

# 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 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 with a large initial "J" and a prominent "PA" at the end.

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>       |
|-------------------------------------|--------------------------|--------------------------|
| <b>Current Assets</b>               |                          |                          |
| 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                |
| <b>Total Cash</b>                   | <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                 |
| <b>Total Current Assets</b>         | <u>160,090.94</u>        | <u>198,886.42</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            | -123,502.89              | -123,040.89              |
| <b>Total Property and Equipment</b> | <u>57,113.27</u>         | <u>57,575.27</u>         |
| Payroll Advances                    | 40.00                    | 0.00                     |
| <b>Total Assets</b>                 | <u><u>217,244.21</u></u> | <u><u>256,461.69</u></u> |

**Liabilities and Equity**

|  |                          |                          |
|--|--------------------------|--------------------------|
| <b>Current Liabilities</b>                         |                          |                          |
| 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                   |
| <b>Total Current Liabilities</b>                   | <u>17,789.03</u>         | <u>25,902.11</u>         |
| <b>Total Liabilities</b>                           | <u>17,789.03</u>         | <u>25,902.11</u>         |
| <b>Equity</b>                                      |                          |                          |
| 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                     |
| <b>Total Equity</b>                                | <u>199,455.18</u>        | <u>230,559.58</u>        |
| <b>Total Liabilities and Equity</b>                | <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<br/>May 2013</u> | <u>Prior Year<br/>May 2012</u> | <u>This Year<br/>Jan-May 2013</u> | <u>Prior Year<br/>Jan-May 2012</u> |
|--|-------------------------------|--------------------------------|-----------------------------------|------------------------------------|
| <b>Revenue</b>                                 |                               |                                |                                   |                                    |
| 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                          |
| <b>Total Revenue</b>                           | <u>22,369.00</u>              | <u>23,472.00</u>               | <u>125,345.00</u>                 | <u>123,410.00</u>                  |
| <b>Expenditures</b>                            |                               |                                |                                   |                                    |
| <b>Personnel Costs</b>                         |                               |                                |                                   |                                    |
| 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                             |
| <b>Maintenance &amp; Repair</b>                |                               |                                |                                   |                                    |
| 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                             |
| <b>Utilities</b>                               |                               |                                |                                   |                                    |
| 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                              |
| <b>Other costs</b>                             |                               |                                |                                   |                                    |
| 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                             |
| <b>Total Expenditures</b>                      | <u>19,341.20</u>              | <u>30,626.32</u>               | <u>90,592.53</u>                  | <u>108,536.43</u>                  |
| <b>Total Revenue Over (Under) Expenditures</b> | 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<br/>May 2013</u> | <u>Prior Year<br/>May 2012</u> | <u>This Year<br/>Jan-May 2013</u> | <u>Prior Year<br/>Jan-May 2012</u> |
|--|-------------------------------|--------------------------------|-----------------------------------|------------------------------------|
| <b>Other Revenue</b>                         |                               |                                |                                   |                                    |
| 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                          |
| <b>Total Other Revenue</b>                   | <u>1,283.75</u>               | <u>5,470.67</u>                | <u>4,169.92</u>                   | <u>31,779.14</u>                   |
| <b>Other Expenditures</b>                    |                               |                                |                                   |                                    |
| 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                           |
| <b>Total Other Expenditures</b>              | <u>13,480.00</u>              | <u>8,205.37</u>                | <u>31,347.60</u>                  | <u>18,307.89</u>                   |
| <b>Net Revenue Over (Under) Expenditures</b> | <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

|  | Actual            | Budget            | Variance          |
|--|-------------------|-------------------|-------------------|
| <b>Revenue</b>                                 |                   |                   |                   |
| 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          |
| <b>Total Revenue</b>                           | <u>125,345.00</u> | <u>115,911.67</u> | <u>9,433.33</u>   |
| <b>Expenditures</b>                            |                   |                   |                   |
| <b>Personnel Costs</b>                         |                   |                   |                   |
| 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           |
| <b>Maintenance &amp; Repair</b>                |                   |                   |                   |
| 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           |
| <b>Utilities</b>                               |                   |                   |                   |
| 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             |
| <b>Other costs</b>                             |                   |                   |                   |
| 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           |
| <b>Total Expenditures</b>                      | <u>90,592.53</u>  | <u>120,929.99</u> | <u>-30,337.46</u> |
| <b>Total Revenue Over (Under) Expenditures</b> | 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>  |
|--------------------------------------|------------------|------------------|------------------|
| <b>Other Revenue</b>                 |                  |                  |                  |
| 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        |
| <b>Total Other Revenue</b>           | <u>4,169.92</u>  | <u>12,935.00</u> | <u>-8,765.08</u> |
| <b>Other Expenditures</b>            |                  |                  |                  |
| 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             |
| <b>Total Other Expenditures</b>      | <u>31,347.60</u> | <u>7,916.68</u>  | <u>23,430.92</u> |
| <b>Net Revenue Over Expenditures</b> | <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><br><u>May 2013</u> | <u>Year to Date</u><br><u>Jan - May 2013</u> |
|--|---|--|
| <b>Cash Flows from Operating Activities</b>      |   |  |
| <b>Net Income</b>                                |   |  |
| 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                                     |
| <b>Total Net Income</b>                          | <u>-9,168.45</u>                        | <u>7,574.79</u>                              |
| <b>Adjustments to Reconcile Net Income</b>       |   |  |
| <b>(Increase) Decrease in:</b>                   |   |  |
| Accounts Receivable                              | -669.00                                 | -365.00                                      |
| Prepaid Cable                                    | 1,129.16                                | -7,904.08                                    |
| Prepaid Insurance                                | 452.42                                  | -3,166.93                                    |
| <b>Increase (Decrease) in:</b>                   |   |  |
| Accounts Payable                                 | 2,497.70                                | -8,330.07                                    |
| Prepaid Assessments                              | -565.50                                 | 2,905.50                                     |
| <b>Total Adjustments</b>                         | <u>2,844.78</u>                         | <u>-16,860.58</u>                            |
| <b>Net Cash Provided by Operating Activities</b> | -6,323.67                               | -9,285.79                                    |
| <b>Cash Flows from Investing Activities</b>      |   |  |
| Accumulated Depreciation                         | 38.50                                   | 192.50                                       |
| Payroll Advances                                 | -40.00                                  | -40.00                                       |
| <b>Net Cash Provided by Investing Activities</b> | <u>-1.50</u>                            | <u>152.50</u>                                |
| <b>Cash Flows from Financing Activities</b>      |   |  |
| <b>Net Cash Provided by Financing Activities</b> | <u>0.00</u>                             | <u>0.00</u>                                  |
| <b>Net Cash Increase for Period</b>              | -6,325.17                               | -9,133.29                                    |
| <b>Cash at Beginning of Period</b>               | 154,642.10                              | 157,450.22                                   |
| <b>Cash at End of Period</b>                     | <u><u>148,316.93</u></u>                | <u><u>148,316.93</u></u>                     |