

SPRING CREEK HOMEOWNERS' ASSOCIATION  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2016

With Comparative Totals  
For the Year Ended December 31, 2015

SPRING CREEK HOMEOWNERS' ASSOCIATION  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2015

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# **Thompson, Palmer & Associates, PC**

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

June 30, 2017

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, 2016, 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.

***Required Supplementary 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 and Associates, PC  
Certified Public Accountants

SPRING CREEK HOMEOWNERS' ASSOCIATION  
BALANCE SHEET  
DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2015

	Operating Fund	Replacement Fund	Totals	
			2016	2015
<b>ASSETS</b>				
Cash, including interest-bearing deposits	\$ 410,005	\$ -	\$ 410,005	\$ 507,268
Investments – Cash	-	147,132	147,132	66,935
Investments – Securities	-	2,338,453	2,338,453	2,492,831
Assessments receivable	10,174	-	10,174	58,103
Prepaid income tax	-	-	-	2,458
Prepaid expenses	-	-	-	-
Due from operating fund	-	89,655	89,655	119,133
Due to replacement fund	(89,655)	-	(89,655)	(119,133)
Other receivables	-	-	-	16,381
Total current assets	<u>330,524</u>	<u>2,575,240</u>	<u>2,905,764</u>	<u>3,143,976</u>
Fixed assets	80,000	-	80,000	80,000
Accumulated depreciation	<u>(4,444)</u>	<u>-</u>	<u>(4,444)</u>	<u>(2,393)</u>
Net fixed assets	75,556	-	75,556	77,607
Total assets	<u>\$ 406,080</u>	<u>\$ 2,575,240</u>	<u>\$ 2,981,320</u>	<u>\$ 3,221,583</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 46,245	\$ -	\$ 46,245	\$ 78,075
Income tax payable	5,581	-	5,581	-
Advanced homeowner assessments	276,494	-	276,494	408,000
Homeowner construction deposits	70,627	-	70,627	75,585
Accrued Expenses	-	24,813	24,813	-
Total liabilities	<u>398,947</u>	<u>24,813</u>	<u>423,760</u>	<u>561,660</u>
<b>FUND BALANCES</b>				
Accumulated excess of revenues over expenses	7,133	1,684,398	1,691,531	1,989,553
Accumulated other comprehensive income (loss)	<u>-</u>	<u>866,029</u>	<u>866,029</u>	<u>670,370</u>
Total fund balances	7,133	2,550,427	2,557,560	2,659,923
Total liabilities and fund balances	<u>\$ 406,080</u>	<u>\$ 2,575,240</u>	<u>\$ 2,981,320</u>	<u>\$ 3,221,583</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, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015

	Operating Fund	Replacement Fund	Totals	
			2016	2015
REVENUES				
Assessments	\$ 1,102,903	\$ 216,234	\$ 1,319,137	\$ 1,205,941
Interest income	153	79,103	79,256	96,764
Other income	<u>45,367</u>	<u>-</u>	<u>45,367</u>	<u>5,076</u>
Total revenues	1,148,423	295,337	1,443,760	1,307,781
EXPENSES				
Operating expenses - Sched. of exp.	1,105,935	-	1,105,935	1,039,987
Replacement other - Sched. of exp.	<u>-</u>	<u>633,510</u>	<u>633,510</u>	<u>425,887</u>
Total expenses	\$ 1,105,935	\$ 633,510	\$ 1,739,445	\$ 1,465,874
Excess (deficiency) of revenues over expenses, operating	<u>42,488</u>	<u>(338,173)</u>	<u>(295,685)</u>	<u>(158,093)</u>
OTHER REVENUE (EXPENSE)				
Net realized losses on securities	<u>-</u>	<u>(2,338)</u>	<u>(2,338)</u>	<u>(34,995)</u>
Total other revenue (expense)	\$ -	\$ (2,338)	\$ (2,338)	\$ (34,995)
Excess (deficiency) of revenues over expenses	<u>42,488</u>	<u>(340,511)</u>	<u>(298,023)</u>	<u>193,088</u>
OTHER COMPREHENSIVE INCOME				
Net unrealized gains (losses) on securities	<u>-</u>	<u>195,658</u>	<u>195,658</u>	<u>(43,445)</u>
Total comprehensive income	<u>\$ 42,488</u>	<u>\$ (144,853)</u>	<u>\$ (102,365)</u>	<u>\$ (236,533)</u>
Fund Balance – Beginning of year	\$ ( 35,355)	\$ 2,695,280	\$ 2,659,925	\$ 2,896,458
Total comprehensive income	42,488	(144,853)	(102,365)	(236,533)
Fund Balance – End of year	<u>\$ 7,133</u>	<u>\$ 2,550,427</u>	<u>\$ 2,557,560</u>	<u>\$ 2,659,925</u>

