

SPRING CREEK HOMEOWNERS' ASSOCIATION  
FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
WITH SUPPLEMENTAL INFORMATION  
  
FOR THE YEAR ENDED DECEMBER 31, 2010  
WITH UNAUDITED COMPARATIVE TOTALS  
FOR THE YEAR ENDED DECEMBER 31, 2009

# Thompson, Palmer & Associates, PC

CERTIFIED PUBLIC ACCOUNTANTS

PO BOX 4158  
JACKSON, WY 83001

FAX (307) 739-1415

(307)733-5160  
275 E BROADWAY

## INDEPENDENT AUDITORS' REPORT

July 21, 2011

To the Board of Directors  
Spring Creek Homeowners' Association  
Jackson, Wyoming

We have audited the accompanying balance sheet of Spring Creek Homeowners' Association as of December 31, 2010, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the management of Spring Creek Homeowners' Association. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spring Creek Homeowners' Association as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on page nine is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The 2009 financial statements were reviewed by us and our report dated June 15, 2010 stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with generally accepted accounting principles. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion of the financial statements taken as a whole.

The accompanying financial statements and our independent auditors' report are for the purpose of internal use by Spring Creek Homeowners' Association and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements and independent auditors' report are hereby advised that the liability of Thompson Palmer and Associates PC, to third party users who use or rely on this information, may be limited pursuant to 1995 Wyoming Sessions Laws, Chapter 155 creating Wyoming statutes §33-3-201.

Thompson, Palmer and Associates, PC

SPRING CREEK HOMEOWNERS' ASSOCIATION  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION  
DECEMBER 31, 2010  
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2009 (UNAUDITED)

TABLE OF CONTENTS

Balance sheet .....	1
Statement of revenues, expenses and changes in fund balances.....	2
Statement of cash flows .....	3
Notes to financial statements .....	4
Supplemental information .....	9

SPRING CREEK HOMEOWNERS' ASSOCIATION  
BALANCE SHEET  
DECEMBER 31, 2010  
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2009 (UNAUDITED)

	Operating Fund	Replacement Fund	Totals	
			2010	2009 Unaudited
<b>ASSETS</b>				
Cash, including interest-bearing deposits	\$ 312,802	\$ -	\$ 312,802	\$ 222,179
Investments – Cash (Note #3)	-	107,948	107,948	107,339
Investments – Securities (Note #3)	-	1,829,345	1,829,345	1,624,213
Investments – Accrued Interest (Note #3)	-	-	-	1,275
Assessments receivable (Note #2)	106,367	-	106,367	185,457
Prepaid income tax	3,742	-	3,742	83
Prepaid expenses	2,384	-	2,384	67,103
Due from operating fund	-	36,350	36,350	40,280
Due to replacement fund	( 36,350)	-	( 36,350)	( 40,280)
Inventory (Note #2)	20,828	-	20,828	24,436
Other receivables	600	-	600	600
Total assets	<u>\$ 410,373</u>	<u>\$ 1,973,643</u>	<u>\$ 2,384,016</u>	<u>\$ 2,232,685</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	\$ 53,781	\$ -	\$ 53,781	\$ 25,402
Advanced homeowner assessments	146,595	-	146,595	172,973
Homeowner construction deposits	42,925	-	42,925	38,045
Other accruals	-	-	-	94,778
Total liabilities	<u>243,301</u>	<u>-</u>	<u>243,301</u>	<u>331,198</u>
Fund balances	167,072	1,973,643	2,140,715	1,901,487
Total liabilities and fund balances	<u>\$ 410,373</u>	<u>\$ 1,973,643</u>	<u>\$ 2,384,016</u>	<u>\$ 2,232,685</u>

See accompanying notes and accountants' report.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2010  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

