



December 27, 2013

To: Board of Directors Island Park Village Association, Inc. and The Timbers Condominiums Owners' Association, Inc.

From: Gail Turner

Dear Board of Directors:

Enclosed please find the draft of the audited financial statements for the fiscal year ended September 30, 2013. The following are enclosed:

- Financial Statements
- Adjusting Journal Entries
- Working Trial Balance
- Auditor's Letter
- Representation Letter

We reported to you that the operating surplus at September 30, 2013 is \$40,151 for the twelve month period. The audit report reflects an operating surplus in the amount of \$35,093 accounted for as follows:

Balance Per Report 9/30/13	\$	40,151.00
AJE #1 Recognize Gain on Sales of Fixed Assets	\$	9,053.00
AJE #5 Record Provision for Income Tax	\$	(6,691.00)
AJE #6 Reverse Accrual of A/P	\$	761.00
AJE #7 Accrue A/P	\$	2,030.00
AJE #8 Adjust A/P	\$	2.00
AJE #9 Accrue A/P	\$	(10,157.00)
AJE #13 Accrue Rental Income	\$	264.00
AJE #14 Accrue Insurance Payable	\$	(320.00)
Total Net AJE's	\$	(5,058.00)
Balance Per Audit Report 9/30/13	\$	35,093.00

The replacement fund balance at 9/30/13 is \$817,658. Of this amount \$671,607 is cash and \$146,051 is the inter-fund balance. The operating fund balance is \$91,349 at 9/30/13. We will need to have an exit conference with Mike Fitzgerald to finalize the report and to further discuss the allocation of the balance sheet between the two entities.

If you have any questions or need additional information, please let me know. Thank you.

Gail G. Turner

Celebrating over 35 years of Quality, Service & Value

Financial Statements

**Island Park Village
Association, Inc. and Affiliate**

**For the Year Ended
September 30, 2013**

**Island Park Village Association, Inc.
and Affiliate**

Contents

September 30, 2013

(Summarized Totals for September 30, 2012)

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Independent Auditor's Report

Board of Directors
Island Park Village Association, Inc. and Affiliate
Island Park, Idaho

We have audited the accompanying financial statements of Island Park Village Association, Inc. and Affiliate, which comprise the balance sheet as of September 30, 2013, and the related statements of income, expenses, fund balances, cash flows and other operating income and expenses for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Island Park Village Association, Inc. and Affiliate as of September 30, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on Page 13, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Matter

Information for the year ended September 30, 2012, is presented for comparative purposes only and was extracted from the financial statements presented by fund for that year, on which we expressed an unqualified opinion in our report dated November 19, 2012.

Redlands, California
December 16, 2013

**Island Park Village Association, Inc.
and Affiliate**

**Combined Balance Sheet
September 30, 2013
(Summarized Totals for September 30, 2012)**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Capital Fund</u>	<u>Water Utility Fund</u>	<u>2013 Total</u>	<u>2012 Total</u>
Assets						
Cash, including interest-bearing deposits	\$ 350,497	\$ 700,329	\$ -	\$ 235,707	\$ 1,286,533	\$ 1,231,456
Accounts receivable, net	15,850	-	-	-	15,850	6,571
Accrued Interest	-	-	-	-	-	324
Prepaid expenses	27,603	-	-	-	27,603	19,708
Property and equipment, net	-	-	852,627	48,090	900,717	898,507
Interfund balances	0	146,051	(146,051)	0	0	0
Total assets	<u>\$ 393,950</u>	<u>\$ 846,380</u>	<u>\$ 706,576</u>	<u>\$ 283,797</u>	<u>\$ 2,230,703</u>	<u>\$ 2,156,566</u>
Liabilities and Fund Balances						
Accounts payable	\$ 109,533	\$ 28,722	\$ -	\$ 10,341	\$ 148,596	\$ 133,960
Accrued expenses	80,890	-	-	-	80,890	77,489
Income taxes payable	2,349	-	-	-	2,349	-
Prepaid regular assessments	109,829	-	-	-	109,829	128,781
Note payable	-	-	-	-	-	3,115
Total liabilities	302,601	28,722	-	10,341	341,664	343,345
Fund balance	<u>91,349</u>	<u>817,658</u>	<u>706,576</u>	<u>273,456</u>	<u>1,889,039</u>	<u>1,813,221</u>
Total liabilities and fund balances	<u>\$ 393,950</u>	<u>\$ 846,380</u>	<u>\$ 706,576</u>	<u>\$ 283,797</u>	<u>\$ 2,230,703</u>	<u>\$ 2,156,566</u>

The accompanying notes are an integral part of these financial statements.

**Island Park Village Association, Inc.
and Affiliate**

**Combined Statement of Revenue, Expenses, and Fund Balances
For the Year Ended September 30, 2013
(Summarized Totals for September 30, 2012)**

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	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Capital Fund</u>	<u>Water Utility Fund</u>	<u>2013 Total</u>	<u>2012 Total</u>
Revenue						
Member assessments	\$ 1,398,641	\$ 281,645	\$ -	\$ -	\$ 1,680,286	\$ 1,695,460
Land improvement assessment	-	-	74,615	-	74,615	74,615
Water assessments	-	-	-	20,046	20,046	40,880
Golf course and clubhouse	175,299	10,098	-	-	185,397	180,553
Rental income	44,382	-	-	-	44,382	28,131
Interest income	1,862	2,178	-	1,397	5,437	8,997
Timeshare sales	4,550	-	-	-	4,550	11,187
Other income (schedule)	89,317	-	-	-	89,317	75,869
Total revenue	<u>1,714,051</u>	<u>293,921</u>	<u>74,615</u>	<u>21,443</u>	<u>2,104,030</u>	<u>2,115,692</u>
Expenses						
Golf course and clubhouse	229,648	-	-	-	229,648	212,573
Activities supplies	1,392	-	-	-	1,392	8,740
Housekeeping (schedule)	168,041	-	-	-	168,041	170,361
Facilities						
Maintenance (schedule)	328,704	-	-	-	328,704	289,215
Utilities (schedule)	155,894	-	-	-	155,894	170,582
General and administrative						
Services (schedule)	647,028	-	-	-	647,028	538,174
Income taxes	7,002	-	-	-	7,002	20,321
Interest expense	-	-	-	-	-	1,440
Bad debt expense (recovery)	141,249	-	-	(1,133)	140,116	125,074
Water system expenses	-	-	-	17,153	17,153	7,003
Depreciation expense	-	-	10,978	932	11,910	9,433
Repairs and replacements	-	310,873	-	10,451	321,324	387,401
Total expenses	<u>1,678,958</u>	<u>310,873</u>	<u>10,978</u>	<u>27,403</u>	<u>2,028,212</u>	<u>1,940,317</u>
Excess revenue (expenses)	35,093	(16,952)	63,637	(5,960)	75,818	175,375
Fund balances, beginning	242,024	826,560	477,894	266,743	1,813,221	1,637,846
Fund transfers	(185,768)	8,050	165,045	12,673	-	-
Fund balances, ending	<u>\$ 91,349</u>	<u>\$ 817,658</u>	<u>\$ 706,576</u>	<u>\$ 273,456</u>	<u>\$ 1,889,039</u>	<u>\$ 1,813,221</u>

The accompanying notes are an integral part of these financial statements.

**Island Park Village Association, Inc.
and Affiliate**

**Combined Statement of Cash Flows
For the Year Ended September 30, 2013
(Summarized Totals for September 30, 2012)**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Capital Fund</u>	<u>Water Utility Fund</u>	<u>2013 Total</u>	<u>2012 Total</u>
Cash Flows From Operating Activities						
Excess revenue (expenses)	\$ 35,093	\$ (16,952)	\$ 63,637	\$ (5,960)	\$ 75,818	\$ 175,375
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:						
Depreciation	-	-	10,978	932	11,910	9,433
Changes in:						
Accounts receivable	(9,279)	-	-	-	(9,279)	1,080
Accrued interest	257	67	-	-	324	239
Prepaid expenses	(7,895)	-	-	-	(7,895)	(9,865)
Accounts payable	85,573	(81,278)	10,341	-	14,636	65,872
Accrued expenses	3,401	-	-	-	3,401	(1,237)
Income taxes payable	2,349	-	-	-	2,349	-
Prepaid assessments	(18,952)	-	-	-	(18,952)	(2,219)
Net cash provided (used) by operating activities	<u>90,547</u>	<u>(98,163)</u>	<u>84,956</u>	<u>(5,028)</u>	<u>72,312</u>	<u>238,678</u>
Cash Flows From Investing Activities						
Purchase of property and equipment	-	-	(14,120)	-	(14,120)	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>(14,120)</u>	<u>-</u>	<u>(14,120)</u>	<u>-</u>
Cash Flows From Financing Activities						
Repayments of long-term debt	-	-	(3,115)	-	(3,115)	(39,604)
Fund transfers	(191,457)	264,234	(67,721)	(5,056)	-	-
Net cash provided (used) by financing activities	<u>(191,457)</u>	<u>264,234</u>	<u>(70,836)</u>	<u>(5,056)</u>	<u>(3,115)</u>	<u>-</u>
Net increase (decrease) in cash	(100,911)	166,071	-	(10,084)	55,077	199,074
Cash, beginning of year	<u>451,407</u>	<u>534,258</u>	<u>-</u>	<u>245,791</u>	<u>1,231,456</u>	<u>1,032,382</u>
Cash, end of year	<u>\$ 350,497</u>	<u>\$ 700,329</u>	<u>\$ -</u>	<u>\$ 235,707</u>	<u>\$ 1,286,533</u>	<u>\$ 1,231,456</u>

The accompanying notes are an integral part of these financial statements.

