

# JAMES HUTCHENS, P.A.

*CERTIFIED PUBLIC ACCOUNTANT*

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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 August 31, 2012 and 2011, the related statement of revenues and expenditures for the one month and eight months then ended, and the statement of cash flows for the one month and eight months ended August 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, reading "James S. Hutchens". The signature is written in a cursive style with a large, stylized initial "J" and "H".

October 25, 2012

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

**Assets**

	<u>Aug 31, 2012</u>	<u>Aug 31, 2011</u>
<b>Current Assets</b>		
Cash in Bank - Checking	22,506.17	35,286.59
Cash in Bank - Capital Reserve	19,674.38	64,435.93
Cash in Bank - Insurance	22,494.50	19,000.00
Cash in Bank - Special Assessment	71,334.79	126,325.84
<b>Total Cash</b>	<u>136,009.84</u>	<u>245,048.36</u>
Accounts Receivable	3,474.45	1,232.00
Prepaid Cable	4,334.17	5,349.25
Prepaid Insurance	1,684.46	4,607.48
<b>Total Current Assets</b>	<u>145,502.92</u>	<u>256,237.09</u>
<b>Property and Equipment</b>		
Land	54,578.40	54,578.40
Capital Improvements	43,605.24	43,605.24
Equipment	82,432.52	82,432.52
Accumulated Depreciation	-123,156.39	-122,694.39
<b>Total Property and Equipment</b>	<u>57,459.77</u>	<u>57,921.77</u>
Payroll Advances	38.00	-55.00
<b>Total Assets</b>	<u><u>203,000.69</u></u>	<u><u>314,103.86</u></u>

**Liabilities and Equity**

<b>Current Liabilities</b>		
Accounts Payable	10,906.54	16,567.59
Income Tax Payable	0.00	0.00
Prepaid Assessments	7,469.84	7,165.74
Property Tax Payable	785.58	1,375.16
<b>Total Current Liabilities</b>	<u>19,161.96</u>	<u>25,108.49</u>
<b>Total Liabilities</b>	19,161.96	25,108.49
<b>Equity</b>		
Retained Earnings	202,214.76	221,623.07
Net Revenue Over (Under) Expenditures Current Year	26,953.82	67,372.30
Tennis Courts	-23,560.79	0.00
Patio/Retaining Wall	-15,395.16	0.00
Roof	-3,168.90	0.00
Bylaw & CCR Rewrite	-3,205.00	0.00
<b>Total Equity</b>	<u>183,838.73</u>	<u>288,995.37</u>
<b>Total Liabilities and Equity</b>	<u><u>203,000.69</u></u>	<u><u>314,103.86</u></u>

**Westwood Village Homeowners Association, Inc.**  
**Statement of Revenues and Expenditures**  
**One Month and Eight Months Ended August 31, 2012 and 2011**

	<u>This Year</u> <u>Aug 2012</u>	<u>Prior Year</u> <u>Aug 2011</u>	<u>This Year</u> <u>Jan-Aug 2012</u>	<u>Prior Year</u> <u>Jan-Aug 2011</u>
<b>Revenue</b>				
Regular Assessments	20,972.00	20,340.00	167,776.00	170,272.00
New Member Fee	200.00	0.00	400.00	0.00
Boat Moorage	570.00	0.00	19,050.00	18,250.00
<b>Total Revenue</b>	<u>21,742.00</u>	<u>20,340.00</u>	<u>187,226.00</u>	<u>188,522.00</u>
<b>Expenditures</b>				
<b>Personnel Costs</b>				
Caretakers Salary	9,242.29	9,648.94	65,488.04	62,515.78
Payroll Taxes	-616.22	1,000.46	5,729.75	6,470.29
Bonus	-300.00	150.00	1,200.00	1,200.00
Gas Allotment	0.00	0.00	500.00	500.00
Insurance - Health & WC	552.73	1,346.56	2,048.91	4,142.80
<b>Maintenance &amp; Repair</b>				
Equipment Rent	0.00	0.00	0.00	154.76
Equipment - Fuel & Oil	947.93	919.74	1,099.28	1,065.78
Pool & Recreation Areas	2,502.21	0.00	10,319.07	0.00
Docks	0.00	0.00	10,880.19	0.00
Yards & Grounds	3,067.14	0.00	16,812.14	0.00
Irrigation Pump	0.00	0.00	3,734.20	0.00
Machines & Equipment	0.00	0.00	978.00	0.00
Electrical & Plumbing	330.77	0.00	1,732.06	0.00
Exterior & Buildings	1,044.22	0.00	3,111.98	0.00
Supplies	183.91	1,148.04	879.34	1,748.48
Snowplowing	0.00	0.00	5,500.00	0.00
Miscellaneous Repairs	0.00	-9.43	159.12	34,295.03
<b>Utilities</b>				
Electric	1,131.05	0.00	5,580.59	0.00
Water	3,580.51	0.00	16,267.65	0.00
Pool - Fuel	348.64	0.00	1,547.26	0.00
Sewer	3,086.87	0.00	23,151.00	0.00
Garbage & Recycle	244.20	0.00	1,825.83	0.00
Cable	1,083.53	0.00	8,668.24	0.00
Telephone	49.24	92.14	378.39	431.40
Long Distance	12.21	25.24	122.01	119.62
Utilities	0.00	9,151.09	0.00	54,102.58
<b>Other costs</b>				
Accounting	550.00	550.00	4,612.00	4,554.00
Bank Service Charges	5.00	0.00	5.00	0.00
Depreciation Expense	38.50	38.50	308.00	308.00
Dues	0.00	0.00	570.11	500.00
Contributions	0.00	0.00	101.70	0.00
Legal	306.00	0.00	3,186.00	4,029.00
Office Supplies	88.00	3.00	683.06	178.44
Freight & Postage	77.46	114.92	626.71	443.77
Taxes	0.00	119.26	0.00	954.08
Miscellaneous	0.00	0.00	0.00	65.38
<b>Total Expenditures</b>	<u>27,556.19</u>	<u>24,298.46</u>	<u>197,805.63</u>	<u>177,779.19</u>
<b>Total Revenue Over (Under) Expenditures</b>	<b>-5,814.19</b>	<b>-3,958.46</b>	<b>-10,579.63</b>	<b>10,742.81</b>