	Operating Fund	Replacement Fund	Totals	
			2010	2009 Unaudited
REVENUES				
Assessments	\$ 968,465	\$ 191,408	\$ 1,159,873	\$ 1,150,881
Interest income	6,587	49,291	55,878	47,741
Other income	<u>1,580</u>	<u>-</u>	<u>1,580</u>	<u>1,068</u>
Total revenues	976,632	240,699	1,217,331	1,199,690
EXPENSES				
Operating expenses - Schedule I	937,940	-	937,940	863,627
Replacement other - Schedule I	<u>-</u>	<u>198,747</u>	<u>198,747</u>	<u>251,658</u>
Total expenses	937,940	198,747	1,136,687	1,115,285
Excess (deficiency) of revenues over operating expenses	<u>38,692</u>	<u>41,952</u>	<u>80,644</u>	<u>84,405</u>
OTHER REVENUE (EXPENSE)				
Gain (Loss) on sale of assets	-	-	-	5,000
Net unrealized and realized gains on securities	<u>-</u>	<u>158,584</u>	<u>158,584</u>	<u>193,264</u>
Total other revenue (expense)	-	158,584	158,584	198,264
Excess (deficiency) of revenues over expenses	<u>38,692</u>	<u>200,536</u>	<u>239,228</u>	<u>282,669</u>
Fund Balance – Beginning of year	128,380	1,773,107	1,901,487	1,618,818
Capital withdrawal	-	-	-	-
Fund Balance – End of year	<u>\$ 167,072</u>	<u>\$ 1,973,643</u>	<u>\$ 2,140,715</u>	<u>\$ 1,901,487</u>

See accompanying notes and accountants' report.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

	Operating Fund	Replacement Fund	Totals	
			2010	2009 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Excess (deficiency) of revenues over operating expenses	\$ 38,692	\$ 41,952	\$ 80,644	\$ 84,405
Adjustments to reconcile excess (deficiency) of revenues over operating expenses to net cash provided by operating activities				
(Increase) decrease				
Investments – accrued interest	-	1,275	1,275	1,486
Assessments receivable	79,090	-	79,090	( 48,981)
Prepaid income tax	( 3,659)	-	( 3,659)	576
Prepaid expenses	64,719	-	64,719	( 67,103)
Inventory	3,608	-	3,608	( 449)
Other receivables	-	-	-	20,438
Increase (decrease)				
Accounts payable	28,379	-	28,379	( 65,036)
Advanced homeowner assessments	( 26,378)	-	( 26,378)	( 11,668)
Homeowner construction deposits	4,880	-	4,880	( 7,866)
Other accruals	( 94,778)	-	( 94,778)	1,500
Net cash provided (used) by operating activities	94,553	43,227	137,780	( 92,698)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of assets	-	-	-	5,000
Proceeds from securities	-	521,530	521,530	241,393
Securities purchased	-	( 568,078)	( 568,078)	( 379,090)
Proceeds from certificate of deposits redeemed	-	-	-	303,000
Certificates of deposits purchased	-	-	-	( 31,000)
Net cash provided (used) by investing activities	-	( 46,548)	( 46,548)	139,303
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Inter-fund transfers	( 3,930)	3,930	-	-
Net cash provided (used) by financing activities	( 3,930)	3,930	-	-
NET INCREASE (DECREASE) IN CASH	90,623	609	91,232	46,605
CASH AT BEGINNING OF YEAR	222,179	107,339	329,518	282,913
CASH AT END OF YEAR	<u>\$ 312,802</u>	<u>\$ 107,948</u>	<u>\$ 420,750</u>	<u>\$ 329,518</u>
<b>SUPPLEMENTAL DISCLOSURE</b>				
Income taxes paid			\$ 6,360	\$ 5,501

See accompanying notes and accountants' report.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

NOTE #1 - NATURE OF ORGANIZATION

Spring Creek Homeowners' Association is a non-profit association incorporated September 8, 1982, in the State of Wyoming. The Association is responsible for the insurance, operations and maintenance of the common facilities at Spring Creek Ranch, located in Teton County, Wyoming. Property or "Unit" owners, within Spring Creek Ranch, are members of the Association. Unit owners may also be members of subsidiary associations for particular subdivisions. The Association is governed by articles of incorporation, by-laws and declaration of covenants, conditions and restrictions.

NOTE #2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The financial statements are presented on the accrual basis. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds, established according to their nature and purpose:

Operating fund - Used to account for financial resources available for the general operations of the Association.

Replacement fund - Used to accumulate financial resources designated for future major repairs and replacements.

Assessments receivable

The Association levies monthly assessments upon its members to pay operating costs and fund major repairs and replacements. The Association may file liens and take legal action against any member whose monthly payments are delinquent. Management anticipates all assessments receivable to be collectible, whether in the normal course of business or forced by lien at the transfer of property, and no allowance for doubtful accounts is considered necessary. As of December 31, 2010 and 2009 assessments receivable are \$106,367 and \$185,457 respectively.