**Island Park Village Association, Inc.
and Affiliate**

**Combined Statement of Other Operating Income and Expenses
For the Year Ended September 30, 2013
(Summarized Totals for September 30, 2012)**

	<u>2013</u>	<u>2012</u>
	<u>Total</u>	<u>Total</u>
Other Income		
Late fees	\$ 18,601	\$ 15,407
Bonus time	31,150	28,972
Snow removal	8,523	9,175
Clubhouse activities	994	9,659
Cleaning fees	5,061	5,750
Coin-op	3,198	3,669
Other	21,790	3,237
Total other income	<u>\$ 89,317</u>	<u>\$ 75,869</u>
Housekeeping		
Housekeeping wages and related	\$ 126,696	\$ 130,982
Housekeeping supplies	41,345	39,379
Total housekeeping	<u>\$ 168,041</u>	<u>\$ 170,361</u>
Maintenance		
Interior maintenance salaries and related	\$ 102,970	\$ 81,190
Interior materials and supplies	42,574	27,053
Exterior maintenance salaries and related	54,151	69,020
Exterior materials and supplies	56,328	41,252
Outside services	21,160	14,434
Snow removal	51,521	56,266
Total maintenance	<u>\$ 328,704</u>	<u>\$ 289,215</u>
Utilities		
Electricity	\$ 100,773	\$ 95,563
Propane	46,653	58,419
Water	8,468	16,600
Total utilities	<u>\$ 155,894</u>	<u>\$ 170,582</u>
General and Administrative Services		
Audit and tax fees	\$ 7,000	\$ 7,000
Board meetings and board travel	27,899	17,642
Insurance	42,173	38,442
Legal and collection fees	52,302	17,829
Management fees	96,408	96,408
Property taxes	116,033	118,825
Telephone and television	25,649	22,146
General and administrative salaries and related	179,768	152,618
Other general and administrative	99,796	67,264
Total general and administrative services	<u>\$ 647,028</u>	<u>\$ 538,174</u>

The accompanying notes are an integral part of these financial statements

Island Park Village Association, Inc. and Affiliate

Notes to Combined Financial Statements September 30, 2013 (Summarized Totals for September 30, 2012)

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1. Organization and Other Matters

Island Park Village Association, Inc. (IPVA) and The Timbers Condominiums Owners' Association, Inc. (the Affiliate) are nonprofit mutual benefit corporations, governed by a member-elected Board of Directors, organized in Idaho in July 1995 and October 1996 respectively. They have combined to form an Association that is a combination condominium (wholly-owned and time-shared) and homeowners association and are responsible for the operation and maintenance of the common property and amenities of the Island Park Village Resort. The resort consists of condominiums, residential lots, a clubhouse, an indoor swimming pool, a nine-hole golf course and tennis courts.

The financial statements, which include the accounts of Island Park Village Association, Inc. and Timbers Condominiums Owners' Association, are combined as a result of an agreement between IPVA and the Affiliate, which assigns the rights of the Affiliate to assess members, and to make disbursements on behalf of the Affiliate to IPVA. A five-member board of directors elected by its members governs IPVA, and a seven-member board of directors elected by its members governs the Affiliate.

2. Significant Accounting Policies

The financial statements include certain September 30, 2012 comparative information. With respect to the balance sheet, the statement of revenue, expenses, and fund balances, and the statement of cash flows, such prior year information is not presented by fund. Accordingly, such information should be read in conjunction with the Association's financial statement for the year ended September 30, 2012 from which the summarized information was derived.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Association's governing documents provide guidelines for managing its financial activities. To ensure compliance with limitations and restrictions on the use of financial resources, the Association maintains its records using fund accounting. They classify transactions for accounting and reporting purposes in funds established according to their nature and purpose.

Operating Fund - This fund is used to account for the financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to account for financial resources designated for future major repairs and replacements.

Island Park Village Association, Inc. and Affiliate

Notes to Combined Financial Statements September 30, 2013 (Summarized Totals for September 30, 2012)

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2. *Significant Accounting Policies* (concluded)

Capital Fund – This fund is used to account for capital assets purchased by the Association and the related depreciation expense over the life of the asset.

Water Utility Fund – This fund is used to account for operation and maintenance of the Association owned water utility.

For financial statement purposes, the Association considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Members are subject to monthly assessments to provide funds for operating expenses and future major repairs and replacements. The annual budget and assessments of owners are determined by the board of directors and are approved by the owners. Assessments receivable at the reporting dates represent amounts due from unit owners. The Association establishes an allowance for all unpaid accounts with delinquent balances outstanding for more than 90 days. The Association's policy is to accrue interest on all amounts due, including delinquent assessments, reasonable collection costs and late charges commencing 30 days after assessments become due. In addition, the Association's policies permit various collection remedies for delinquent assessments, which include filing liens, foreclosing on the unit owner, and obtaining judgment on other assets of the owner. Any excess assessments at year-end are retained by the Association for use in the succeeding year. See Note 5 for additional information on assessments receivable.

Members pay a portion of their Association dues for reserve expenses, generally major repairs and replacements. The Association deposits these funds in separate interest-bearing bank accounts. See Note 10 for a further discussion of reserves.

The Association conforms to industry practice in recognizing real property and common areas as assets. Based on this practice, the Association only capitalizes property to which it has title and to which the board of directors has discretion to dispose of the property and retain the proceeds for the Association's use. Other real property and common areas are owned by the members in common and not by the Association and therefore are not capitalized. Depreciation is calculated using the straight-line method over the 5-10 year estimated useful life of the asset. For a further discussion of property and equipment, see Note 7.

Prepaid assessments consist of members' annual assessments received in advance. The Association recognizes these amounts as income when they are earned in the subsequent year.

Island Park Village Association, Inc. and Affiliate

Notes to Combined Financial Statements September 30, 2013 (Summarized Totals for September 30, 2012)

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3. Income Taxes

Timeshare associations may elect to be taxed either as a timeshare association or as a regular corporation. The Association elected to be taxed as a timeshare association in accordance with Internal Revenue Code Section 528 for the years ending September 30, 2013 and 2012. Under that Section, the Association is not taxed on assessments to members and other income received from association members solely as a function of their membership in the Association. The Association is taxed at the rate of 32% on its nonexempt function income such as interest.

4. Golf Course Reserve

The Board has designated that \$1 collected for each round of golf played to only be used for operational improvements and equipment for the golf course. During the year ended September 30, 2013, the Board voted to reinstate the \$27,881 deficit in this reserve which will be reduced with future surcharge revenues. At September 30, 2013 the deficit in this reserve was \$17,783.

5. Accounts Receivable

Accounts receivable at the reporting dates consist of the following amounts:

		<u>2013</u>	<u>2012</u>
Member assessments	510,100	\$296,482	
Other receivables		15,850	6,571
Allowance for doubtful accounts		(510,100)	(296,482)
Total assessments receivable	<u>\$15,850</u>	<u>\$6,571</u>	

6. Prepaid Expenses

Prepaid expenses at the reporting dates consist of the following amounts:

		<u>2013</u>	<u>2012</u>
Insurance		\$25,970	\$15,995
Income taxes		-0-	3,544
Other prepaid expenses		1,633	169
Total prepaid expenses		<u>\$27,603</u>	<u>\$19,708</u>

**Island Park Village Association, Inc.
and Affiliate**

**Notes to Combined Financial Statements
September 30, 2013
(Summarized Totals for September 30, 2012)**

7. Property and Equipment

Property and equipment at the reporting dates consist of the following amounts:

	<u>2013</u>	<u>2012</u>
Land	\$873,303	\$873,303
Vehicles and equipment	201,732	217,995
Accumulated depreciation	<u>(174,318)</u>	<u>(192,791)</u>
Total property and equipment	<u>\$900,717</u>	<u>\$898,507</u>

8. Interfund Balances

In 2004, the Board of Directors voted to loan the capital fund \$450,000 from the reserve fund. The interest rate is based on the New York "prime" rate updated yearly on the anniversary date at one percent less than that rate. Interest is to be paid annually. The loan must be fully repaid by June 2016.

During September 30, 2013, the Board of Directors voted to use \$178,907 from the September 30, 2012 operating surplus to pay down the interfund loan.

