

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 September 30, 2012 and 2011, the related statement of revenues and expenditures for the one month and nine months then ended, and the statement of cash flows for the one month and nine months ended September 30, 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 S. Atchison". The signature is written in a cursive style with a large, stylized initial "J".

October 25, 2012

Westwood Village Homeowners Association, Inc.
Statement of Assets, Liabilities, and Equity
September 30, 2012 and 2011

Assets

	Sep 30, 2012	Sep 30, 2011
Current Assets		
Cash in Bank - Checking	15,881.98	24,390.49
Cash in Bank - Capital Reserve	19,675.34	49,216.11
Cash in Bank - Insurance	23,330.00	19,725.44
Cash in Bank - Special Assessment	73,604.79	121,708.84
Total Cash	132,492.11	215,040.88
Accounts Receivable	1,450.90	2,019.00
Prepaid Cable	3,250.64	4,265.72
Prepaid Insurance	1,263.33	4,607.48
Total Current Assets	138,456.98	225,933.08
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	-123,194.89	-122,732.89
Total Property and Equipment	57,421.27	57,883.27
Payroll Advances	78.00	-55.00
Total Assets	195,956.25	283,761.35

Liabilities and Equity

Current Liabilities		
Accounts Payable	10,108.10	8,056.80
Prepaid Assessments	5,464.34	5,984.74
Property Tax Payable	785.58	1,494.42
Total Current Liabilities	16,358.02	15,535.96
Total Liabilities	16,358.02	15,535.96
Equity		
Retained Earnings	202,214.76	221,623.07
Net Revenue Over (Under) Expenditures Current Year	27,541.32	46,602.32
Tennis Courts	-23,560.79	0.00
Patio/Retaining Wall	-15,395.16	0.00
Roof	-3,168.90	0.00
Bylaw & CCR Rewrite	-8,033.00	0.00
Total Equity	179,598.23	268,225.39
Total Liabilities and Equity	195,956.25	283,761.35

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures
One Month and Nine Months Ended September 30, 2012 and 2011

	<u>This Year Sep 2012</u>	<u>Prior Year Sep 2011</u>	<u>This Year Jan-Sep 2012</u>	<u>Prior Year Jan-Sep 2011</u>
Revenue				
Regular Assessments	20,972.00	20,340.00	188,748.00	190,612.00
New Member Fee	0.00	0.00	400.00	0.00
Boat Moorage	0.00	550.00	19,050.00	18,800.00
Total Revenue	<u>20,972.00</u>	<u>20,890.00</u>	<u>208,198.00</u>	<u>209,412.00</u>
Expenditures				
Personnel Costs				
Caretakers Salary	8,917.84	8,478.12	74,405.88	70,993.90
Payroll Taxes	983.85	880.92	6,713.60	7,351.21
Bonus	150.00	150.00	1,350.00	1,350.00
Gas Allotment	250.00	250.00	750.00	750.00
Insurance - Health & WC	347.30	0.00	2,396.21	4,142.80
Maintenance & Repair				
Equipment Rent	0.00	0.00	0.00	154.76
Equipment - Fuel & Oil	0.00	0.00	1,099.28	1,065.78
Pool & Recreation Areas	50.64	0.00	10,369.71	0.00
Docks	0.00	0.00	10,880.19	0.00
Yards & Grounds	12.39	0.00	16,824.53	0.00
Irrigation Pump	636.78	0.00	4,370.98	0.00
Machines & Equipment	756.32	0.00	1,734.32	0.00
Electrical & Plumbing	0.00	0.00	1,732.06	0.00
Exterior & Buildings	0.00	0.00	3,111.98	0.00
Supplies	201.66	146.89	1,081.00	1,895.37
Snowplowing	0.00	0.00	5,500.00	0.00
Miscellaneous Repairs	0.00	19,705.40	159.12	54,000.43
Utilities				
Electric	1,092.96	0.00	6,673.55	0.00
Water	2,974.72	0.00	19,242.37	0.00
Pool - Fuel	589.11	0.00	2,136.37	0.00
Sewer	3,190.50	0.00	26,341.50	0.00
Garbage & Recycle	243.89	0.00	2,069.72	0.00
Cable	1,083.53	0.00	9,751.77	0.00
Telephone	50.17	45.79	428.56	477.19
Long Distance	22.32	12.61	144.33	132.23
Utilities	0.00	9,982.16	0.00	64,084.74
Other costs				
Accounting	634.00	550.00	5,246.00	5,104.00
Bank Service Charges	0.00	0.00	5.00	0.00
Depreciation Expense	38.50	38.50	346.50	346.50
Dues	0.00	0.00	570.11	500.00
Contributions	0.00	0.00	101.70	0.00
Legal	1,619.00	0.00	4,805.00	4,029.00
Office Supplies	63.00	13.00	746.06	191.44
Freight & Postage	86.35	161.40	713.06	605.17
Taxes	0.00	119.26	0.00	1,073.34
Miscellaneous	0.00	0.00	0.00	65.38
Total Expenditures	<u>23,994.83</u>	<u>40,534.05</u>	<u>221,800.46</u>	<u>218,313.24</u>
Total Revenue Over (Under) Expenditures	-3,022.83	-19,644.05	-13,602.46	-8,901.24