Inventories - firewood

Firewood inventories are stated at cost. Cost is determined using the first-in, first-out method of accounting. As of December 31, 2010 and 2009 inventories are \$20,828 and \$24,436 respectively.



SPRING CREEK HOMEOWNERS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2010

NOTE #2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

The infrastructure, including roads, utilities, and related buildings, within the Association boundaries are property of the Spring Creek Improvement and Service District (SCISD). Under agreement, the Association manages and maintains this infrastructure with the ability to request reimbursement from the SCISD for any major expenditures. Association expenditures to maintain these assets will be expensed as incurred.

The Association also maintains the common area and exterior of the Harvest Dance and Spirit Dance subdivisions. Association expenditures to maintain these assets are expensed as incurred, and charged to the respective subdivision's operating or reserve funds.

Expenditures for new asset acquisitions may be capitalized if significant.

Insurance

It is the responsibility of the Association to provide liability and property damage insurance coverage for the common elements, including certain building exteriors, and the limited common elements of the project. Costs of the insurance are charged to the owners and prorated among the owners as set forth in the declarations. The building policy and earthquake coverage amounts are as follows:

	2010	2009
Building policy	\$ 400,000,000	\$ 27,279,219
Earthquake	\$ 75,000,000	\$ 27,279,219

Statement of cash flows

Cash equivalents include all highly liquid debt instruments purchased with a maturity of three months or less.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2010

Accounting estimates

The preparation of financial statements require management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual amounts may differ from estimates.

Comparative information

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived. The 2009 information is unaudited.

NOTE #3 - INVESTMENTS - FAIR VALUE

The Association conforms to generally accepted accounting principles, which require debt securities that are classified as available for sale to be recorded at "fair value" on the financial statements.

	Cash	Certificates of Deposits	Securities	Accrued Interest	Totals	
					2010	2009
Beginning balance - fair value	\$ 107,339	\$ -	\$ 1,624,213	\$ 1,275	\$ 1,732,827	\$ 1,592,109
Net cash in/out	( 49,957)		46,548	( 1,275)	( 4,684)	( 99,587)
Realized earnings (losses)	50,566		( 3,966)		46,600	( 36,861)
Unrealized gains (losses)	-	-	162,550	-	162,550	277,166
Ending balance - fair value	<u>\$ 107,948</u>	<u>\$ -</u>	<u>\$ 1,829,345</u>	<u>\$ -</u>	<u>\$ 1,937,293</u>	<u>\$ 1,732,827</u>

Net unrealized and realized gain on securities is as follows:

Unrealized gain (loss)	\$ 162,550	\$ 277,166
Realized gain (loss)	( 3,966)	( 83,902)
Net unrealized and realized gain on securities	<u>\$ 158,584</u>	<u>\$ 193,264</u>

NOTE #4 - INCOME TAXES

The Association is taxed as a regular corporation. As a regular corporation, membership income is exempt from taxation, if certain elections are made; and the Association is taxed only on its non-membership income, such as interest earnings, at regular Federal tax rates, i.e. 15% on the first \$50,000. Income tax expense in 2010 and 2009 are \$2,380 and \$5,501 respectively.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2010

NOTE #5 - COMMITMENTS AND CONTINGENCIES

Future major repairs and replacements

The Association has budgeted for funds to be accumulated to offset costs of future major repairs and replacements. The association seeks to accumulate fifty percent of the replacement costs over the useful lives of the Project Common facilities, and to accumulate funds for specific repairs and maintenance of the Spirit Dance and Harvest Dance sites.

The replacement funds totaling \$1,973,643 consist of cash, including interest bearing monies of \$107,948, tax and tax-exempt investments, including accrued interest of \$1,829,345, and an inter-fund receivable of \$36,350 as of December 31, 2010. The fund is generally not available for operating purposes. It is the Associations' policy to retain the interest earned on such funds in the reserve fund for future major repairs and replacements.

During July 2000, the Association conducted a study to estimate the remaining useful lives and replacement costs of the Project Common and Site Common (Spirit Dance and Harvest Dance) property components including the water and sewer system. The replacement cost values were updated in April, 2005. The Association is funding for such major repairs and replacements as follows:

	2010	2009
Replacement fund		
Assessments – Project Common	\$ 69,918	\$ 70,026
Assessments – Spirit Dance	63,685	62,430
Assessments – Harvest Dance	<u>57,806</u>	<u>56,667</u>
	<u>\$ 191,409</u>	<u>\$ 189,123</u>

Amounts accumulated in the replacement fund may not be adequate to meet future needs. However, if additional funds are needed, the Board of Directors of the Association has the right to increase regular assessments; and the Association has the right, subject to member approval, to levy emergency assessments, to levy special assessments, or to borrow. The Association may delay major repairs and replacements until funds are available.