9. Accrued Expenses

Accrued expenses at the reporting dates consist of the following amounts:

		<u>2013</u>	<u>2012</u>
Property taxes	\$63,582	\$63,582	
Payroll		14,195	12,128
Sales tax		<u>3,113</u>	<u>1,779</u>
Total accrued expenses		<u>\$80,890</u>	<u>\$77,489</u>

10. Future Major Repairs and Replacements

The Association's governing documents require that funds be accumulated for future major repairs and replacements. These funds, which amount to \$700,329 are held in separate bank accounts and are generally not available for operating purposes. The Association's policy is to allocate interest earned on such funds to the replacement fund.

Diversified Facility Services, Inc. conducted a study in June 2008 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future estimated replacement costs.

Island Park Village Association, Inc. and Affiliate

Notes to Combined Financial Statements September 30, 2013 (Summarized Totals for September 30, 2012)

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10. Future Major Repairs and Replacements

Fund requirements consider an annual inflation rate of 3.5 percent and interest of 3 percent, net of taxes, on amounts funded for future repairs and replacements. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on the study. See the supplemental information presented on page 13 for additional details.

The Board of Directors decided to fund 49 percent of the amount recommended by the reserve study for the year ended September 30, 2013. For that reason, and because actual expenditures may vary from estimated future expenditures and the variations may be material, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional replacement funds are needed, the Board may elect to increase annual assessments, pass special assessments, or delay major repairs and replacements until funds are available.

11. Supplemental Cash Flow Information

For the reporting periods, cash flows from operating activities include the following amounts:

	<u>2013</u>	<u>2012</u>
State and federal income tax payments	<u>\$8,418</u>	<u>\$21,182</u>
State and federal income tax refunds	<u>\$5,841</u>	<u>\$-0-</u>
Interest payments	<u>\$-0-</u>	<u>\$1,140</u>

12. Financial Instruments

The Association maintains operating and reserve accounts at certain financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Association occasionally maintains deposits in excess of federally insured limits. At the reporting dates, the Association's uninsured cash balance totaled \$11,794 for September 30, 2013 and \$86,642 for September 30, 2012.

13. Commitments and Contingencies

The Timbers Condominiums Owners' Association, Inc. renewed its management contract with TPI effective October 1, 2013 for a term of five years. The agreement renews for successive five-year terms unless either party gives written notice at least 120 days prior to the expiration of the current term.

**Island Park Village Association, Inc.
and Affiliate**

**Notes to Combined Financial Statements
September 30, 2013
(Summarized Totals for September 30, 2012)**

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14. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

15. Subsequent Events

During the year ended September 30, 2013, The Timbers Condominiums Owners' Association, Inc.'s board of directors voted to discontinue the affiliation agreement effective October 1, 2013. As such, both Associations will begin to report their financial information separately as of October 1, 2013.

Management has evaluated subsequent events through December 16, 2013, the date which financial statements were available for issue.

Supplemental Information

DOI: 10.1002/anie.201411111

**Island Park Village Association, Inc.
and Affiliate**

**Supplemental Information on Future Major
Repairs and Replacements (Unaudited)
September 30, 2013**

Diversified Facility Services, Inc. conducted a study in June 2008 to estimate the remaining useful lives and replacement costs of the components of common property. The estimates were based on future estimated replacement costs. Funding requirements consider an annual inflation rate of 3.5% and interest of 3%, net of taxes, on amounts funded for future major repairs and replacements.

The following table is based on the study and presents significant information about the components of common property.

Component	Estimated Remaining Useful Life (Years)	Estimated 2012-2013 Replacement Cost	Estimated 2014 Funding Requirement	Reserve Expenditures for the Year Ended 9/30/13	Replacement Fund Balance at 9/30/13
Streets	0-5	\$ 813,992	95,385	\$ (90,915)	\$ 415,444
Grounds	0-26	53,856	6,311	-	27,487
Playground	0	8,345	978	-	4,259
Clubhouse	0-24	308,643	36,167	(65,164)	157,525
Maintenance buildings	0-14	75,419	8,838	-	38,492
Maintenance equipment	0-6	621,628	72,843	-	317,265
Office buildings	0-12	121,860	14,280	(3,926)	62,194
Cabin building	0-9	5,317	623	-	2,714
Exteriors	0-26	1,205,952	141,315	-	615,492
Interiors	0-6	1,180,967	138,387	(169,249)	602,740
Housekeeping	0-22	201,295	23,588	-	102,736
Tennis courts	4-25	29,910	3,505	-	15,266
Golf course	5-10	240,128	28,138	-	122,556
Water utility pumps	0	23,925	2,803	(10,451)	12,209
Cash deficit		-	-	-	-
Totals		\$ 4,891,237	\$ 573,161	\$ (339,705)	\$ 2,496,379

In 2004, the Board of Directors voted to loan the capital fund \$450,000 from the reserve fund to purchase various parcels of land at the property. The loan is to be repaid on or before June 2016 including interest. This loan has not been reflected in the calculation of the cash deficit above. During the year ended September 30, 2013, the board voted to use the \$178,907 in excess revenues from the Operating Fund for the year ended September 30, 2012 to pay down the loan.

See auditors' report.

Island Park Village Association
Journal Entries Report : Adjusting Entries
September 30, 2013

12/13/2013 3:08PM

Entry #	Status	Account/Code	Description	Workpaper	Misstate	Debit	Credit	
AJE 1	Posted	3106-00-00	REPLACEMENT RESERVE FUND	SS-1		2,091.65		
		4115-00-00	RESERVE INTEREST				2,091.65	
		4115-00-00	RESERVE INTEREST				86.47	
		3106-00-00	REPLACEMENT RESERVE FUND			281,644.54		
		8550-50-50	Replacement Fund				281,644.54	
		8550-21-21	Water Co				28,047.00	
		8570-55-55	Land Purchase				71,209.00	
		3109-21-00	FUND BALANCE - WATER CO			28,047.00		
		3107-00-00	Land Improvement Fund			71,209.00		
		8550-20-00	RESERVES EXPENDITURES			329,254.06		
		1715-00-00	ASSETS PURCHASED			14,119.25		
		4300-00-00	GAIN/LOSS ON SALE OF FIXED ASS				9,053.50	
		3106-00-00	REPLACEMENT RESERVE FUND				334,319.81	
		3109-21-00	FUND BALANCE - WATER CO				10,450.92	
		8550-21-00	RESERVES - WATER CO.			10,450.92		
		3106-50-17	Replacement Fund - Clubhouse				182,308.77	
		3106-50-25	Replacement Fund - Operations				196,143.94	
		3106-50-40	Replacement Fund - TSO			534,876.22		
		3106-50-42	Replacement Fund - WCO				46,582.00	
		3106-50-44	Replacement Reserve Fund - Lot			6,500.00		
		3106-00-00	REPLACEMENT RESERVE FUND				97,960.00	
		3105-00-00	CAPITAL FUND			86.00		
		3106-00-00	REPLACEMENT RESERVE FUND				18,381.04	
		RECLASS - To reconcile fund balances by reversing allocations and reclassing reserve expenditures @ 9/30/13 DB						
AJE 2	Posted	3108-00-00	GOLF COURSE SURCHARGE FUND	SS-1		10,098.00		
		4501-06-00	GOLF SURCHARGE REVENUE				10,098.00	
		CLIENT PROPOSED - To reclass golf revenue @ 9-30-13 per management request DB						
AJE 3	Posted	2305-00-00	DUE TO/FROM TIMBERS	DD-2		16,978.74		
		1227-00-00	DUE TO/.FROM TIMBERS				16,978.74	
		CLIENT PROPOSED - To reverse JE916 due to/from Timbers @ 9-30-13 per management request DB						
AJE 4	Posted	1001-00-00	CASH-OPERATING-US BANK (Timber A-2			59,959.62		
		1002-00-00	CASH OPERATING - US BANK				59,959.62	
		CLIENT PROPOSED - To book Timbers 2014 prepaid maintenance fees @ 9-30-13 per management request DB						
AJE 5	Posted	6740-20-25	Income Tax - Federal	II-1		6,366.00		
		8510-20-00	STATE INCOME TAX			1,641.00		
		1302-00-00	PREPAID INCOME TAXES				4,341.63	
		2200-00-00	INCOME TAXES PAYABLE				2,349.00	
		6740-20-25	Income Tax - Federal				1,316.37	
		DIFFERENCE - To record provision for income taxes						
AJE 6	Posted	2001-00-00	ACCOUNTS PAYABLE	AA-1		760.77		
		6565-13-40	Repairs and Maint-Ext-TSO				760.77	
		CLIENT PROPOSED - To reverse JE980 - Westmart inv 537926, 537125, 535074 & 538096 belongs to Outback Builders, not IPVA per management @ 9/30/13 DB request DB						
AJE 7	Posted	2001-00-00	ACCOUNTS PAYABLE	AA-1		2,029.63		
		6529-12-25	Shop Supplies - G & A				22.30	
		6565-12-40	Repairs and Maint-Int-TSO				1,841.19	
		6565-13-40	Repairs and Maint-Ext-TSO				53.23	
		6565-17-17	REPAIRS AND MAINT - CLUB HOUSE				112.91	
		CLIENT PROPOSED - To reverse JE980 - IP Builder's invoices already entered in the system; should not have been accrued per management request @ 9/30/13 DB						
AJE 8	Posted	2001-00-00	ACCOUNTS PAYABLE	AA-1		2.49		
		5100-16-16	Cost of Sales - Golf				2.49	
		CLIENT PROPOSED - To reverse JE980 - Pepsi inv #76008 (was accrued on JE949) per management request @ 9/30/13 DB						

