

SPRING CREEK HOMEOWNERS' ASSOCIATION
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2015

With Comparative Totals
For the Year Ended December 31, 2014

SPRING CREEK HOMEOWNERS' ASSOCIATION
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
DECEMBER 31, 2015
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2014

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Revenues, Expenses, and Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6
SUPPLEMENTAL INFORMATION	
Information on Future Major Repairs and Replacements	14
SUPPLEMENTARY INFORMATION	
Schedule of Expenses	17
Schedule of Operating Fund Revenues and Expenses - Budget and Actual	18

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

September 20, 2016

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

We have reviewed the accompanying financial statements of Spring Creek Homeowners' Association (a corporation), which comprise the balance sheet as of December 31, 2015, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2014 financial statements were audited by us, and our report thereon, dated September 18, 2015, stated that the financial statements were presented fairly, in all material respects.

Supplemental Information

Accounting principles generally accepted in the United States of American require that information on future major repairs and replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited or reviewed such information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

Supplementary Information

The supplementary information included on the schedules of expenses and the schedule of operating fund revenues and expenses – budget to actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Thompson Palmer Associates PC

Thompson, Palmer and Associates, PC
Certified Public Accountants

SPRING CREEK HOMEOWNERS' ASSOCIATION
BALANCE SHEET
DECEMBER 31, 2015
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2014

	Operating Fund	Replacement Fund	Totals	
			2015	2014
ASSETS				
Cash, including interest-bearing deposits	\$ 507,268	\$ -	\$ 507,268	\$ 110,636
Investments – Cash	-	66,935	66,935	132,133
Investments – Securities	-	2,492,831	2,492,831	2,606,288
Assessments receivable	58,103	-	58,103	37,631
Prepaid income tax	2,458	-	2,458	5,512
Prepaid expenses	-	-	-	21,667
Due from operating fund	-	119,133	119,133	182,841
Due to replacement fund	(119,133)	-	(119,133)	(182,841)
Inventory	-	-	-	-
Other receivables	-	16,381	16,381	-
Total current assets	448,696	2,695,280	3,143,976	2,913,867
Fixed assets	80,000	-	80,000	80,000
Accumulated depreciation	(2,393)	-	(2,393)	(342)
Net fixed assets	77,607	-	77,607	79,658
Total assets	<u>\$ 526,303</u>	<u>\$ 2,695,280</u>	<u>\$ 3,221,583</u>	<u>\$ 2,993,525</u>
LIABILITIES				
Accounts payable	\$ 78,075	\$ -	\$ 78,075	\$ 41,859
Income tax payable	-	-	-	-
Advanced homeowner assessments	408,000	-	408,000	2,167
Homeowner construction deposits	75,585	-	75,585	53,042
Total liabilities	561,660	-	561,660	97,068
FUND BALANCES				
Accumulated excess of revenues over expenses	(35,357)	2,024,910	1,989,553	2,182,641
Accumulated other comprehensive income (loss)	-	670,370	670,370	713,816
Total fund balances	(35,357)	2,695,280	2,659,923	2,896,457
Total liabilities and fund balances	<u>\$ 526,303</u>	<u>\$ 2,695,280</u>	<u>\$ 3,221,583</u>	<u>\$ 2,993,525</u>

See accompanying notes and accountants' review report

SPRING CREEK HOMEOWNERS' ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014

