Boat Moorage	0.00	0.00	19,050.00	18,800.00
Total Revenue	<u>20,972.00</u>	<u>12,788.00</u>	<u>271,505.00</u>	<u>262,880.00</u>
Expenditures				
Personnel Costs				
Caretakers Salary	6,445.84	3,675.54	93,743.40	89,133.18
Payroll Taxes	583.87	2,068.38	8,489.36	10,750.31
Bonus	150.00	150.00	1,800.00	1,800.00
Gas Allotment	250.00	0.00	1,000.00	1,000.00
Insurance - Health & WC	237.46	-1,346.56	3,123.75	2,796.24
Maintenance & Repair				
Equipment Rent	0.00	0.00	0.00	154.76
Equipment - Fuel & Oil	0.00	-234.14	1,160.17	1,220.38
Pool & Recreation Areas	0.00	0.00	8,952.72	0.00
Docks	0.00	0.00	10,880.19	0.00
Yards & Grounds	212.25	0.00	16,667.98	0.00
Irrigation Pump	0.00	0.00	5,245.80	0.00
Machines & Equipment	207.86	0.00	3,150.44	0.00
Electrical & Plumbing	0.00	0.00	1,732.06	0.00
Exterior & Buildings	331.82	0.00	4,737.78	0.00
Supplies	240.48	45.47	2,527.29	2,592.96
Snowplowing	4,565.00	0.00	10,065.00	0.00
Miscellaneous Repairs	0.00	-10,847.52	249.12	59,458.82
Utilities				
Electric	537.18	240.00	8,236.83	240.00
Water	1,504.28	1,556.78	24,626.32	1,556.78
Pool - Fuel	4.25	0.00	2,149.12	0.00
Sewer	2,814.42	2,748.58	35,092.30	2,748.58
Garbage & Recycle	217.83	0.00	2,723.21	0.00
Cable	1,083.58	0.00	13,002.41	0.00
Telephone	51.42	91.50	583.07	614.25
Long Distance	14.08	25.48	186.72	170.45
Utilities	0.00	3,293.76	0.00	80,081.96
Other costs				
Accounting	550.00	150.00	6,896.00	6,354.00
Bank Service Charges	-5.00	0.00	0.00	0.00
Depreciation Expense	38.50	38.50	462.00	462.00
Dues	0.00	0.00	570.11	500.00
Contributions	0.00	0.00	101.70	0.00
Legal	0.00	126.00	90.00	4,155.00
Office Supplies	0.00	23.00	779.58	272.11
Freight & Postage	78.15	-0.50	834.01	694.43
Taxes	858.00	119.26	858.00	1,431.12
Miscellaneous	0.00	0.00	0.00	65.38
Total Expenditures	<u>20,971.27</u>	<u>1,923.53</u>	<u>270,716.44</u>	<u>268,252.71</u>
Total Revenue Over (Under) Expenditures	0.73	10,864.47	788.56	-5,372.71

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures
One Month and Year Ended December 31, 2012 and 2011

	<u>This Year</u> <u>Dec 2012</u>	<u>Prior Year</u> <u>Dec 2011</u>	<u>This Year</u> <u>Jan-Dec 2012</u>	<u>Prior Year</u> <u>Jan-Dec 2011</u>
Other Revenue				
Bank Interest	1.07	0.00	53.42	0.00
Easement	0.00	0.00	5,137.50	0.00
Fines	25.00	0.00	250.00	0.00
Interest Income	0.00	6.78	0.00	70.42
Investment income	0.00	-216.40	0.00	1,816.99
Late Fee	125.00	0.00	425.00	0.00
Repair Assessments	3,150.00	19,480.00	39,800.00	84,800.00
Special Assessments	0.00	-5,796.00	0.00	-5,796.00
Insurance Assessment	19,232.93	-15,861.08	26,544.00	8,470.92
Total Other Revenue	<u>22,534.00</u>	<u>-2,386.70</u>	<u>72,209.92</u>	<u>89,362.33</u>
Other Expenditures				
Income Tax Expense	30.00	30.00	30.00	30.00
Insurance Expense	17,442.00	-13,465.60	17,442.00	0.00
Bylaw & CCR Rewrite	5,761.00	0.00	23,736.00	0.00
Patio/Retaining Wall	0.00	0.00	15,395.16	0.00
Tennis Courts	0.00	0.00	23,560.79	0.00
Roof	0.00	0.00	3,168.90	0.00
Special Projects - Other	0.00	92,687.35	0.00	100,785.35
Total Other Expenditures	<u>23,233.00</u>	<u>79,251.75</u>	<u>83,332.85</u>	<u>100,815.35</u>
Net Revenue Over (Under) Expenditures	<u><u>-698.27</u></u>	<u><u>-70,773.98</u></u>	<u><u>-10,334.37</u></u>	<u><u>-16,825.73</u></u>