Island Park Village Association
Journal Entries Report : Adjusting Entries
September 30, 2013

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Entry #	Status	Account/Code	Description	Workpaper	Misstate	Debit	Credit	
AJE 9	Posted	2001-00-00	ACCOUNTS PAYABLE	AA-1			20,398.90	
		8550-20-00	RESERVES EXPENDITURES			10,341.36		
		4200-11-40	Rental Income - Intervals			116.46		
		5100-16-16	Cost of Sales - Golf			414.95		
		6529-12-25	Shop Supplies - G & A			61.19		
		6565-16-16	Repairs and Maint - Golf			429.94		
		6606-11-40	Telephone-Hskpg-TSO			662.43		
		6606-17-17	Telephone-Clubhouse			132.49		
		6606-20-25	Telephone - G&A - Common			88.33		
		6708-12-25	Vehicle Maint & Repair - Commo			538.03		
		6820-20-25	Meals/Trvl/Lodging-Employees			293.88		
		6845-20-25	Postage & Delivery			3,378.47		
		6845-20-40	Postage & Delivery-TSO			105.97		
		6850-20-25	Printing & Stationary			3,635.40		
		6850-20-40	Printing and Stationery			200.00		
		2001-00-00	ACCOUNTS PAYABLE				100.00	
		6510-20-40	Advertising - TSO			35.00		
		6565-12-40	Repairs and Maint-Int-TSO			65.00		
			CLIENT PROPOSED - To accrue September invoices received in October per management request @ 9/30/13 DB					
AJE 10	Posted	3110-00-00	CAPITAL RESERVE	SS-1		3,406.00		
		8600-65-65	CAPITAL RESERVE				3,406.00	
			RECLASSIFICATION - To reclass capital reserve @ 9/30/13 DB					
AJE 11	Posted	1750-00-00	ACCUMULATED DEPRECIATION	F-1		19,000.00		
		1715-00-00	ASSETS PURCHASED				19,000.00	
		1750-00-00	ACCUMULATED DEPRECIATION			5,273.00		
		1715-00-00	ASSETS PURCHASED				5,273.00	
		1750-00-00	ACCUMULATED DEPRECIATION			3,990.00		
		1720-00-00	GOLF MACHINERY & EQUIPMENT COS				3,990.00	
		1750-00-00	ACCUMULATED DEPRECIATION			2,120.00		
		1720-00-00	GOLF MACHINERY & EQUIPMENT COS				2,120.00	
			CLIENT PROPOSED - To dispose of fixed assets @ 9/30/13 DB					
AJE 12	Posted	7030-20-00	DEPRECIATION EXPENSE	F-2		11,910.00		
		1750-00-00	ACCUMULATED DEPRECIATION				11,910.00	
			CLIENT PROPOSED - To reconcile accumulated depreciation @ 9/30/13 DB					
AJE 13	Posted	1224-00-00	A/R MISC.	C-5		264.00		
		4200-11-40	Rental Income - Intervals				264.00	
			CLIENT PROPOSED - To accrue rental income-intervals @ 9/30/13 DB					
AJE 14	Posted	6170-11-40	Workers Comp - Housekeeping	D-1		109.47		
		6170-12-40	Workers Comp - Int Maint			53.23		
		6170-13-40	Workers Comp - Ext Maint			5.29		
		6170-13-42	Workers Comp- Maint Ext- MCO			0.48		
		6170-14-40	Workers Comp - Snow Removal TS			4.42		
		6170-16-16	Workers Comp - Golf Course			70.26		
		6170-17-17	Workers Comp - Clubhouse			27.29		
		6170-20-25	Workers Comp - G&A			50.44		
		1303-20-00	PREPAID INSURANCE				320.88	
			CLIENT PROPOSED - To accrue worker's compensation insurance @ 9/30/13 DB					
AJE 15	Posted	2001-00-00	ACCOUNTS PAYABLE	AA-1		28,722.46		
		8550-20-00	RESERVES EXPENDITURES				28,722.46	
			DIFFERENCE - To reverse Zollinger Construction invoice in reserves payable at 9-30-2013					
TOTALS						1,471,620.13	1,471,620.13	

Island Park Village Association
GROUPING CODE 1
September 30, 2013

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Grp 1 code	Description	Workpa Refere	Adjusted 9/30/2012	Unadjusted 9/30/2013	AJE 9/30/2013	Adjusted 9/30/2013
100	CASH - OPERATING					
1001-00-00	CASH-OPERATING-US BANK (Timbers)	A-1		19,397.30	4 59,959.62	79,356.92
1002-00-00	CASH OPERATING - US BANK	A-2	145,837.99	125,643.52	4 -59,959.62	65,683.90
1002-21-00	CASH - WATER CO. CD	A-3	113,453.92	114,592.73		114,592.73
1005-00-00	CASH - BANK OF COMMERCE - SITE	A-5	34,668.63	10,312.89		10,312.89
1006-00-00	CASH - WELLS FARGO - OPERATING	A-6	165,287.84	37,591.65		37,591.65
1007-00-00	CASH - WELLS FARGO - OPR CD	A-7		55,000.00		55,000.00
1013-00-00	BANK OF IDAHO - DEPOSIT ACCOUNT	A-10	82,668.22	16,063.76		16,063.76
1016-00-00	CASH - PAYROLL BANK OF COMMERCE	A-12	10,894.80	14,239.40		14,239.40
1022-00-00	CASH - AMER SEC BANK - WATER	A-13	88,749.04	77,306.61		77,306.61
1025-00-00	CASH-ASB-PROPERTY CLEARING	A-15	10,849.16	71,048.75		71,048.75
1030-00-00	PETTY CASH		1,200.00	1,200.00		1,200.00
1132-21-00	Cash - Zions Bank-Water CO CD 11	A-18	43,588.42	43,806.76		43,806.76
	Total CASH - OPERATING		697,198.02	586,203.37	0.00	586,203.37
110	CASH - RESERVES					
1004-00-00	RES ACCT CD - ZION - RESTRC LAND	A-4	125,759.51	126,452.60		126,452.60
1008-00-00	UNREALIZED GAINS/(LOSSES)			100.00		100.00
1010-00-00	CASH-BANK OF IDAHO-DEP ACCT (TMBR)			100.00		100.00
1015-00-00	CASH- BANK OF IDAHO- RESERVE MM	A-11	88,753.35	73,817.14		73,817.14
1024-00-00	WELLS FARGO MM	A-14	173,788.18	202,657.94		202,657.94
1026-00-00	CASH-WELLS FARGO- RESERVE CD	A-16		150,000.00		150,000.00
1120-00-00	CASH- BANK OF COMMERCE-RES CD 48	A-17	145,956.46	147,201.06		147,201.06
	Total CASH - RESERVES		534,257.50	700,328.74	0.00	700,328.74
115	OTHER ASSETS					
1009-00-00	ACCRUED INTEREST	TR-5	323.91			
1227-00-00	DUE TO/.FROM TIMBERS			16,978.74	3 -16,978.74	
	Total OTHER ASSETS		323.91	16,978.74	-16,978.74	0.00
125	ACCOUNTS RECEIVABLE					
1201-00-00	2005/06 MAINTENANCE FEE RECEIVABL		4,721.30	2,924.00		2,924.00
1202-00-00	06/07 Maintenance Fees Receivable		6,431.00	3,769.00		3,769.00
1203-00-00	07/08 Maintenance Fee Receivable		4,864.84	6,289.00		6,289.00
1204-00-00	08/09 Maintenance Fee Receivable		13,942.34	13,178.94		13,178.84
1205-00-00	09/10 MAINTENANCE FEE RECEIVABLE	C-1	20,776.68	22,735.63		22,735.63
1206-00-00	10/11 MAINTENANCE FEE RECEIVABLE	C-1	71,488.08	64,280.55		64,280.55
1207-00-00	11/12 MAINTENANCE FEE RECEIVABLE	C-1	163,456.21	125,657.14		125,657.14
1208-00-00	02/03 MAINTENANCE FEES RECEIVABLE	C-1		263,657.59		263,657.59
1217-00-00	PRIOR YEARS MAINT. & RESERVE REC.	C-1	9,150.62	6,800.62		6,800.62
1218-00-00	ALLOWANCE FOR DOUBTFUL ACCOUNTS	C-2	-294,831.07	-509,292.37		-509,292.37
1219-21-00	WATER CO. ASSESSMENT REC.	C-1	1,650.46	807.63		807.63
1220-21-00	ALLOWANCE - WATER CO.	C-2	-1,650.46	-807.63		-807.63
	Total ACCOUNTS RECEIVABLE		0.00	0.00	0.00	0.00
130	ACCOUNTS RECEIVABLE - OTHER					
1224-00-00	A/R MISC.	C-5	6,570.59	15,585.92	13 264.00	15,849.92
	Total ACCOUNTS RECEIVABLE - OTHER		6,570.59	15,585.92	264.00	15,849.92
145	PREPAID EXPENSES					
1302-00-00	PREPAID INCOME TAXES		3,544.00	4,341.63	5 -4,341.63	
1303-20-00	PREPAID INSURANCE	D-1	15,995.04	26,291.45	14 -320.88	25,970.57
1304-20-00	PREPAID EXPENSES		169.12	1,634.13		1,634.13
	Total PREPAID EXPENSES		19,708.16	32,267.21	-4,662.51	27,604.70