	Operating Fund	Replacement Fund	Totals	
			2015	2014
REVENUES				
Assessments	\$ 1,024,305	\$ 181,635	\$ 1,205,941	\$ 1,194,169
Interest income	54	96,710	96,764	93,375
Other income	<u>5,076</u>	<u>-</u>	<u>5,076</u>	<u>2,637</u>
Total revenues	1,029,436	278,345	1,307,781	1,290,181
EXPENSES				
Operating expenses - Sched. of exp.	1,039,987	-	1,039,987	1,051,270
Replacement other - Sched. of exp.	<u>-</u>	<u>425,887</u>	<u>425,887</u>	<u>97,062</u>
Total expenses	\$ 1,039,987	\$ 425,887	\$ 1,465,874	\$ 1,148,332
Excess (deficiency) of revenues over expenses, operating	(10,552)	(147,542)	(158,094)	141,849
OTHER REVENUE (EXPENSE)				
Net realized losses on securities	<u>-</u>	<u>(34,995)</u>	<u>(34,995)</u>	<u>86</u>
Total other revenue (expense)	\$ -	\$ (34,995)	\$ (34,995)	\$ 86
Excess (deficiency) of revenues over expenses	<u>(10,552)</u>	<u>(182,537)</u>	<u>(193,089)</u>	<u>141,935</u>
OTHER COMPREHENSIVE INCOME				
Net unrealized gains (losses) on securities	<u>-</u>	<u>(43,445)</u>	<u>(43,445)</u>	<u>207,438</u>
Total comprehensive income	<u>\$ (10,552)</u>	<u>\$ (225,982)</u>	<u>\$ (236,534)</u>	<u>\$ 349,373</u>
Fund Balance – Beginning of year	\$ (24,806)	\$ 2,921,262	\$ 2,896,459	\$ 2,547,084
Total comprehensive income	(10,552)	(225,982)	(236,534)	349,373
Fund Balance – End of year	<u>\$ (35,357)</u>	<u>\$ 2,695,280</u>	<u>\$ 2,659,923</u>	<u>\$ 2,896,457</u>

See accompanying notes and accountants' review report

SPRING CREEK HOMEOWNERS' ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014

	Operating Fund	Replacement Fund	Totals	
			2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ (10,552)	\$ (147,370)	\$ (157,922)	\$ 141,849
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
(Increase) decrease in assets:				
Assessments receivable	(20,472)	-	(20,472)	(13,088)
Prepaid income tax	3,054	-	3,054	433
Prepaid expenses	21,667	-	21,667	(13,108)
Inventory	-	-	-	17,849
Other assets	-	-	-	-
Other receivables	-	(16,381)	(16,381)	5,000
Depreciation add back	2,051	-	2,051	342
Increase (decrease) in liabilities:				
Accounts payable	36,216	-	36,216	(18,970)
Income tax payable	-	-	-	-
Advanced homeowner assessments	405,833	-	405,833	(137,940)
Homeowner construction deposits	22,543	-	22,543	(35,935)
Net cash provided by operating activities	\$ 460,340	\$ (163,751)	\$ 296,589	\$ (53,568)
CASH FLOWS FROM INVESTING ACTIVITIES				
Construction of asset	-	-	-	(80,000)
Proceeds from sale of securities	-	138,277	138,277	250,666
Purchase of securities	-	(103,432)	(103,432)	(186,853)
Net cash used by investing activities	\$ -	\$ 34,845	\$ 34,845	\$ (16,187)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inter-fund transfers	(63,708)	63,708	-	-
Net cash provided (used) by financing activities	\$ (63,708)	\$ 63,708	\$ -	\$ -
NET INCREASE (DECREASE) IN CASH	396,632	(65,198)	331,434	(69,756)
CASH AT BEGINNING OF YEAR	110,636	132,133	242,769	312,525
CASH AT END OF YEAR	<u>\$ 507,268</u>	<u>\$ 66,935</u>	<u>\$ 574,203</u>	<u>\$ 242,769</u>
SUPPLEMENTAL DISCLOSURE				
Income taxes paid			\$ 6,624	\$ 7,570

See accompanying notes and accountants' review report

SPRING CREEK HOMEOWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through September 20, 2016, the date that the financial statements were available to be issued.

NOTE #3 - 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. As of December 31, 2015 and 2014 assessments receivable are \$58,103 and \$37,631 respectively.

Assessments are due on the first of the month, past due on the first of the next month, and are delinquent when they are more than 90 days in arrears. At December 31, 2015, the Association had delinquent assessments of \$47,615. Of this outstanding balance, \$47,615 has subsequently been collected. It is the opinion of the board of directors that the Association will ultimately prevail against homeowners with delinquent assessments and, accordingly, no allowance for uncollectible accounts is deemed necessary.

SPRING CREEK HOMEOWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE #3 - 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 expenditure. 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.

Per the CC&Rs, the Association cannot sell common real property without 100% positive approval of all homeowners. Common property must be used as outlined in the CC&Rs.

Expenditures for new asset acquisitions may be capitalized if significant.