See accompanying notes and accountants' review report

SPRING CREEK HOMEOWNERS' ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015

	Operating Fund	Replacement Fund	Totals	
			2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ 42,488	\$ (338,173)	\$ (295,685)	\$ (158,094)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
(Increase) decrease in assets:				
Assessments receivable	47,929	-	47,929	(20,472)
Prepaid income tax	2,458	-	2,458	3,054
Prepaid expenses	-	-	-	21,667
Inventory	-	-	-	-
Other assets	-	-	-	-
Other receivables	-	16,381	16,381	(16,381)
Depreciation add back	2,051	-	2,051	2,051
Increase (decrease) in liabilities:				
Accounts payable	379	-	379	36,216
Income tax payable	-	-	-	-
Advanced homeowner assessments	(131,506)	-	(131,506)	405,833
Homeowner construction deposits	(4,958)	-	(4,958)	22,543
Other Accruals	(26,628)	24,813	(1,815)	-
Net cash provided by operating activities	\$ (67,787)	\$ (296,979)	\$ (364,766)	\$ 296,417
CASH FLOWS FROM INVESTING ACTIVITIES				
Construction of asset	-	-	-	-
Proceeds from sale of securities	-	350,949	350,949	138,277
Purchase of securities	-	(3,252)	(3,252)	(103,432)
Net cash used by investing activities	\$ -	\$ 347,697	\$ 347,697	\$ 34,845
CASH FLOWS FROM FINANCING ACTIVITIES				
Inter-fund transfers	(29,477)	29,477	-	-
Net cash provided (used) by financing activities	\$ (29,477)	\$ 29,477	\$ -	\$ -
NET INCREASE (DECREASE) IN CASH	(97,264)	80,195	(17,069)	331,262
CASH AT BEGINNING OF YEAR	507,269	66,937	574,206	242,769
CASH AT END OF YEAR	<u>\$ 410,005</u>	<u>\$ 147,132</u>	<u>\$ 557,137</u>	<u>\$ 574,031</u>
SUPPLEMENTAL DISCLOSURE				
Income taxes paid			\$ 8,039	\$ 6,624

See accompanying notes and accountants' review report

SPRING CREEK HOMEOWNERS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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 June 30, 2017, 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, 2016 and 2015 assessments receivable are \$10,174 and \$58,103 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, 2016, the Association had no delinquent assessments.



SPRING CREEK HOMEOWNERS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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>(4,444)</u>
	<u>\$75,556</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, 2016

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:

	2016	2015
Building policy	\$ 23,319,322	\$ 23,319,322
Earthquake	\$ 50,000,000	\$ 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 \$195,658 and (\$43,445) in 2016 and 2015, 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, 2015, from which the summarized information was derived.

SPRING CREEK HOMEOWNERS' ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2016

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	
			2016	2015
Beginning balance - fair value	\$ 66,935	\$ 2,492,831	\$ 2,559,766	\$ 2,738,421
Net cash in/out	1,094	(347,698)	(346,604)	(196,924)
Realized earnings (losses)	79,103	(2,338)	76,765	61,715
Unrealized gains (losses)	-	195,658	195,658	\$ (43,445)
Ending balance - fair value	<u>\$ 147,132</u>	<u>\$ 2,338,453</u>	<u>\$ 2,485,585</u>	<u>\$ 2,559,767</u>

Net unrealized and realized gain on securities is as follows:

Unrealized gain (loss)	\$ 195,658	\$ (43,445)
Realized gain (loss)	<u>(2,338)</u>	<u>(34,995)</u>
Net unrealized and realized gain on securities	<u>\$ 193,320</u>	<u>\$ (78,440)</u>

Net realized gain on securities available for sale:

Security sales proceeds	\$ 350,949	\$ 138,277
Basis of securities sold	<u>(353,287)</u>	<u>(173,272)</u>
Realized gain (loss) on sales of securities	<u>\$ (2,338)</u>	<u>\$ (34,995)</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 2016 and 2015 are \$8,039 and \$6,624 respectively. The federal income tax returns of the Association for 2016, 2015, 2014 and 2013 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, 2016

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 \$2,575,240 consist of cash, including interest bearing monies of \$147,132, taxable and tax-exempt investments, including accrued interest totaling \$2,338,453, other receivables of \$0, and an inter-fund receivable of \$89,655 as of December 31, 2016. 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.