Westwood Village Homeowners Association, Inc.
Statement of Revenues and Expenditures
One Month and Nine Months Ended September 30, 2012 and 2011

	<u>This Year</u> <u>Sep 2012</u>	<u>Prior Year</u> <u>Sep 2011</u>	<u>This Year</u> <u>Jan-Sep 2012</u>	<u>Prior Year</u> <u>Jan-Sep 2011</u>
Other Revenue				
Bank Interest	0.96	0.00	48.45	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	4.63	2.00	55.14
Investment Income	0.00	0.00	0.00	1,354.90
Late Fee	75.00	0.00	250.00	0.00
Repair Assessments	3,150.00	6,132.00	30,350.00	53,056.00
Insurance Assessment	414.37	2,212.00	5,105.83	19,908.00
Total Other Revenue	<u>3,640.33</u>	<u>8,348.63</u>	<u>41,143.78</u>	<u>74,374.04</u>
Other Expenditures				
Income Tax Expense	30.00	30.00	0.00	0.00
Insurance Expense	0.00	1,346.56	0.00	10,772.48
Bylaw & CCR Rewrite	4,828.00	0.00	8,033.00	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	8,098.00	0.00	8,098.00
Total Other Expenditures	<u>4,858.00</u>	<u>9,474.56</u>	<u>50,157.85</u>	<u>18,870.48</u>
Net Revenue Over (Under) Expenditures	<u>-4,240.50</u>	<u>-20,769.98</u>	<u>-22,616.53</u>	<u>46,602.32</u>

Westwood Village Homeowners Association, Inc.
Statement of Cash Flows
For the One Month and Nine Months Ended September 30, 2012

	<u>Current Month</u> <u>Sep 2012</u>	<u>Year to Date</u> <u>Jan - Sep 2012</u>
Cash Flows from Operating Activities		
Net Income		
Net Income (Loss)	587.50	27,541.32
Tennis Courts	0.00	-23,560.79
Patio/Retaining Walls	0.00	-15,395.16
Bylaw & CCR Rewrite	-4,828.00	-8,033.00
Roof	0.00	-3,168.90
Total Net Income	<u>-4,240.50</u>	<u>-22,616.53</u>
Adjustments to Reconcile Net Income		
(Increase) Decrease in:		
Accounts Receivable	2,023.55	281.10
Prepaid Cable	1,083.53	9,751.77
Prepaid Insurance	421.13	-1,263.33
Increase (Decrease) in:		
Accounts Payable	-798.44	921.81
Income Tax Payable	0.00	-30.00
Payroll Liabilities	0.00	-1,511.63
Prepaid Assessments	-2,005.50	-2,775.00
Total Adjustments	<u>724.27</u>	<u>5,374.72</u>
Net Cash Provided by Operating Activities	-3,516.23	-17,241.81
Cash Flows from Investing Activities		
Accumulated Depreciation	38.50	346.50
Payroll Advances	-40.00	-78.00
Net Cash Provided by Investing Activities	<u>-1.50</u>	<u>268.50</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	-3,517.73	-16,973.31
Cash at Beginning of Period	136,009.84	149,465.42
Cash at End of Period	<u>132,492.11</u>	<u>132,492.11</u>

Westwood Village Homeowners Association, Inc.