Property and equipment are recorded at cost and consist of the following:

Hot Tub	\$80,000
Less accumulated depreciation	<u>2,393</u>
	<u>\$77,607</u>

Depreciation

Property and equipment are being depreciated over their estimated useful lives using the straight-line method.

Accounting estimates

In conformity with accounting principles generally accepted in the United States of America, the preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ from estimates.

SPRING CREEK HOMEOWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2015

NOTE #3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

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:

	2015	2014
Building policy	\$ 23,319,322	\$ 23,143,722
Earthquake	\$ 20,000,000	\$ 20,000,000

Statement of cash flows

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

The Association records its investments that are classified as "available for sale" at their fair market value. In accordance with this method of reporting investments, the Association recorded unrealized losses and gains of (\$43,617) and \$207,438 in 2015 and 2014, respectively.

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, 2014, from which the summarized information was derived.

SPRING CREEK HOMEOWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2015

NOTE #4 - INVESTMENTS - FAIR VALUE

The Association conforms to generally accepted accounting principles, which require debt and equity securities that are classified as available for sale to be recorded at "fair value" on the financial statements. Fair value measurements establish a hierarchical framework for disclosure of and measurement of investments at fair value defined as Level I, II, and III inputs. These inputs are based on a number of factors, including the type of investment and the characteristics specific to the investment. The Association's investments are all considered to be Level I inputs as they are based on quoted market prices.

	Cash	Securities	Totals	
			2015	2014
Beginning balance - fair value	\$ 132,133	\$ 2,606,288	\$ 2,738,421	\$ 2,507,201
Net cash in/out	(161,908)	(35,017)	(196,925)	(71,727)
Realized earnings (losses)	96,710	(34,995)	61,715	93,395
Unrealized gains (losses)	-	(43,445)	(43,445)	\$ 209,552
Ending balance - fair value	<u>\$ 66,935</u>	<u>\$ 2,492,831</u>	<u>\$ 2,559,766</u>	<u>\$ 2,738,421</u>

Net unrealized and realized gain on securities is as follows:

Unrealized gain (loss)	\$ (43,445)	\$ 207,438
Realized gain (loss)	(34,995)	86
Net unrealized and realized gain on securities	<u>\$ (78,440)</u>	<u>\$ 207,524</u>

Net realized gain on securities available for sale:

Security sales proceeds	\$ 138,277	\$ 279,621
Basis of securities sold	(173,272)	(279,535)
Realized gain (loss) on sales of securities	<u>\$ (34,995)</u>	<u>\$ 86</u>

The cost of securities available for sale is adjusted to fair market value annually. This adjusted fair market value is the basis used to compute realized gains and losses.

NOTE #5 - 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 2015 and 2014 are \$6,624 and \$7,570 respectively. Fees and penalties are \$0 and \$3 in 2015 and 2014, respectively. The federal income tax returns of the Association for 2015, 2014, 2013 and 2012 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

SPRING CREEK HOMEOWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2015

NOTE #6 - 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 \$2,695,280 consist of cash, including interest bearing monies of \$66,935, taxable and tax-exempt investments, including accrued interest totaling \$2,492,831, other receivables of \$16,381, and an inter-fund receivable of \$119,133 as of December 31, 2015. 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:

	2015	2014
Replacement fund		
Assessments – Project Common	\$ 33,944	\$ 33,123
Assessments – Spirit Dance	76,934	76,271
Assessments – Harvest Dance	70,754	60,153
	<u>\$ 181,632</u>	<u>\$ 169,547</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 December 15, 2015, the Association filed a Complaint to Foreclose Association Liens and for Judgment as Civil Action No. 17121 in the District Court of Teton County, Wyoming against Jackson Land & Cattle, LLC. On February 1, 2016, the Association and JLC reached a settlement agreement.