Litigation

On July 10, 2006 a homeowner brought suit against the Association challenging the actions of the Architectural Committee and the Board of Directors related to the disapproval of the plans for the plaintiff's home. Tips Up LLC v Spring Creek Homeowners Association, Spring Creek Architectural Committee, Does 1-20, CA 13958; Plaintiff asks for declaratory and injunctive relief and damages in the minimum sum of \$100,000 plus court costs and attorney fees. The Association's insurance company defended the Association. On July 12, 2010, the suit was settled.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2010

Litigation (continued)

On May 7, 2010 a homeowner brought suit against the Association and a neighboring homeowner, challenging that the Architectural Committee inappropriately approved an addition on a neighboring Spirit Dance unit, that the Association has failed to enforce the Declaration of Covenants, Conditions and Restrictions (CC&Rs) of the Association and that the co-defendant homeowner, despite express written notification objecting to the addition, proceeded with construction and expansion activities. JLC Development, LLC v Spring Creek Homeowners Association and Christopher and Ann-Marie Ballard, CA 15394 asks for enforcement of the CC&Rs requiring the removal of the expansion and improvements, and the sum of \$400,000 plus costs and attorney's fees. The Association's insurance company is defending the Association as specified in the Association's policies. The insurance company's obligations to the Association under the Association's policy are subject to rights of reservation. Coverage may be withdrawn at a later date if it is determined subsequently that no coverage exists for this matter under the policy, and that the insurance company has the right to seek reimbursement for its defense costs incurred in relation to the non-covered claims or causes of action. The suit is continuing. The Association's insurance company is continuing to defend the Association. In June 2011, the civil action seeking removal of the expansion and improvements was dismissed. No trial date has been scheduled for the monetary claim.

## SUPPLEMENTAL INFORMATION

SPRING CREEK HOMEOWNERS' ASSOCIATION  
SUPPORTING SCHEDULE I  
FOR THE YEAR ENDED DECEMBER 31, 2010  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

	<u>2010</u>	<u>2009Unaudited</u>
<b>OPERATING EXPENSES</b>		
Administration and accounting	\$ 75,014	\$ 76,064
Security	100,840	100,840
Maintenance	72,019	64,713
Accounting fees	4,480	5,000
Credit card commissions & discounts	16,074	15,667
Directors expense	9,819	3,000
Easement	6,500	6,500
Environmental	( 2,592)	6,353
Firewood	42,070	35,476
Income tax	2,618	6,048
Insurance	39,798	41,958
Legal	22,649	18,276
Management fees	35,760	35,760
Other operating expenses and supplies	10,222	6,831
Penalties and interest	-	29
Promotion – airlines	36,480	-
Property taxes	5,635	5,704
Recreational facilities	72,571	67,436
Repairs and maintenance		
Building	-	1,568
Landscaping	24,869	7,371
Roads and paths	145,397	157,422
Trash removal	15,876	14,645
Telephone	37,152	33,024
Tractor	3,399	2,934
Transportation	54,902	52,013
Water and sewer	<u>106,388</u>	<u>98,995</u>
 Total operating expenses	 <u>\$ 937,940</u>	 <u>\$ 863,627</u>
 <b>REPLACEMENT FUND EXPENSES</b>		
Brokerage Fees	\$ 309	\$ 303
Foreign Taxes	390	257
Site Common – Harvest Dance	26,442	113,140
Site Common – Spirit Dance	74,992	18,888
Project Common	<u>96,614</u>	<u>119,070</u>
 Total replacement fund expenses	 <u>\$ 198,747</u>	 <u>\$ 251,658</u>

See accountants' report.