**Westwood Village Homeowners Association, Inc.**  
**Statement of Revenues and Expenditures**  
**One Month and Eight Months Ended August 31, 2012 and 2011**

	<u>This Year</u> <u>Aug 2012</u>	<u>Prior Year</u> <u>Aug 2011</u>	<u>This Year</u> <u>Jan-Aug 2012</u>	<u>Prior Year</u> <u>Jan-Aug 2011</u>
<b>Other Revenue</b>				
Bank Interest	0.92	0.00	47.49	0.00
Easement	0.00	0.00	5,137.50	0.00
Fines	0.00	0.00	250.00	0.00
Interest Income	0.00	6.16	2.00	50.51
Investment Income	0.00	50.00	0.00	1,354.90
Late Fee	-25.00	0.00	175.00	0.00
Other Income	0.00	0.00	0.00	0.00
Repair Assessments	3,150.00	6,132.00	27,200.00	46,924.00
Insurance Assessment	-10,792.54	2,212.00	4,691.46	17,696.00
<b>Total Other Revenue</b>	<u>-7,666.62</u>	<u>8,400.16</u>	<u>37,503.45</u>	<u>66,025.41</u>
<b>Other Expenditures</b>				
Income Tax Expense	-30.00	-30.00	-30.00	-30.00
Insurance Expense	-8,453.91	0.00	0.00	9,425.92
Bylaw & CCR Rewrite	1,945.00	0.00	3,205.00	0.00
Patio/Retaining Wall	0.00	0.00	15,395.16	0.00
Tennis Courts	127.20	0.00	23,560.79	0.00
Roof	0.00	0.00	3,168.90	0.00
<b>Total Other Expenditures</b>	<u>-6,411.71</u>	<u>-30.00</u>	<u>45,299.85</u>	<u>9,395.92</u>
<b>Net Revenue Over (Under) Expenditures</b>	<u>-7,069.10</u>	<u>4,471.70</u>	<u>-18,376.03</u>	<u>67,372.30</u>

**Westwood Village Homeowners Association, Inc.**  
**Statement of Cash Flows**  
**For the One Month and Eight Months Ended August 31, 2012**

	<u>Current Month</u> <u>Aug 2012</u>	<u>Year to Date</u> <u>Jan - Aug 2012</u>
<b>Cash Flows from Operating Activities</b>		
Net Income		
Net Income (Loss)	-4,996.90	26,953.82
Tennis Courts	-127.20	-23,560.79
Patio/Retaining Walls	0.00	-15,395.16
Bylaw & CCR Rewrite	-1,945.00	-3,205.00
Roof	0.00	-3,168.90
<b>Total Net Income</b>	<u>-7,069.10</u>	<u>-18,376.03</u>
<b>Adjustments to Reconcile Net Income</b>		
<b>(Increase) Decrease in:</b>		
Accounts Receivable	-327.50	-1,742.45
Prepaid Cable	1,083.53	8,668.24
Prepaid Insurance	3,174.13	-1,684.46
<b>Increase (Decrease) in:</b>		
Accounts Payable	-10,549.81	1,720.25
Income Tax Payable	-846.03	-30.00
Payroll Liabilities	-1,771.40	-1,511.63
Prepaid Assessments	-1,161.00	-769.50
<b>Total Adjustments</b>	<u>-10,398.08</u>	<u>4,650.45</u>
<b>Net Cash Provided by Operating Activities</b>	-17,467.18	-13,725.58
<b>Cash Flows from Investing Activities</b>		
Accumulated Depreciation	38.50	308.00
Payroll Advances	40.00	-38.00
<b>Net Cash Provided by Investing Activities</b>	<u>78.50</u>	<u>270.00</u>
<b>Cash Flows from Financing Activities</b>		
<b>Net Cash Provided by Financing Activities</b>	<u>816.03</u>	<u>0.00</u>
<b>Net Cash Increase for Period</b>	-16,572.65	-13,455.58
<b>Cash at Beginning of Period</b>	152,582.49	149,465.42
<b>Cash at End of Period</b>	<u><u>136,009.84</u></u>	<u><u>136,009.84</u></u>