SPRING CREEK HOMEOWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2015

NOTE #7 – COMPREHENSIVE INCOME

The Association complies with the provisions of FASB ASC 220, *Comprehensive Income*, which establishes rules for the reporting and presentation of comprehensive income and its components. Accounting principles generally require that recognized revenue, expense, gains and losses be included in net income. However, certain changes in assets and liabilities such as unrealized gain and loss on available for sale securities, are reported as a separate component of comprehensive income. The components of other comprehensive income for 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Other Comprehensive Income		
Unrealized gains (losses) available for sale securities	\$ (43,445)	\$ 207,438
Other Comprehensive Income (Loss)	\$ (43,445)	\$ 207,438
Changes in accumulated other comprehensive income		
Accumulated other comprehensive income, beginning	\$ 713,816	\$ 504,263
Unrealized gains (losses) during the current year	(43,445)	207,438
Other changes in comprehensive income	-	2,115
Changes in accumulated other comprehensive income	<u>(43,445)</u>	<u>209,553</u>
Accumulated other comprehensive income, ending	<u>\$ 670,370</u>	<u>\$ 713,816</u>

Note #8 – CREDIT AND MARKET RISK

The Association's financial instruments consist of cash, investments, and homeowner receivables. At December 31, 2015 and 2014, cash and cash equivalents exceeding federally insured limits totaled \$0 and \$0. Investments amounting to \$2,492,831 and \$2,606,288 were uninsured at December 31, 2015 and 2014, respectively. Receivables are due from unit owners and are considered collectible.

Note #9 – CONCENTRATIONS

Spring Creek Ranch is located in the greater Jackson Hole Wyoming area – a popular vacation destination as well as place to live. The Association is exposed to risks associated with conditions affecting the economy, real estate, tourism and weather for its geographical area.

SPRING CREEK HOMEOWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2015

NOTE #10 – RELATED PARTIES

Spring Creek Ranch Management Company, LLC ("SCRMC"), of which Stephen Price and Derek Goodson are principles, provides management services to the Association. SCRMC operates under a written agreement with the Association. Except for maintenance services, all fees are fixed by either contract or the current year's budget. Maintenance services are billed according to time and materials. The books are reviewed annually by an independent accounting firm, and the policy of the Board is to have the books audited at least every five years. Stephen Price is a member of the Association's Board, and recused himself in all matters related to SCRMC and the Association. Derek Goodson has been appointed by the Board as the Association's Assistant Treasurer.

The Association paid Spring Creek Ranch Management Company LLC \$604,448.68 and \$571,623.47 in 2015 and 2014, respectively. The Association owed \$30,010.24 and \$25,579.74 at 2015 and 2014 year end for December fees.

SUPPLEMENTAL INFORMATION

SPRING CREEK HOMEOWNERS' ASSOCIATION
SUPPLEMENTAL INFORMATION ON FUTURE MAJOR REPAIRS
AND REPLACEMENTS
DECEMBER 31, 2015

Periodically, a reserve study determines the replacement value of the inventory of infrastructure items as of the date of the study. This reserve study is updated periodically with the last update occurring in 2005. For the years between the date of the study and the current year, the study's estimated replacement costs are adjusted to provide for inflation.

The following information is based on the 2005 study and presents significant information about the components of common and site property.

	Estimated Remaining Useful Life Years	Estimated Current Replacement Cost	Fiscal Year 2015 Budget Allocation	Percent of Total Budget Allocation
Project common components				
Equipment, water, sewer and common	2 – 54	\$ 14,998,944	\$ 33,944	18.69 %
Sub-total		14,998,944	33,944	18.69 %
Site common components				
Spirit Dance Subdivision	0 – 17	3,662,333	76,934	42.36 %
Harvest Dance Subdivision	2 – 20	2,093,054	70,754	38.95 %
Sub-total		5,755,387	147,688	81.31 %
Total		<u>\$ 20,754,331</u>	<u>\$ 181,632</u>	<u>100.00</u>

See independent accountants' review report

SPRING CREEK HOMEOWNERS' ASSOCIATION
SUPPLEMENTAL INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
DECEMBER 31, 2015

	Beginning Balance 2015	Sources (Uses)				Ending Balance 2015
			Fund	Earnings Gain (Loss)		
		Assessments	Expenses	Realized	Unrealized	
Project Common	\$ 958,221	\$ 33,948	\$ (286,513)	\$ 18,123	\$ (12,960)	\$ 710,819
Site (subdivision)						
Spirit Dance Major repairs	890,051	76,934	(62,617)	19,549	(13,980)	909,937
Harvest Dance Major repairs	1,068,271	70,754	(75,521)	23,224	(16,608)	1,070,120
Sun Dance * Major repairs	4,377	-	-	95	(68)	4,404
Sub-total	1,962,699	147,688	(138,137)	42,869	(30,656)	1,984,461
Total reserve fund	<u>\$2,920,920</u>	<u>\$ 181,635</u>	<u>\$ (424,651)</u>	<u>\$ 60,992</u>	<u>\$ (43,617)</u>	<u>\$2,695,280</u>

