



Kiplinger & Co., CPAs, LLC

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

May 9, 2011

To The Board of Trustees
WESTWOOD FARMS HOMEOWNERS ASSOCIATION
P. O. Box 360301
Strongsville, OH 44136-0006

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of **WESTWOOD FARMS HOMEOWNERS ASSOCIATION**, solely to assist the users in evaluating the accuracy of the Association's recordkeeping as required in the bylaws. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

1. **Procedures Performed:** We obtained a list of all officers, board members, and property managers as well as a list of their business transactions (including transactions with related parties) with the association for the year. We inspected the transactions for appropriate authorization and noted any instances of noncompliance with Association policies.

Findings: No exceptions were noted.

2. **Procedures Performed:** We obtained a listing of all Association depositories, including banks, savings and loans, and other financial institutions from which certificates of deposit, money market accounts, and Government securities were purchased during the year, and confirmed the related balances, at year-end directly with the institution. We traced the confirmed balances to the related monthly statements, noting any discrepancies.

Findings: All balances agreed with the bank confirmations other than the certificate of deposit at First Federal of Lakewood. The bank confirmed a balance of \$7,644.19, whereas the balance per the general ledger at December 31, 2010 was \$7,819.46.

Certified Public Accountants and Business Advisors

3. **Procedures Performed:** We agreed all Association financial account general ledger balances at year-end, and three other months chosen at random, to the related financial institution statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: All balances per the Association's books reconciled to the related bank statements.

4. **Procedures Performed:** We compared the Association reserve account balance with the reserve study's recommended funding schedule noting the actual funding level.

Findings: The funding level of the Reserve Account at December 31, 2010 was 94.9% of the ideal balance.

5. **Procedures Performed:** We obtained the Association's annual financial report and budget and compared the actual revenues and expenditures noting and investigating any significant variances.

Findings: All variances were found to be properly supported.

6. **Procedures Performed:** We obtained and inspected all significant contractual agreements in place during the year. We compared the actual expenditures to the agreements noting any differences.

Findings: All differences were found to be properly supported.

7. **Procedures Performed:** We obtained the detailed general ledger (or the cash disbursement journal) and scanned it for all checks over \$500, other than those for contractual agreements. We inspected all related invoices for proper account classification.

Findings: Nothing unusual was noted.

8. **Procedures Performed:** We obtained a listing of all Association units and related annual assessments. We calculated the expected annual assessment revenue and compared it with the amount reported on the annual financial report noting any differences.

Findings: The expected revenue based on our calculation was within \$1,212 (0.58%) of the amount reported on the Association's books.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board of Trustees of **WESTWOOD FARMS HOMEOWNERS ASSOCIATION** and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

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