Island Park Village Association
GROUPING CODE 1
September 30, 2013

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Grp 1 code	Description	Workpa Refere	Adjusted 9/30/2012	Unadjusted 9/30/2013	AJE 9/30/2013	Adjusted 9/30/2013
150	PROPERTY AND EQUIPMENT					
1700-00-00	LAND	F-1	36,000.00	36,000.00		36,000.00
1701-00-00	LAND - 2004 PURCHASE	F-1	825,302.93	825,302.93		825,302.93
1715-00-00	ASSETS PURCHASED	F-1	155,279.42	155,279.42	1 14,119.25 11 -19,000.00 11 -5,273.00	145,125.67
1720-00-00	GOLF MACHINERY & EQUIPMENT COST	F-1	26,626.00	26,626.00	11 -3,990.00 11 -2,120.00	20,516.00
1740-21-00	WATER CO. ASSETS	F-1	36,089.64	36,089.64		36,089.64
1741-21-00	LAND - WATER COMPANY	F-1	12,000.00	12,000.00		12,000.00
1750-00-00	ACCUMULATED DEPRECIATION	F-2	-192,790.50	-192,790.50	11 19,000.00 11 5,273.00 11 3,990.00 11 2,120.00 12 -11,910.00	-174,317.50
Total PROPERTY AND EQUIPMENT			898,507.49	898,507.49	2,209.25	900,716.74
160	DUE FROM FUND					
1800-00-00	DUE FROM CAPITAL FUND	C-4	402,235.00	146,050.61		146,050.61
2160-21-00	WATER CO. - DUE FROM OPERATING		-5,689.00			
Total DUE FROM FUND			396,546.00	146,050.61	0.00	146,050.61
200	ACCOUNTS PAYABLE					
2001-00-00	ACCOUNTS PAYABLE	AA-1	-133,960.55	-159,612.31	6 760.77 7 2,029.63 8 2.49 9 -20,398.90 9 -100.00 15 28,722.46	-148,595.86
2151-00-00	MISC. PAYABLES	AA-2				
2155-00-00	SALES TAX PAYABLE		-1,778.66	-3,113.35		-3,113.35
Total ACCOUNTS PAYABLE			-135,739.21	-162,725.66	11,016.45	-151,709.21
215	ACCRUED TAXES					
2200-00-00	INCOME TAXES PAYABLE	II-1			5 -2,349.00	-2,349.00
Total ACCRUED TAXES			0.00	0.00	-2,349.00	-2,349.00
220	ACCRUED EXPENSES					
2142-00-00	ACCRUED PAYROLL	BB-1	-12,127.39	-14,194.89		-14,194.89
2145-00-00	ACCRUED PROPERTY TAX	BB-2	-63,582.33	-63,582.33		-63,582.33
Total ACCRUED EXPENSES			-75,709.72	-77,777.22	0.00	-77,777.22
230	PREPAID ASSESSMENTS					
2152-00-00	PREPAID MAINTENANCE FEES	CC-1	-128,781.09	-108,353.90		-108,353.90
2175-00-00	FD ADVANCE			-1,475.00		-1,475.00
Total PREPAID ASSESSMENTS			-128,781.09	-109,828.90	0.00	-109,828.90
232	NOTES PAYABLE					
2401-00-00	NOTE PAYABLE - BANK OF COMMERCE	DD-1	-3,114.95			
Total NOTES PAYABLE			-3,114.95	0.00	0.00	0.00
245	DUE TO FUND					
2160-00-00	IPVA - DUE TO WATER CO.		5,689.00			
2300-00-00	DUE TO RESERVE FUND	DD-2	-402,235.00	-146,050.61		-146,050.61
2305-00-00	DUE TO/FROM TIMBERS	DD-2		-16,978.74	3 16,978.74	

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Grp 1 code	Description	Workpa Refere	Adjusted 9/30/2012	Unadjusted 9/30/2013	AJE 9/30/2013	Adjusted 9/30/2013
	Total DUE TO FUND		-396,546.00	-163,029.35	16,978.74	-146,050.61
385	RETAINED EARNINGS					
3104-00-00	OPERATING FUND	SS-1	-51,140.00	-242,024.00		-242,024.00
	Total RETAINED EARNINGS		-51,140.00	-242,024.00	0.00	-242,024.00
386	Retained Earnings- Reserve Fund					
3106-00-00	REPLACEMENT RESERVE FUND	SS-1	-960,337.78	-705,897.23	1 2,091.65 1 281,644.54 1 -334,319.81 1 -97,960.00 1 -18,381.04	-872,821.89
3106-50-17	Replacement Fund - Clubhouse			171,967.41	1 -182,308.77	-10,341.36
3106-50-25	Replacement Fund - Operations			224,866.40	1 -196,143.94	28,722.46
3106-50-40	Replacement Fund - TSO			-534,876.22	1 534,876.22	
3106-50-42	Replacement Fund - WCO			46,582.00	1 -46,582.00	
3106-50-44	Replacement Reserve Fund - Lot			-6,500.00	1 6,500.00	
3108-00-00	GOLF COURSE SURCHARGE FUND	SS-1		17,783.26	2 10,098.00	27,881.26
	Total Retained Earnings- Reserve Fund		-960,337.78	-786,074.38	-40,485.15	-826,559.53
387	Retained Earnings - Capital Fund					
3105-00-00	CAPITAL FUND	SS-1	-395,651.00	-418,035.75	1 86.00	-417,949.75
3107-00-00	Land Improvement Fund	SS-1		-131,153.72	1 71,209.00	-59,944.72
3110-00-00	CAPITAL RESERVE			-3,406.00	10 3,406.00	
	Total Retained Earnings - Capital Fund		-395,651.00	-552,595.47	74,701.00	-477,894.47
388	Fund Balance					
3109-21-00	FUND BALANCE - WATER CO	SS-1	-230,717.00	-284,338.78	1 28,047.00 1 -10,450.92	-266,742.70
	Total Fund Balance		-230,717.00	-284,338.78	17,596.08	-266,742.70
400	ASSESSMENTS					
4005-20-40	Active Member Assess - TSO		-1,411,168.48	-1,386,390.25		-1,386,390.25
4005-20-42	Active Member Assess - WCO		-13,689.00	-14,793.00		-14,793.00
4005-20-44	Active Member Assess - Lots		-50,434.00	-44,814.00		-44,814.00
4006-50-50	Reserve Assessment	TR-1	-270,000.00	-281,644.54		-281,644.54
4014-20-40	Discount - TSO		46,912.30	45,115.09		45,115.09
4014-20-42	Discount - WCO		597.69	494.23		494.23
4014-20-44	Discount - Lots		2,321.84	1,746.79		1,746.79
	Total ASSESSMENTS		-1,695,459.65	-1,680,285.68	0.00	-1,680,285.68
402	WATER COMPANY ASSESSMENTS					
4008-21-21	Water Company Assessment	TR-3	-12,831.58	-20,045.95		-20,045.95
4009-21-21	Water Company Assessment- Reserve	TR-3	-28,048.00			
	Total WATER COMPANY ASSESSMENTS		-40,879.58	-20,045.95	0.00	-20,045.95
403	LAND IMPROVEMENT ASSESSMENT					
4010-55-55	Land Capital Acquisition	TR-2	-71,209.00	-71,209.01		-71,209.01
4600-65-65	CAPITAL RESERVE		-3,406.00	-3,406.00		-3,406.00
	Total LAND IMPROVEMENT ASSESSMENT		-74,615.00	-74,615.01	0.00	-74,615.01
405	SALES/GOLF					
4500-16-16	Sales - Golf Green Fees		-98,529.38	-103,001.85		-103,001.85
4501-06-00	GOLF SURCHARGE REVENUE		-10,622.00		2 -10,098.00	-10,098.00
4509-16-16	DRIVING RANGE - GOLF		-4,339.14	-5,221.79		-5,221.79
4510-16-16	Sales: Golf		-7,622.84	-9,624.88		-9,624.88
4511-16-16	Golf Rentals		-37,390.75	-35,858.00		-35,858.00