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 Association is funding for such major repairs and replacements as follows:

	2016	2015
Replacement fund		
Assessments – Project Common	\$ 39,773	\$ 33,944
Assessments – Spirit Dance	105,103	76,934
Assessments – Harvest Dance	71,362	70,754
	<u>\$ 216,238</u>	<u>\$ 181,632</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, 2016

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 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Other Comprehensive Income		
Unrealized gains (losses) available for sale securities	\$ 195,658	\$ (43,445)
Other Comprehensive Income (Loss)	\$ 195,658	\$ (43,445)
Changes in accumulated other comprehensive income		
Accumulated other comprehensive income, beginning	\$ 670,371	\$ 713,816
Unrealized gains (losses) during the current year	195,658	(43,445)
Other changes in comprehensive income	-	-
Changes in accumulated other comprehensive income	<u>195,658</u>	<u>(43,445)</u>
Accumulated other comprehensive income, ending	<u>\$ 866,029</u>	<u>\$ 670,371</u>

Note #8 – CREDIT AND MARKET RISK

The Association's financial instruments consist of cash, investments, and homeowner receivables. At December 31, 2016 and 2015, cash and cash equivalents exceeding federally insured limits totaled \$39,119 and \$0. Investments amounting to \$2,338,453 and \$2,492,831 were uninsured at December 31, 2016 and 2015, 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, 2016

NOTE #10 – RELATED PARTIES

Spring Creek Ranch Management Company, LLC

Spring Creek Ranch Management Company, LLC ("SCRMC"), of which Stephen Price and Derek Goodson are principles, provides various 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 \$585,523.10 and \$604,448.68 in 2016 and 2015, respectively. The Association owed \$24,943.54 and \$30,010.24 at 2016 and 2015 year end for December fees.

Spring Creek Improvement & Service District

The boundaries of the Association are almost identical to the boundaries of the Spring Creek Improvement & Service District; therefore, the Association and the District have the common goal to appropriately maintain the infrastructure within the boundaries. In March 2011, the Association and the District entered into an agreement to provide services within their boundaries. As part of the agreement, the Association may pay for improvements or advance funds to the District to perform improvements. If such amounts are paid by the Association, they may request reimbursement from the District. The District owed the Association \$0 and \$16,381.20 at 2016 and 2015 year end for these improvements.

NOTE#11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2016, the date on which the financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION

SPRING CREEK HOMEOWNERS' ASSOCIATION  
REQUIRED SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS  
DECEMBER 31, 2016

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	<u>\$ 15,448,912</u>	<u>\$ 39,773</u>	<u>18.39 %</u>
Sub-total		15,448,912	39,773	18.39 %
Site common components				
Spirit Dance Subdivision	0 – 17	3,772,203	105,103	48.61 %
Harvest Dance Subdivision	2 – 20	<u>2,155,846</u>	<u>71,362</u>	<u>33.00 %</u>
Sub-total		5,928,049	176,465	81.61 %
Total		<u>\$ 21,376,961</u>	<u>\$ 216,238</u>	<u>100.00</u>

See independent accountants' review report



SPRING CREEK HOMEOWNERS' ASSOCIATION  
REQUIRED SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS  
DECEMBER 31, 2016