# Westwood Village Homeowners Association, Inc.

## Supplemental Schedule I

### Budget to Actual

Eight Months Ended August 31, 2012

	Actual	Budget	Variance
<b>Revenue</b>			
Regular Assessments	167,776.00	167,776.00	0.00
New Member Fee	400.00	0.00	400.00
Boat Moorage	19,050.00	12,666.67	6,383.33
<b>Total Revenue</b>	<u>187,226.00</u>	<u>180,442.67</u>	<u>6,783.33</u>
<b>Expenditures</b>			
<b>Personnel Costs</b>			
Caretakers Salary	65,488.04	61,954.00	3,534.04
Payroll Taxes	5,729.75	5,836.67	-106.92
Bonus	1,200.00	1,200.00	0.00
Gas Allotment	500.00	666.67	-166.67
Insurance - Health & WC	2,048.91	3,296.00	-1,247.09
<b>Maintenance &amp; Repair</b>			
Equipment Rent	0.00	333.33	-333.33
Equipment - Fuel & Oil	1,099.28	1,000.00	99.28
Pool & Recreation Areas	10,319.07	3,652.00	6,667.07
Docks	10,880.19	10,000.00	880.19
Yards & Grounds	16,812.14	9,666.67	7,145.47
Irrigation Pump	3,734.20	6,000.00	-2,265.80
Machines & Equipment	978.00	2,333.33	-1,355.33
Electrical & Plumbing	1,732.06	666.67	1,065.39
Exterior & Buildings	3,111.98	3,333.33	-221.35
Supplies	879.34	66.67	812.67
Snowplowing	5,500.00	6,666.67	-1,166.67
Miscellaneous Repairs	159.12	2,000.00	-1,840.88
Roads	0.00	666.67	-666.67
<b>Utilities</b>			
Electric	5,580.59	6,666.67	-1,086.08
Water	16,267.65	16,666.67	-399.02
Pool - Fuel	1,547.26	2,666.67	-1,119.41
Sewer	23,151.00	21,333.33	1,817.67
Garbage & Recycle	1,825.83	2,133.33	-307.50
Cable	8,668.24	9,333.33	-665.09
Telephone	122.01	66.67	55.34
Long Distance	378.39	800.00	-421.61
<b>Other costs</b>			
Accounting	4,612.00	4,666.67	-54.67
Bank Service Charges	5.00	66.67	-61.67
Depreciation Expense	308.00	0.00	308.00
Dues	570.11	400.00	170.11
Contributions	101.70	66.67	35.03
Legal	3,186.00	1,333.33	1,852.67
Office Supplies	683.06	666.67	16.39
Freight & Postage	626.71	666.67	-39.96
Taxes	0.00	1,000.00	-1,000.00
Miscellaneous	0.00	333.33	-333.33
<b>Total Expenditures</b>	<u>197,805.63</u>	<u>188,205.36</u>	<u>9,600.27</u>
<b>Total Revenue Over (Under) Expenditures</b>	-10,579.63	-7,762.69	-2,816.94

# Westwood Village Homeowners Association, Inc.

## Supplemental Schedule I

### Budget to Actual

Eight Months Ended August 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Other Revenue</b>			
Bank Interest	47.49		47.49
Easement	5,137.50	1,666.67	3,470.83
Fines	250.00	0.00	250.00
Interest Income	2.00	0.00	2.00
Investment Income	0.00	666.67	-666.67
Late Fee	175.00	0.00	175.00
Other Income	0.00	666.67	-666.67
Repair Assessments	27,200.00	26,544.00	656.00
Insurance Assessment	4,691.46	17,696.00	-13,004.54
<b>Total Other Revenue</b>	<u>37,503.45</u>	<u>47,240.01</u>	<u>-9,736.56</u>
<b>Other Expenditures</b>			
Insurance Expense	0.00	12,666.67	-12,666.67
Income Tax Expense	-30.00	0.00	-30.00
Bylaw & CCR Rewrite	3,205.00	0.00	3,205.00
Patio/Retaining Wall	15,395.16	0.00	15,395.16
Tennis Courts	23,560.79	0.00	23,560.79
Income Tax Expense	0.00	266.67	-266.67
Roof	3,168.90	0.00	3,168.90
Other Special Projects	0.00	26,544.00	-26,544.00
<b>Total Other Expenditures</b>	<u>45,299.85</u>	<u>39,477.34</u>	<u>5,822.51</u>
<b>Net Revenue Over (Under) Expenditures</b>	<u><u>-18,376.03</u></u>	<u><u>-0.02</u></u>	<u><u>-18,376.01</u></u>