

**BRIAN C. JENSEN, CPA PA**  
CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 773  
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MEMBER AICPA

520 CEDAR STREET  
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November 10, 2011

Schweitzer Property Owners, Inc  
P. O. Box 773  
Sandpoint, ID 83864

To the Board of Directors,

I have compiled the accompanying balance sheet for Schweitzer Property Owners, Inc. (an Idaho corporation) as of September 30, 2011 and 2010 and the related statements of revenue and expenditures and cash flows, and supplemental schedule 1, which is presented for supplementary analysis only, for the three months and year to dates then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to this corporation.

Brian C. Jensen  
Certified Public Accountant

SCHWEITZER PROPERTY OWNERS INC  
BALANCE SHEET  
SEPTEMBER 30, 2011 AND 2010

	THIS YEAR	PRIOR YEAR
ASSETS		
CURRENT ASSETS		
CASH IN BANK	28,028.43	26,413.52
TOTAL CASH	28,028.43	26,413.52
PREPAID INSURANCE	475.00	
TOTAL CURRENT ASSETS	28,503.43	26,413.52
TOTAL ASSETS	28,503.43	26,413.52
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	500.00	1,056.64
PREPAID DUES	11,420.00	10,967.30
INCOME TAX PAYABLE	30.00	30.00
TOTAL CURRENT LIABILITIES	11,950.00	12,053.94
TOTAL LIABILITIES	11,950.00	12,053.94
FUND BALANCE		
RETAINED EARNINGS PRIOR	14,359.58	11,490.56
NET REVENUE OVER (UNDER)		
EXPENDITURES CURRENT YEAR	2,193.85	2,869.02
TOTAL FUND BALANCE	16,553.43	14,359.58
TOTAL LIABILITIES AND FUND BALANCE	28,503.43	26,413.52

SEE ACCOMPANYING ACCOUNTANTS LETTER

SCHWEITZER PROPERTY OWNERS INC  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE THREE MONTHS AND YEAR TO DATE  
ENDED SEPTEMBER 30, 2011 AND 2010

	CURRENT THREE MONTHS		YEAR TO DATE	
	THIS YEAR	PRIOR YEAR	THIS YEAR	PRIOR YEAR
REVENUE				
MEMBERSHIP DUES	163.50		11,383.50	10,992.50
SNOWPLOW SUBSCRIPTION DUES			9,420.00	21,863.50
TOTAL REVENUE	<u>163.50</u>	<u>.00</u>	<u>20,803.50</u>	<u>32,856.00</u>
EXPENDITURES				
ACCOUNTING	270.00	632.00	1,563.00	1,989.00
DUES AND FEES	44.85	44.85	254.19	370.38
INSURANCE	237.50		475.00	
MANAGEMENT FEES	1,100.00	1,200.00	5,900.00	6,250.00
OFFICE SUPPLIES			444.89	292.09
POSTAGE	1.76	89.76	95.57	404.01
COMMON AREA CLEANING SUPPLIES	287.00		287.00	318.00
SNOW REMOVAL			9,560.00	20,333.50
TOTAL EXPENDITURES	<u>1,941.11</u>	<u>1,966.61</u>	<u>18,579.65</u>	<u>29,956.98</u>
TOTAL REVENUE OVER (UNDER) EXPENDITURES	<u>(1,777.61)</u>	<u>(1,966.61)</u>	<u>2,223.85</u>	<u>2,899.02</u>
OTHER REVENUE (EXPENDITURES)				
TOTAL OTHER REVENUE (EXPENDITURES)	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
REVENUE OVER (UNDER) EXPENDITURE BEFORE INCOME TAX	<u>(1,777.61)</u>	<u>(1,966.61)</u>	<u>2,223.85</u>	<u>2,899.02</u>
INCOME TAX PROVISION INCOME TAX PROVISION	<u>30.00</u>		<u>30.00</u>	<u>30.00</u>
NET REVENUE OVER (UNDER) EXPENDITURES	<u><u>(1,807.61)</u></u>	<u><u>(1,966.61)</u></u>	<u><u>2,193.85</u></u>	<u><u>2,869.02</u></u>