Westwood Village Homeowners Association, Inc.
Supplemental Schedule I
Budget to Actual
Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Regular Assessments	251,655.00	251,664.00	-9.00
New Member Fee	800.00	0.00	800.00
Boat Moorage	19,050.00	19,000.00	50.00
Total Revenue	<u>271,505.00</u>	<u>270,664.00</u>	<u>841.00</u>
Expenditures			
Personnel Costs			
Caretakers Salary	93,743.40	92,931.00	812.40
Payroll Taxes	8,489.36	8,755.00	-265.64
Bonus	1,800.00	1,800.00	0.00
Gas Allotment	1,000.00	1,000.00	0.00
Insurance - Health & WC	3,123.75	4,944.00	-1,820.25
Maintenance & Repair			
Equipment Rent	0.00	500.00	-500.00
Equipment - Fuel & Oil	1,160.17	1,500.00	-339.83
Pool & Recreation Areas	8,952.72	5,478.00	3,474.72
Docks	10,880.19	15,000.00	-4,119.81
Yards & Grounds	16,667.98	14,500.00	2,167.98
Irrigation Pump	5,245.80	9,000.00	-3,754.20
Machines & Equipment	3,150.44	3,500.00	-349.56
Electrical & Plumbing	1,732.06	1,000.00	732.06
Exterior & Buildings	4,737.78	5,000.00	-262.22
Supplies	2,527.29	100.00	2,427.29
Snowplowing	10,065.00	10,000.00	65.00
Miscellaneous Repairs	249.12	3,000.00	-2,750.88
Roads	0.00	1,000.00	-1,000.00
Utilities			
Electric	8,236.83	10,000.00	-1,763.17
Water	24,626.32	25,000.00	-373.68
Pool - Fuel	2,149.12	4,000.00	-1,850.88
Sewer	35,092.30	32,000.00	3,092.30
Garbage & Recycle	2,723.21	3,200.00	-476.79
Cable	13,002.41	14,000.00	-997.59
Telephone	583.07	1,200.00	-616.93
Long Distance	186.72	100.00	86.72
Other costs			
Accounting	6,896.00	7,000.00	-104.00
Bank Service Charges	0.00	100.00	-100.00
Depreciation Expense	462.00	0.00	462.00
Dues	570.11	600.00	-29.89
Contributions	101.70	100.00	1.70
Legal	90.00	2,000.00	-1,910.00
Office Supplies	779.58	1,000.00	-220.42
Freight & Postage	834.01	1,000.00	-165.99
Taxes	858.00	1,500.00	-642.00
Miscellaneous	0.00	500.00	-500.00
Total Expenditures	<u>270,716.44</u>	<u>282,308.00</u>	<u>-11,591.56</u>
Total Revenue Over (Under) Expenditures	788.56	-11,644.00	12,432.56

Westwood Village Homeowners Association, Inc.
Supplemental Schedule I
Budget to Actual
Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Other Revenue			
Bank Interest	53.42	0.00	53.42
Easement	5,137.50	2,500.00	2,637.50
Fines	250.00	0.00	250.00
Investment Income	0.00	1,000.00	-1,000.00
Late Fee	425.00	0.00	425.00
Other Income	0.00	1,000.00	-1,000.00
Repair Assessments	39,800.00	39,816.00	-16.00
Insurance Assessment	26,544.00	26,544.00	0.00
Total Other Revenue	<u>72,209.92</u>	<u>70,860.00</u>	<u>1,349.92</u>
Other Expenditures			
Insurance Expense	17,442.00	19,000.00	-1,558.00
Income Tax Expense	30.00	400.00	-370.00
Bylaw & CCR Rewrite	23,736.00	0.00	23,736.00
Patio/Retaining Wall	15,395.16	0.00	15,395.16
Tennis Courts	23,560.79	0.00	23,560.79
Roof	3,168.90	0.00	3,168.90
Other Special Projects	0.00	39,816.00	-39,816.00
Total Other Expenditures	<u>83,332.85</u>	<u>59,216.00</u>	<u>24,116.85</u>
Net Revenue Over (Under) Expenditures	<u><u>-10,334.37</u></u>	<u><u>0.00</u></u>	<u><u>-10,334.37</u></u>

Westwood Village Homeowners Association, Inc.
Statement of Cash Flows

For the One Month and Year Ended December 31, 2012

	<u>Current Month</u> <u>Dec 2012</u>	<u>Year to Date</u> <u>Jan - Dec 2012</u>
Cash Flows from Operating Activities		
Net Income		
Net Income (Loss)	-698.27	55,526.48
Tennis Courts	0.00	-23,560.79
Patio/Retaining Walls	0.00	-15,395.16
Bylaw & CCR Rewrite	0.00	-23,736.00
Roof	0.00	-3,168.90
Total Net Income	<u>-698.27</u>	<u>-10,334.37</u>
Adjustments to Reconcile Net Income		
(Increase) Decrease in:		
Accounts Receivable	1,744.00	1,394.00
Prepaid Cable	1,083.58	13,002.41
Prepaid Insurance	421.07	0.00
Increase (Decrease) in:		
Accounts Payable	11,046.46	6,842.89
Income Tax Payable	30.00	0.00
Payroll Liabilities	336.00	-1,511.63
Prepaid Assessments	3,574.00	-1,870.50
Total Adjustments	<u>18,235.11</u>	<u>17,857.17</u>
Net Cash Provided by Operating Activities	17,536.84	7,522.80
Cash Flows from Investing Activities		
Accumulated Depreciation	38.50	462.00
Payroll Advances	0.00	0.00
Net Cash Provided by Investing Activities	<u>38.50</u>	<u>462.00</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	17,575.34	7,984.80
Cash at Beginning of Period	139,874.88	149,465.42
Cash at End of Period	<u><u>157,450.22</u></u>	<u><u>157,450.22</u></u>