	Beginning Balance 2016	Sources (Uses)				Ending Balance 2016
		Assessments	Fund Expenses	Earnings Gain (Loss)		
				Realized	Unrealized	
Project Common	\$ 710,819	\$ 39,770	\$ (204,473)	\$ 19,218	\$ 49,443	\$ 614,777
Site (subdivision)						
Spirit Dance Major repairs	909,937	105,102	(241,054)	25,747	66,239	865,971
Harvest Dance Major repairs	1,070,120	71,362	(187,267)	30,950	79,630	1,064,795
Sun Dance * Major repairs	4,404	-	-	135	346	4,885
Sub-total	<u>1,984,461</u>	<u>176,464</u>	<u>(428,322)</u>	<u>56,832</u>	<u>146,215</u>	<u>1,935,651</u>
Total reserve fund	<u>\$2,695,280</u>	<u>\$ 216,234</u>	<u>\$ (632,794)</u>	<u>\$ 76,050</u>	<u>\$ 195,658</u>	<u>\$2,550,428</u>

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

See independent accountants' review report

## SUPPLEMENTARY INFORMATION

SPRING CREEK HOMEOWNERS' ASSOCIATION  
SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2016</u>	<u>2015</u>
OPERATING EXPENSES		
Administration and accounting	\$ 71,352	\$ 68,760
Security	101,520	108,960
Maintenance	56,072	73,365
Accounting fees	8,890	14,000
Credit card commissions & discounts	29,494	23,081
Depreciation	2,051	2,051
Environmental	519	8,701
Firewood	24,095	24,523
Income tax	8,039	6,624
Insurance	70,873	76,945
Lease - JH Land Trust	7,000	7,000
Legal	32,231	36,724
Management fees	56,700	42,300
Other operating expenses and supplies	24,535	20,236
Property taxes	3,949	3,901
Recreational facilities	71,652	88,270
Repairs and maintenance		
Building	498	-
Landscaping	34,267	2,937
Roads and paths	200,576	166,381
Trash removal	22,262	17,456
Telephone	40,135	39,308
Tractor	2,563	3,383
Transportation	74,902	74,962
Water and sewer	<u>161,760</u>	<u>130,118</u>
Total operating expenses	<u>\$ 1,105,935</u>	<u>\$ 1,039,986</u>
REPLACEMENT FUND EXPENSES		
Brokerage fees	\$ 308	\$ 323
Foreign taxes	408	400
Site common – Harvest Dance	187,267	75,521
Site common – Spirit Dance	241,054	62,617
Project common	<u>204,473</u>	<u>286,855</u>
Total replacement fund expenses	<u>\$ 633,510</u>	<u>\$ 425,716</u>

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SPRING CREEK HOMEOWNERS' ASSOCIATION  
SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015

	2016			2015
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Assessments	\$ 1,102,900	\$ 1,102,903	\$ 3	\$ 1,024,305
Interest income	-	153	153	54
Other	-	45,367	45,367	5,076
Total revenues	1,102,900	1,148,423	45,523	1,029,435
OPERATING EXPENSES				
Administration and accounting	71,352	71,352	-	68,760
Security	101,520	101,520	-	108,960
Maintenance	87,560	56,072	31,488	73,365
Accounting	7,500	8,890	(1,390)	14,000
Credit card commissions	24,971	29,494	(4,523)	23,081
Depreciation	-	2,051	(2,051)	2,051
Director's expense	1,380	-	1,380	-
Environmental	21,000	519	20,481	8,701
Firewood	39,263	24,095	15,168	24,523
Income tax	8,800	8,039	761	6,624
Insurance	93,765	70,873	22,892	76,945
Lease - JH Land Trust	7,000	7,000	-	7,000
Legal fees	24,000	32,231	(8,231)	36,724
Management fees	56,700	56,700	-	42,300
Other office expenses & supplies	(2,990)	24,535	(27,525)	20,236
Penalties and interest	-	-	-	-
Property taxes	5,074	3,949	1,125	3,901
Recreational facilities	84,913	71,652	(13,261)	88,270
Repair and maintenance				
Building	-	498	(498)	-
Landscaping	2,200	34,267	(32,067)	2,937
Roads and paths	182,166	200,576	(18,410)	166,381
Trash removal	14,065	22,262	(8,197)	17,456
Telephone	39,216	40,135	(919)	39,308
Tractor	3,000	2,563	(437)	3,383
Transportation	74,902	74,902	0	74,962
Water and sewer	155,252	161,760	(6,508)	130,118
Total operating expenses	1,102,610	1,105,935	(3,325)	1,039,987
Excess of operating fund revenues over (under) operating fund expenses	\$ 290	\$ 42,488	\$ 42,198	\$ (10,552)

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