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

SUPPLEMENTARY INFORMATION

SPRING CREEK HOMEOWNERS' ASSOCIATION
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2015</u>	<u>2014</u>
OPERATING EXPENSES		
Administration and accounting	\$ 68,760	\$ 68,760
Security	108,960	108,960
Maintenance	73,365	69,817
Accounting fees	14,000	7,500
Credit card commissions & discounts	23,081	19,373
Depreciation	2,051	342
Environmental	8,701	6,189
Firewood	24,523	37,653
Income tax	6,624	7,570
Insurance	76,945	73,669
Lease - JH Land Trust	7,000	7,000
Legal	36,724	29,084
Management fees	42,300	35,100
Other operating expenses and supplies	20,236	18,951
Penalties and interest	-	3
Property taxes	3,901	3,853
Recreational facilities	88,270	86,313
Repairs and maintenance		
Building	-	315
Landscaping	2,937	5,903
Roads and paths	166,381	170,327
Trash removal	17,456	13,491
Telephone	39,308	39,216
Tractor	3,383	6,856
Transportation	74,962	74,902
Water and sewer	<u>130,118</u>	<u>160,122</u>
 Total operating expenses	 <u>\$ 1,039,987</u>	 <u>\$ 1,051,270</u>
 REPLACEMENT FUND EXPENSES		
Brokerage fees	\$ 323	\$ 308
Foreign taxes	400	414
Site common -- Harvest Dance	75,521	41,000
Site common -- Spirit Dance	62,617	-
Project common	<u>286,855</u>	<u>55,341</u>
 Total replacement fund expenses	 <u>\$ 425,715</u>	 <u>\$ 97,062</u>

See independent accountants' review report

SPRING CREEK HOMEOWNERS' ASSOCIATION
SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014

	2015		Variance Favorable (Unfavorable)	2014
	Budget	Actual		Actual
REVENUES				
Assessments	\$ 1,024,307	\$ 1,024,305	\$ (2)	\$ 1,194,169
Interest income	-	54	54	67
Other	-	5,076	5,076	2,637
Total revenues	1,024,307	1,029,435	5,128	1,196,873
OPERATING EXPENSES				
Administration and accounting	68,760	68,760	-	68,760
Security	108,960	108,960	-	108,960
Maintenance	78,200	73,365	4,835	69,817
Accounting	7,500	14,000	(6,500)	7,500
Credit card commissions	25,863	23,081	2,782	19,373
Depreciation	-	2,051	(2,051)	342
Director's expense	1,380	-	1,380	-
Environmental	13,500	8,701	4,799	6,189
Firewood	38,255	24,523	13,732	37,653
Income tax	9,088	6,624	2,464	7,570
Insurance	54,902	76,945	(22,043)	73,669
Lease - JH Land Trust	7,000	7,000	-	7,000
Legal fees	12,000	36,724	(24,724)	29,084
Management fees	42,300	42,300	-	35,100
Other office expenses & supplies	17,510	20,236	(2,726)	18,951
Penalties and interest	-	-	-	3
Property taxes	5,074	3,901	1,173	3,853
Recreational facilities	74,871	88,270	(13,399)	86,313
Repair and maintenance				
Building	-	-	-	315
Landscaping	2,200	2,937	(737)	5,903
Roads and paths	175,187	166,381	8,806	170,327
Trash removal	12,785	17,456	(4,672)	13,491
Telephone	39,216	39,308	(92)	39,216
Tractor	3,000	3,383	(383)	6,856
Transportation	74,902	74,962	(60)	74,902
Water and sewer	151,844	130,118	21,726	160,122
Total operating expenses	1,024,297	1,039,987	(15,690)	1,051,270
Excess of operating fund revenues over (under) operating fund expenses	\$ 11	\$ (10,552)	\$ (10,562)	\$ 145,603

See independent accountants' review report