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Grp 1 code	Description	Workpa Refere	Adjusted 9/30/2012	Unadjusted 9/30/2013	AJE 9/30/2013	Adjusted 9/30/2013
	Total SALES/GOLF		-158,504.11	-153,706.52	-10,098.00	-163,804.52
406	SALES - CLUBHOUSE					
4510-17-17	Sales - Clubhouse/Rentals		-22,049.10	-21,592.06		-21,592.06
	Total SALES - CLUBHOUSE		-22,049.10	-21,592.06	0.00	-21,592.06
408	TIMESHARE SALES					
4015-11-40	Timeshare Sales - TSO	TR-4	-11,187.00	-4,550.00		-4,550.00
	Total TIMESHARE SALES		-11,187.00	-4,550.00	0.00	-4,550.00
410	OTHER INCOME					
4020-20-40	Late Fees - TSO		-14,213.68	-18,012.33		-18,012.33
4020-20-42	Late Fees - WCO		-35.00			
4020-20-44	Late Fees - Lots		-1,157.70	-589.28		-589.28
4205-20-40	Bonus Upgrade - TSO		-28,971.57	-31,150.00		-31,150.00
4210-20-40	Movie Rentals - TSO		-1,171.63	-2,734.81		-2,734.81
4210-20-42	MOVIE RENTALS - WCO		-91.57			
4211-11-40	Cleaning Fee Income		-5,750.00	-5,061.00		-5,061.00
4212-17-17	Activities Income - Clubhouse		-9,659.46	-993.97		-993.97
4214-17-17	BREAKFAST INCOME			-9,242.00		-9,242.00
4280-11-40	Other Income - TSO		-646.22	-170.00		-170.00
4280-20-25	Other Income - Common		-1,234.83	-276.03		-276.03
4281-11-40	Coin Op - TSO		-3,453.28	-3,198.18		-3,198.18
4281-11-42	COIN OP - WCO		-216.47			
4284-20-25	Misc. Commissions			-152.10		-152.10
4285-20-25	Copies/Fax Revenue		-105.75			
4286-14-44	Snow Removal		-9,174.98	-8,522.50		-8,522.50
4300-00-00	GAIN/LOSS ON SALE OF FIXED ASSETS				1 -9,053.50	-9,053.50
4512-17-17	Over/Short - Variance		12.71	33.60		33.60
	Total OTHER INCOME		-75,869.43	-80,068.60	-9,053.50	-89,122.10
420	RENTAL INCOME					
4200-11-40	Rental Income - Intervals		-23,595.68	-38,841.90	9 116.46	-38,989.44
					13 -264.00	
4200-17-17	Rental Income - Apartments		-4,535.72	-5,392.85		-5,392.85
	Total RENTAL INCOME		-28,131.40	-44,234.75	-147.54	-44,382.29
430	INTEREST INCOME					
4100-20-25	Interest Income - Operations		-3,368.80	-1,861.89		-1,861.89
4100-21-21	Interest Income - Water Co	TR-5	-3,081.30	-1,397.26		-1,397.26
4115-00-00	RESERVE INTEREST	TR-5	-2,547.68		1 -2,091.65	-2,178.12
					1 -86.47	
	Total INTEREST INCOME		-8,997.78	-3,259.15	-2,178.12	-5,437.27
500	COST OF SALES					
5100-11-40	Cost of Sales - Food Drink - Hskp		155.27	36.00		36.00
5100-11-42	Cost of Goods (Coin Op)		14.65			
5100-16-16	Cost of Sales - Golf		11,655.98	2,754.81	8 -2.49	3,167.27
					9 414.95	
5100-17-17	COGS:Food/Merchandise-Clubhouse		8,534.61	7,240.92		7,240.92
5109-16-16	COST OF SALES - DRIVING RANGE		4,846.53			
5110-17-17	COST OF SALES BREAKFAST			6,877.87		6,877.87
6526-16-16	Supplies-Golf Course		4,082.58	5,489.47		5,489.47
6526-17-17	Supplies-Clubhouse		9,153.28	9,348.26		9,348.26
6527-16-16	Misc-Golf		1,279.19	118.98		118.98
6527-17-17	Misc-Clubhouse		2,225.50	1,602.58		1,602.58

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Grp 1 code	Description	Workpa Refere	Adjusted 9/30/2012	Unadjusted 9/30/2013	AJE 9/30/2013	Adjusted 9/30/2013
	Total COST OF SALES		41,947.59	33,468.89	412.46	33,881.35
600	GOLF AND CLUBHOUSE					
6105-16-16	Salaries & Wages-Golf		90,330.95	84,693.74		84,693.74
6105-17-17	Salaries & Wages-Clubhouse		50,603.58	76,113.78		76,113.78
6150-16-16	Emp Benefits-Golf		5,961.48	7,207.15		7,207.15
6150-17-17	Emp Benefits-Clubhouse		5,449.18	8,801.72		8,801.72
6160-16-16	Payroll Taxes-Golf		8,740.07	8,118.37		8,118.37
6160-17-17	Payroll Taxes-Clubhouse		4,807.58	7,368.81		7,368.81
6161-20-25	EMPLOYEE BONUS - PAYROLL TAX - G&			158.83		158.83
6170-17-17	Workers Comp - Clubhouse		688.49	2,027.66	14 27.29	2,054.95
6509-16-16	R&M - DRIVING RANGE		530.23			
6543-16-16	Fuel-Golf		3,514.77	1,249.97		1,249.97
	Total GOLF AND CLUBHOUSE		170,626.33	195,740.03	27.29	195,767.32
602	ACTIVITIES SUPPLIES					
6529-17-17	Activity Supplies-Clubhouse		8,739.68	1,392.26		1,392.26
	Total ACTIVITIES SUPPLIES		8,739.68	1,392.26	0.00	1,392.26
603	HOUSEKEEPING SALARIES AND RELATED					
6105-11-40	Salaries & Wages - Housekeeping		101,130.54	93,679.74		93,679.74
6150-11-40	Employee Benefits - Housekeeping		17,857.86	19,496.70		19,496.70
6160-11-40	Payroll Taxes - Housekeeping		9,306.18	8,643.63		8,643.63
6170-11-40	Workers Comp - Housekeeping		2,687.75	4,766.66	14 109.47	4,876.13
	Total HOUSEKEEPING SALARIES AND RELATED		130,982.33	126,586.73	109.47	126,696.20
605	HOUSEKEEPING SUPPLIES					
6526-11-40	Supplies-Hskg TSO		8,571.67	15,131.10		15,131.10
6527-11-40	Misc - Housekeeping		3,721.97	1,719.81		1,719.81
6529-11-40	Guest Supplies-Hskg TSO		19,027.37	17,994.39		17,994.39
6543-11-40	Fuel-Hskpg TSO		8,057.60	6,499.87		6,499.87
	Total HOUSEKEEPING SUPPLIES		39,378.61	41,345.17	0.00	41,345.17
625	UTILITIES					
6900-15-16	Utilities-Electric-Golf		5,036.07	5,195.70		5,195.70
6900-15-17	Utilities-Electric-Clubhouse		25,453.29	27,706.10		27,706.10
6900-15-25	Utilities-Electric-Operations		2,187.74	1,846.60		1,846.60
6900-15-40	Utilities-Electric-TSO		62,886.14	66,024.37		66,024.37
6905-15-25	Utilities-Propane		4,374.95	1,182.79		1,182.79
6905-15-40	Utilities-Propane-TSO		54,043.97	45,470.48		45,470.48
6910-15-17	Utilities-Water Co Assess-Clubhou		3,320.00	3,320.00		3,320.00
6910-15-40	Utilities-Water Co Assess-TSO		13,280.00	5,148.00		5,148.00
	Total UTILITIES		170,582.16	155,894.04	0.00	155,894.04
645	G & A SALARIES AND RELATED					
6105-20-25	Salaries & Wages - G&A		118,736.12	138,176.56		138,176.56
6150-20-25	Employee Benefits - G&A		17,790.53	19,778.17		19,778.17
6151-20-25	Employee Benefits - 401k Employr		3,129.45	2,677.88		2,677.88
6160-20-25	Payroll Taxes - G&A		10,017.67	10,912.83		10,912.83
6170-20-25	Workers Comp - G&A		2,944.32	3,943.08	14 50.44	3,993.52
6171-20-25	EMPLOYEE BONUS-WORKR COMP-G&A			627.46		627.46
6520-20-25	MARKETING - G & A			3,601.55		3,601.55
	Total G & A SALARIES AND RELATED		152,618.09	179,717.53	50.44	179,767.97