See accountants' report.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2010  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

	2010			2009(Unaudited)
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Assessments	\$ 968,473	\$ 968,465	\$ ( 8)	\$ 961,758
Interest income	-	6,587	6,587	760
Other	-	1,580	1,580	1,068
	968,473	976,632	8,159	963,586
OPERATING EXPENSES				
Administration and accounting	74,264	75,014	( 750)	76,064
Security	105,240	100,840	4,400	100,840
Maintenance	80,600	72,019	8,581	64,713
Accounting	3,500	4,480	( 980)	5,000
Credit card commissions	16,300	16,074	226	15,667
Director's expense	5,580	9,819	( 4,239)	3,000
Easement	50,080	18,480	31,600	6,500
Environmental	12,000	( 2,592)	14,592	6,353
Firewood	51,240	42,070	9,170	35,476
Income tax	9,088	2,618	6,470	6,048
Insurance	53,053	39,798	13,255	41,958
Legal fees	12,000	22,649	( 10,649)	18,276
Management fees	35,760	35,760	-	35,760
Office expenses	2,000	186	1,814	164
Other office expenses	7,175	10,036	( 2,861)	6,667
Penalties and interest	-	-	-	29
Promotion – Airlines	-	24,500	( 24,500)	-
Property taxes	5,368	5,635	( 267)	5,704
Recreational facilities	61,415	72,571	( 11,156)	67,436
Repair and maintenance				
Building	-	-	-	1,568
Landscaping	2,200	24,869	( 22,669)	7,371
Roads and paths	152,276	145,397	6,879	157,422
Trash removal	12,495	15,876	( 3,381)	14,645
Telephone	37,152	37,152	-	33,024
Tractor	3,000	3,399	( 399)	2,934
Transportation	54,902	54,902	-	52,013
Water and sewer	121,783	106,388	15,395	98,995
	968,471	937,940	30,531	863,627
Excess of operating fund revenues over (under) operating fund expenses	\$ ( 2)	\$ 38,692	\$ 38,690	\$ 99,959

See accountants' report.



SPRING CREEK HOMEOWNERS' ASSOCIATION  
SUPPLEMENTAL INFORMATION ON FUTURE MAJOR REPAIRS  
AND REPLACEMENTS (COMPILED)  
DECEMBER 31, 2010

The Associations' Board of Directors conducted a study in July 2000 to estimate the remaining useful lives and the replacement costs to the components of Project Common and Site Common (Spirit Dance and Harvest Dance) property. The estimates were tabulated by the study committee who inventoried and inspected the property. Replacement costs were based on the estimated costs to repair or replace the common and site property components at the date of the study. In April 2005, an engineering firm updated the inventory of property, and the repair or replacement costs. The estimated current replacement cost reflects the revised 2005 study as the basis plus an allowance for inflation.

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

	Estimated Remaining Useful Life Years	Estimated Current Replacement Cost	Fiscal Year 2010 Budget Allocation	Percent of Total Budget Allocation
Project common components				
Equipment, water, sewer and common	2 – 54	<u>\$ 12,938,221</u>	<u>\$ 69,918</u>	<u>36.5%</u>
Sub-total		12,938,221	69,918	36.5%
Site common components				
Spirit Dance Subdivision	0 – 17	3,159,161	63,685	33.3%
Harvest Dance Subdivision	2 – 20	<u>1,805,487</u>	<u>57,806</u>	<u>30.2%</u>
Sub-total		4,964,648	121,491	63.5%
Total		<u><u>\$ 17,902,869</u></u>	<u><u>\$ 191,409</u></u>	<u><u>100.0%</u></u>

See accountants' report.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
SUPPLEMENTAL INFORMATION ON FUTURE MAJOR REPAIRS  
AND REPLACEMENTS  
DECEMBER 31, 2010

	Beginning Balance 2010	Sources (Uses)				Ending Balance 2010
		Assessments	Fund Expenses	Earnings Gain (Loss)		
				Realized	Unrealized	
Project Common	\$ 824,002	\$ 69,922	\$( 96,614)	\$ 20,441	\$ 74,456	\$ 892,207
Site (subdivision)						
Spirit Dance						
Major repairs	479,601	63,684	( 74,992)	11,951	43,531	523,775
Harvest Dance						
Major repairs	466,933	57,802	( 26,442)	12,169	44,327	554,789
Sun Dance *						
Major repairs	2,571	-	-	65	236	2,872
Sub-total	949,105	121,486	( 101,434)	24,185	88,094	1,084,044
Total reserve fund	<u>\$1,773,107</u>	<u>\$ 191,408</u>	<u>\$( 198,048)</u>	<u>\$ 44,626</u>	<u>\$ 162,550</u>	<u>\$1,973,643</u>

\* The association is not responsible for major repairs within the Sun Dance subdivision.

See accountants' report.