SEE ACCOMPANYING ACCOUNTANTS LETTER

SCHWEITZER PROPERTY OWNERS INC  
STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS AND YEAR TO DATE  
ENDED SEPTEMBER 30, 2011 AND 2010

	CURRENT THREE MONTHS		YEAR TO DATE	
	THIS YEAR	PRIOR YEAR	THIS YEAR	PRIOR YEAR
CASH FLOWS FROM OPERATING ACTIVITIES				
NET REVENUE OVER(UNDER) EXPEND	(1,807.61)	(1,966.61)	2,193.85	2,869.02
Adjustments to reconcile net revenue over (under) expenditures to net cash provided (used) by operating activities:				
(INC) DEC IN PREPAID EXPENSES	237.50		(475.00)	
INC (DEC) IN PAYABLES	185.12	690.76	(556.64)	82.82
INC (DEC) IN PP ASSESSMENTS	11,420.00	10,967.30	452.70	10,867.30
INC (DEC) IN TAXES PAYABLE	30.00			
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	10,065.01	9,691.45	1,614.91	13,819.14
CASH FLOWS FROM INVESTING ACTIVITIES				
NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	.00	.00	.00	.00
CASH FLOWS FROM INVESTING ACTIVITIES				
NET CASH PROVIDED (USED) FROM FINANCING ACTIVITIES	.00	.00	.00	.00
NET INCREASE (DECREASE) IN CASH	10,065.01	9,691.45	1,614.91	13,819.14
CASH AT BEGINNING OF PERIOD	17,963.42	16,722.07	26,413.52	12,594.38
CASH AT END OF PERIOD	28,028.43	26,413.52	28,028.43	26,413.52

SEE ACCOMPANYING ACCOUNTANTS LETTER

SCHWEITZER PROPERTY OWNERS INC  
 SUPPLEMENTAL SCHEDULE 1  
 BUDGET STATEMENT  
 FOR THE YEAR TO DATE  
 ENDED SEPTEMBER 30, 2011

	YEAR TO DATE		
	ACTUAL	BUDGET	BALANCE
REVENUE			
MEMBERSHIP DUES	11,383.50	11,200.00	183.50
SNOWPLOW SUBSCRIPTION DUES	9,420.00	9,420.00	
TOTAL REVENUE	<u>20,803.50</u>	<u>20,620.00</u>	<u>183.50</u>
EXPENDITURES			
ACCOUNTING	1,563.00	2,100.00	537.00
DUES AND FEES	254.19	400.00	145.81
MANAGEMENT FEES	5,900.00	6,000.00	100.00
OFFICE SUPPLIES	444.89	350.00	(94.89)
POSTAGE	95.57	450.00	354.43
SNOW REMOVAL	9,560.00	9,420.00	(140.00)
COMMON AREA CLEANING SUPPLIES	287.00	350.00	(287.00) 350.00
TOTAL EXPENDITURES	<u>18,104.65</u>	<u>19,070.00</u>	<u>965.35</u>
TOTAL REVENUE OVER (UNDER) EXPENDITURES	<u>2,698.85</u>	<u>1,550.00</u>	<u>1,148.85</u>
OTHER REVENUE (EXPENDITURES)			
TOTAL OTHER REVENUE (EXP)	<u>.00</u>	<u>.00</u>	<u>.00</u>
REVENUE OVER (UNDER) EXPENDITURE BEFORE INCOME TAX	<u>2,698.85</u>	<u>1,550.00</u>	<u>1,148.85</u>
INCOME TAX PROVISION			
INCOME TAX PROVISION	30.00	30.00	
NET REVENUE OVER (UNDER) EXPENDITURES	<u><u>2,668.85</u></u>	<u><u>1,520.00</u></u>	<u><u>1,148.85</u></u>

SEE ACCOMPANYING ACCOUNTANTS LETTER