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647	G & A					
6526-13-42	Supplies-WCO		210.96			
6526-20-25	Supplies - G&A		5,333.75	8,836.05		8,836.05
6527-20-25	Misc-G&A		696.20	3,532.71		3,532.71
6529-12-25	Shop Supplies - G &A		6,425.89	9,916.41	7 ✓-22.30	
					9 61.19	9,955.30
6605-20-17	Satellite TV - G&A - Clubhouse		1,094.45	1,882.66		1,882.66
6605-20-40	Satellite TV - G&A - TSO		8,662.19	8,996.49		8,996.49
6605-20-42	Satellite TV- WCO		909.62	818.17		818.17
6606-11-40	Telephone-Hskpg-TSO		7,434.63	7,846.59	9 662.43	8,509.02
6606-17-17	Telephone-Clubhouse		1,499.00	1,602.74	9 132.49	1,735.23
6606-20-25	Telephone - G&A - Common		2,546.42	2,443.17	9 88.33	2,531.50
6607-20-40	Video Expense-TSO		848.43	1,176.40		1,176.40
6700-20-25	Audit, Tax Prep, Tax-G&A		7,000.00	7,000.00		7,000.00
6705-20-25	Vehicle Registration & License-G&A		216.15	313.15		313.15
6708-12-25	Vehicle Maint & Repair - Common		3,306.00	928.65	9 538.03	1,466.68
6708-12-40	Vehicle Maint & Repair-TSO		3,376.44	2,093.81		2,093.81
6715-20-25	Charge Card Collections-Operation		3,796.03	7,514.65		7,514.65
6715-20-40	Charge Card Fees-TSO		4,679.87	4,445.20		4,445.20
6720-20-25	Bank Charge		149.98	920.31		920.31
6720-20-40	Bank Charge		-89.96	384.48		384.48
6750-20-25	Board Mtg/Travel-Operations		5,130.47	9,031.64		9,031.64
6750-20-40	Board Mtg/Travel-TSO		11,420.46	17,729.32		17,729.32
6750-20-42	Board Mtg/Travel-WCO		1,090.84	1,138.27		1,138.27
6800-20-25	Mgmt Fees-Operations		25,188.60	25,188.60		25,188.60
6820-20-25	Meals/Trvl/Lodging-Employees		4,977.58	8,778.26	9 293.88	9,072.14
6845-20-25	Postage & Delivery		3,320.89	2,916.22	9 3,378.47	6,294.69
6845-20-40	Postage & Delivery-TSO		506.69	2,550.41	9 105.97	2,656.38
6850-20-25	Printing & Stationary		4,586.09	5,886.55	9 3,635.40	9,521.95
6850-20-40	Printing and Stationery		1,893.57	5,870.39	9 200.00	6,070.39
7076-20-00	INTEREST EXP.		1,440.40			
Total G & A			117,651.64	149,741.30	9,073.89	158,815.19
648	INTERIOR MAINTENANCE WAGES AND RE					
6105-12-40	Salaries & Wages - Maint Int.		60,201.03	76,746.23		76,746.23
6150-12-40	Employee Benefits - Maint Int		14,076.83	15,414.28		15,414.28
6160-12-00	PAYROLL TAXES - MAINT. INT.		5,449.11			
6160-12-40	Payroll Taxes - Maint Int			7,047.60		7,047.60
6170-12-40	Workers Comp - Int Maint		1,462.66	3,708.22	14 53.23	3,761.45
Total INTERIOR MAINTENANCE WAGES AND RELATED			81,189.63	102,916.33	53.23	102,969.56
649	INTERIOR MAINTENANCE SUPPLIES					
6526-12-40	Supplies-Int Maint TSO		9,247.30			
6527-12-40	Misc-Int Maint		206.17	830.13		830.13
6543-12-00	FUEL - INTERIOR		4,972.29			
6543-12-40	Fuel - Interior			4,112.20		4,112.20
6565-12-17	REPAIRS AND MAINT - INTERIOR - CL		15.21			
6565-12-40	Repairs and Maint-Int-TSO		12,612.47	39,407.73	7 -1,841.19	
					9 65.00	37,631.54
Total INTERIOR MAINTENANCE SUPPLIES			27,053.44	44,350.06	-1,776.19	42,573.87
650	EXTERIOR MAINTENANCE WAGES AND RE					
6105-13-40	Salaries & Wages - Maint Ext - TS		27,274.16	22,471.56		22,471.56
6105-13-42	SALARIES & WAGES - MAINT EXT- WCO		2,575.40	2,266.45		2,266.45
6116-12-00	SALARIES & WAGES - MAINT. EXT.			7,224.00		7,224.00
6150-13-40	Emp Benefits-Maint Ext-TSO		3,936.42	5,411.90		5,411.90
6150-13-42	EMPLOYEE BENEFITS - MAINT EXT - W		530.20	491.73		491.73

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6150-14-42	EMPLOYEE BENEFITS- MAINT SNOW - W		290.13	463.97		463.97
6160-13-40	Payroll Taxes-Maint Exp TSO		2,515.82	2,012.06		2,012.06
6160-13-42	PAYROLL TAXES- MAINT EXT- WCO		237.51	212.72		212.72
6160-14-42	PAYROLL TAXES- MAINT SNOW- WCO		189.97	181.07		181.07
6170-13-42	Workers Comp- Maint Ext- WCO		-2.29	250.60	14 0.48	251.08
6170-14-42	Workers Comp- Maint Snow- WCO		49.99	145.66		145.66
6565-13-40	Repairs and Maint-Ext-TSO		31,423.07	13,832.91	6 -760.77 7 -53.23	13,018.91
Total EXTERIOR MAINTENANCE WAGES AND RELATED			69,020.38	54,964.63	-813.52	54,151.11
651	EXTERIOR MAINTENANCE MATERIALS AN					
6526-13-40	Supplies-Ext Supplies TSO		5,179.42			
6543-13-40	Fuel-Exterior TSO		1,085.06	3,658.66		3,658.66
6565-13-25	Repairs and Maint-Office Bldg		1,655.71	1,954.69		1,954.69
6565-13-42	Repairs and Maint - WCO		1,716.87	1,672.15		1,672.15
6565-16-16	Repairs and Maint - Golf		28,931.91	44,587.17	9 429.94	45,017.11
6565-17-17	REPAIRS AND MAINT - CLUB HOUSE		2,682.66	4,138.16	7 -112.91	4,025.25
Total EXTERIOR MAINTENANCE MATERIALS AND SUPP			41,251.63	56,010.83	317.03	56,327.86
652	SNOW REMOVAL					
6105-14-17	Salaries & Wages - Snow - Clubhou		1,126.30	1,014.65		1,014.65
6105-14-25	Salaries & Wages - Snow Remov Roa		2,566.67	1,989.38		1,989.38
6105-14-40	Salaries & Wages - Snow Removal-T		20,387.12	21,372.01		21,372.01
6105-14-42	Salaries & Wages - Maint Snow - W		2,037.74	1,942.06		1,942.06
6105-14-44	Salaries & Wages-Snow (HOA/Roads)		6,697.48	6,445.09		6,445.09
6150-14-17	Emp Benefits - Snow - Clubhouse		141.56	225.13		225.13
6150-14-25	Emp Benefits - Snow - OPS		408.56	604.69		604.69
6150-14-40	Emp Benefits - Snow - TSO		2,902.69	5,106.14		5,106.14
6150-14-44	Emp Benefits-Snow (HOA Roads)		983.82	1,187.39		1,187.39
6160-14-17	Payroll Taxes - Snow - Clubhouse		100.09	90.51		90.51
6160-14-25	Payroll Taxes - Snow - Ops		237.50	185.63		185.63
6160-14-40	Payroll Taxes - Snow - TSO		1,900.52	1,992.91		1,992.91
6160-14-44	Payroll Taxes-Snow (HOA Raods)		608.53	582.61		582.61
6170-14-17	Workers Comp - Snow Removal Clubh		89.79	180.52		180.52
6170-14-25	Workers Comp - Snow Removal Oper		59.62	153.36		153.36
6170-14-40	Workers Comp - Snow Removal TSO		567.76	805.00	14 4.42	809.42
6170-14-44	Workers Comp - Snow Removal HOA		194.14	271.13		271.13
6526-14-25	Supplies-Snow Removal		725.12	206.32		206.32
6543-14-25	Fuel - Snow Removal		4,715.09	4,853.35		4,853.35
6565-14-25	Repairs and Maint-Snow-Ops		9,816.17	2,308.57		2,308.57
Total SNOW REMOVAL			56,266.27	51,516.45	4.42	51,520.87
655	WATER COMPANY					
6105-21-21	Salaries & Wages - Water Co		1,316.38	1,567.46		1,567.46
6150-21-21	EMPLOYEE BENEFITS - WATER CO.		147.10	149.02		149.02
6160-21-21	Payroll Taxes - Water Co		119.38	175.05		175.05
6170-21-21	WORKERS COMP-WATER CO		37.04	57.57		57.57
6505-21-21	Outside Services - Repairs-Water		-902.79	6,115.24		6,115.24
6506-21-21	Testing - Water Co		96.00	401.50		401.50
6526-21-21	Supplies-Water Co		13.56			
6527-21-21	Misc - Water Co		740.00	375.00		375.00
6565-21-21	Repairs and Maint-Water Company		1,539.97	4,520.32		4,520.32
6775-20-21	Ins Property/D&O-Water Co		365.16	380.25		380.25
6900-15-21	Utilities-Electric-Water Co		3,530.94	3,411.30		3,411.30