Supplemental Schedule I

Budget to Actual

Nine Months Ended September 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Regular Assessments	188,748.00	188,748.00	0.00
New Member Fee	400.00	0.00	400.00
Boat Moorage	19,050.00	14,250.00	4,800.00
Total Revenue	<u>208,198.00</u>	<u>202,998.00</u>	<u>5,200.00</u>
Expenditures			
Personnel Costs			
Caretakers Salary	74,405.88	69,698.25	4,707.63
Payroll Taxes	6,713.60	6,566.25	147.35
Bonus	1,350.00	1,350.00	0.00
Gas Allotment	750.00	750.00	0.00
Insurance - Health & WC	2,396.21	3,708.00	-1,311.79
Maintenance & Repair			
Equipment Rent	0.00	375.00	-375.00
Equipment - Fuel & Oil	1,099.28	1,125.00	-25.72
Pool & Recreation Areas	10,369.71	4,108.50	6,261.21
Docks	10,880.19	11,250.00	-369.81
Yards & Grounds	16,824.53	10,875.00	5,949.53
Irrigation Pump	4,370.98	6,750.00	-2,379.02
Machines & Equipment	1,734.32	2,625.00	-890.68
Electrical & Plumbing	1,732.06	750.00	982.06
Exterior & Buildings	3,111.98	3,750.00	-638.02
Supplies	1,081.00	75.00	1,006.00
Snowplowing	5,500.00	7,500.00	-2,000.00
Miscellaneous Repairs	159.12	2,250.00	-2,090.88
Roads	0.00	750.00	-750.00
Utilities			
Electric	6,673.55	7,500.00	-826.45
Water	19,242.37	18,750.00	492.37
Pool - Fuel	2,136.37	3,000.00	-863.63
Sewer	26,341.50	24,000.00	2,341.50
Garbage & Recycle	2,069.72	2,400.00	-330.28
Cable	9,751.77	10,500.00	-748.23
Telephone	428.56	900.00	-471.44
Long Distance	144.33	75.00	69.33
Other costs			
Accounting	5,246.00	5,250.00	-4.00
Bank Service Charges	5.00	75.00	-70.00
Depreciation Expense	346.50	0.00	346.50
Dues	570.11	450.00	120.11
Contributions	101.70	75.00	26.70
Legal	4,805.00	1,500.00	3,305.00
Office Supplies	746.06	750.00	-3.94
Freight & Postage	713.06	750.00	-36.94
Taxes	0.00	1,125.00	-1,125.00
Miscellaneous	0.00	375.00	-375.00
Total Expenditures	<u>221,800.46</u>	<u>211,731.00</u>	<u>10,069.46</u>
Total Revenue Over (Under) Expenditures	-13,602.46	-8,733.00	-4,869.46

Westwo Village Homeowners Association, Inc.
Supplemental Schedule I
Budget to Actual
Nine Months Ended September 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Other Revenue			
Bank Interest	48.45	0.00	48.45
Easement	5,137.50	1,875.00	3,262.50
Fines	250.00	0.00	250.00
Interest Income	2.00	0.00	2.00
Investment Income	0.00	750.00	-750.00
Late Fee	250.00	0.00	250.00
Other Income	0.00	750.00	-750.00
Repair Assessments	30,350.00	29,862.00	488.00
Insurance Assessment	5,105.83	19,908.00	-14,802.17
Total Other Revenue	<u>41,143.78</u>	<u>53,145.00</u>	<u>-12,001.22</u>
Other Expenditures			
Insurance Expense	0.00	14,250.00	-14,250.00
Income Tax Expense	0.00	300.00	-300.00
Bylaw & CCR Rewrite	8,033.00	0.00	8,033.00
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	29,862.00	-29,862.00
Total Other Expenditures	<u>50,157.85</u>	<u>44,412.00</u>	<u>5,745.85</u>
Net Revenue Over (Under) Expenditures	<u><u>-22,616.53</u></u>	<u><u>0.00</u></u>	<u><u>-22,616.53</u></u>