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	Total WATER COMPANY		7,002.74	17,152.71	0.00	17,152.71
660	MISC. EXPENSES					
6530-12-40	Unit Consumables- TSO		11,187.63	15,128.66		15,128.66
6543-13-42	Fuel - WCO		772.69	453.47		453.47
	Total MISC. EXPENSES		11,960.32	15,582.13	0.00	15,582.13
665	INSURANCE					
6170-13-40	Workers Comp - Ext Maint		866.43	1,469.60	14 5.29	1,474.89
6170-16-16	Workers Comp - Golf Course		1,424.61	2,985.69	14 70.26	3,055.95
6775-20-16	Ins Property/D&O-Golf		1,460.66	1,520.81		1,520.81
6775-20-17	Ins Property/D&O-Clubhouse		6,572.88	6,844.00		6,844.00
6775-20-25	Ins Property/D&O-Operations		7,668.38	7,984.71		7,984.71
6775-20-40	Ins Property/D&O-TSO		18,622.82	18,845.30		18,845.30
6775-20-42	Ins Property/D&O-WCO		1,825.80	2,446.88		2,446.88
	Total INSURANCE		38,441.58	42,096.99	75.55	42,172.54
670	PROPERTY TAXES					
6865-16-16	Real Property Tax-Golf		2,514.95	2,896.01		2,896.01
6865-17-17	Real Property Tax-Clubhouse		8,490.80	8,761.65		8,761.65
6865-20-25	Real Property Tax-Operations		7,698.30	8,034.30		8,034.30
6865-20-40	Real Property Tax-TSO		100,120.60	96,340.71		96,340.71
	Total PROPERTY TAXES		118,824.65	116,032.67	0.00	116,032.67
680	PROFESSIONAL FEES					
6801-20-25	Accounting Fee- Operations		42,291.84	42,291.84		42,291.84
6802-20-25	Reservation Fee- Operations		28,927.56	28,927.56		28,927.56
	Total PROFESSIONAL FEES		71,219.40	71,219.40	0.00	71,219.40
683	LEGAL/COLLECTIONS					
6725-20-25	Collections (Attorney)		12,152.73			
6725-20-40	Collections (Attny)-TSO			1,945.59		1,945.59
6725-20-44	Collections (Attny)-Lots			521.00		521.00
6786-20-25	Legal Fees-Operations		5,162.83	21,414.97		21,414.97
6786-20-40	Legal Fees - TSO		513.17	28,420.69		28,420.69
	Total LEGAL/COLLECTIONS		17,828.73	52,302.25	0.00	52,302.25
685	MISC. EXPENSES					
6604-20-40	WIFI Expense - TSO		1,062.36	520.45		520.45
6607-20-42	Video Expense- WCO		93.16			
6917-20-25	Large Item Garbage Disposal		423.87	15.00		15.00
	Total MISC. EXPENSES		1,579.39	535.45	0.00	535.45
690	Outside Services					
6505-11-40	Outside Services - TSO		1,469.65	-449.54		-449.54
6505-12-40	Outside Services - Pest Control-T		1,462.70	2,023.88		2,023.88
6505-12-42	Outside Services - Pest Control-W		355.22	184.12		184.12
6505-16-16	Outside Services - Golf		3,585.64	5,592.47		5,592.47
6505-17-17	Outside Services - Clubhouse		4,738.09	10,893.63		10,893.63
6505-20-25	Outside Services - Common		1,699.20	2,051.91		2,051.91
6708-20-25	Outside Services- Vehicle Repair		1,123.60	863.41		863.41
	Total Outside Services		14,434.10	21,159.88	0.00	21,159.88
695	Advertising					
6510-16-16	Advertising - Golf		1,923.27	3,355.39		3,355.39
6510-17-17	Advertising - Clubhouse		749.98	1,739.70		1,739.70
6510-20-25	Advertising - G&A		5,194.34	2,961.92		2,961.92

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irp 1 code	Description	Workpa Refere	Adjusted 9/30/2012	Unadjusted 9/30/2013	AJE 9/30/2013	Adjusted 9/30/2013
6510-20-40	Advertising - TSO		1,622.22	2,508.64	9 35.00	2,543.64
	Total Advertising		9,489.81	10,565.65	35.00	10,600.65
750	INTEREST EXPENSE					
6776-20-25	Interest - Other			-195.15		-195.15
	Total INTEREST EXPENSE		0.00	-195.15	0.00	-195.15
760	BAD DEBT EXPENSE					
6710-20-21	Bad Debt- Water Co			-1,133.29		-1,133.29
6710-20-25	Bad Debt - G&A		300.00	122.50		122.50
6710-20-40	Bad Debt-G&A-TSO		124,191.27	140,526.04		140,526.04
6710-20-42	Bad Debt - G&A - WCO		352.64			
6710-20-44	Bad Debt - G&A - Lots		230.57	600.00		600.00
	Total BAD DEBT EXPENSE		125,074.48	140,115.25	0.00	140,115.25
775	DEPRECIATION EXPENSE					
7030-20-00	DEPRECIATION EXPENSE	F-1	9,433.00		12 11,910.00	11,910.00
	Total DEPRECIATION EXPENSE		9,433.00	0.00	11,910.00	11,910.00
780	RESERVE EXPENDITURES					
8550-20-00	RESERVES EXPENDITURES	TE-1	366,583.78		1 329,254.06 9 10,341.36 15 -28,722.46	310,872.96
8550-21-00	RESERVES - WATER CO.	TE-1	20,816.88		1 10,450.92	10,450.92
8550-21-21	Water Co			28,047.00	1 -28,047.00	
8550-50-50	Replacement Fund	TE-1		281,644.54	1 -281,644.54	
8570-55-55	Land Purchase			71,209.00	1 -71,209.00	
	Total RESERVE EXPENDITURES		387,400.66	380,900.54	-59,576.66	321,323.88
785	CAPITAL EXPENDITURES					
6600-65-65	CAPITAL RESERVE			3,406.00	10 -3,406.00	
	Total CAPITAL EXPENDITURES		0.00	3,406.00	-3,406.00	0.00
800	PROVISION FOR INCOME TAXES					
6740-20-25	Income Tax - Federal		19,190.49	311.38	5 6,366.00 5 -1,316.37	5,361.01
8510-20-00	STATE INCOME TAX	II-1	1,131.00		5 1,641.00	1,641.00
	Total PROVISION FOR INCOME TAXES		20,321.49	311.38	6,690.63	7,002.01
TOTALS			0.00	-0.00	-0.00	-0.00
YTD NI (Loss)			175,374.92	17,528.32		75,818.44



To the Board of Directors
Island Park Village Association, Inc. and Affiliate
Island Park, Idaho

December 16, 2013

We have audited the financial statements of Island Park Village Association, Inc. and Affiliate for the year ended September 30, 2013, and have issued our report thereon dated December 13, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 24, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by of Island Park Village Association, Inc. and Affiliate are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2013. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the Allowance for Doubtful Accounts is based on historical collection ratios and an evaluation of current economic conditions that may affect the collection of accounts receivable. We evaluated the key factors and assumptions used to develop the Allowance for Doubtful in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 16, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Replacement Fund Deficit

At September 30, 2013, the replacement fund had a deficit of \$1,796,050 based on the reserve study conducted in June 2008. In addition, the Association is not funding the amount required by the reserve study on an annual basis. The reserve study required a \$578,904 contribution for September 30, 2013 while the Association budgeted \$281,645. The Board of Directors should develop and implement a plan to fund the reserves based on the reserve study, and to continue funding additional amounts to continue lowering the replacement fund deficit.

Island Park Village Association, Inc. and Affiliate
December 16, 2013
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This information is intended solely for the use of the Board of Directors and management
Island Park Village Association, Inc. and Affiliate and is not intended to be and should not
be used by anyone other than these specified parties.

Very truly yours,

FITZGERALD & ASSOCIATES, INC. CPAs

Island Park Village Association, Inc. and Affiliate
c/o Trading Places International
23807 Aliso Creek Road, Suite 100
Laguna Niguel, CA 92677

December 16, 2013

To: Fitzgerald & Associates, Inc.
Certified Public Accountants
300 E. State Street, Suite 501
Redlands, CA 92373

This representation letter is provided in connection with your audit of the financial statements of Island Park Village Association, Inc. and Affiliate, which comprise the balance sheet as of September 30, 2013, and the related statements of revenues, expenses, and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 16, 2013, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 24, 2013, including our responsibility for the preparation and fair presentation of the financial statements.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- Material concentrations have been properly disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the Association is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- Transfers or designations of fund balance or interfund borrowings have been properly authorized and approved and have been properly recorded or disclosed in accordance with GAAP.
- Uncollectible interfund loans have been properly accounted for and disclosed in accordance with GAAP.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Association and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, regulators, or others.
- We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Association's related parties and all the related party relationships and transactions of which we are aware.
- The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We acknowledge our responsibilities for presenting the required supplementary information (RSI) in accordance with U.S. GAAP. The RSI is measured and presented within prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- The board of directors is collecting funds for future major repairs and replacements in conformity with Island Park Village Association, Inc. and Affiliate policy to fund for those needs based on a study conducted in June 2008. The board of directors believes the funds will adequately provide for future major repairs and replacements.
- The Association's allocation of expenses against exempt and nonexempt function income conforms with IRS rules, which require that the allocation be made "on a reasonable basis. We have adequately documented such allocation.
- We understand that management is responsible for the Association's choice of filing Form 1120-H and the consequences thereof.

Signed: _____
President, Board of Directors

Printed Name: _____

Signed: _____
Managing Agent

Printed Name: _____