



Financial Statements  
December 31, 2018

# Spring Creek Association



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## **Independent Auditor's Report**

The Board of Directors  
Spring Creek Association  
Spring Creek, Nevada

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Spring Creek Association (the Association) which comprise the balance sheet as of December 31, 2018, and the related statement of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spring Creek Association as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Major Future Repairs and Replacements on page 13 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 14 through 19 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and, except for Test of Assessment Limitations marked "unaudited" on pages 16 and 17, was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the Test of Assessments Limitations marked "unaudited" has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the Test of Assessments Limitations marked "unaudited", on which we express no opinion or any assurance, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Elko, Nevada  
August 22, 2019



Financial Statements  
December 31, 2018

# Spring Creek Association

Spring Creek Association  
Balance Sheet  
December 31, 2018

	Operating Fund	Property Fund	Replacement Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 596,517	\$ 21,235	\$ 1,088,274	\$ 1,706,026
Cash and cash equivalents - designated for future capital expenses	260,880	-	-	260,880
Short-term investments	190,149	-	1,708,255	1,898,404
Assessments receivable	133,167	-	-	133,167
Grants receivable	190,000	-	-	190,000
Other receivable	331	-	-	331
Due from Elko County School District - road improvements	-	240,000	-	240,000
Accrued interest receivable	98	111	15,914	16,123
Inventories	19,705	-	-	19,705
Prepaid insurance	80,096	-	-	80,096
Lots owned	7,427	-	-	7,427
	<u>1,478,370</u>	<u>261,346</u>	<u>2,812,443</u>	<u>4,552,159</u>
Long-term investments	-	-	189,924	189,924
<b>Capital assets</b>				
Land and land improvements	-	3,711,214	-	3,711,214
Buildings	-	4,022,223	-	4,022,223
Equipment	-	3,037,149	-	3,037,149
	-	10,770,586	-	10,770,586
Accumulated depreciation	-	(4,555,982)	-	(4,555,982)
	-	6,214,604	-	6,214,604
<b>Total assets</b>	<u><u>\$ 1,478,370</u></u>	<u><u>\$ 6,475,950</u></u>	<u><u>\$ 3,002,367</u></u>	<u><u>\$ 10,956,687</u></u>
<b>Current Liabilities</b>				
Accrued payroll and related expenses	\$ 97,531	\$ -	\$ -	\$ 97,531
Assessments received in advance	375,086	-	-	375,086
Accounts payable	61,241	-	-	61,241
Security deposits	1,900	-	-	1,900
<b>Total current liabilities</b>	<u>535,758</u>	<u>-</u>	<u>-</u>	<u>535,758</u>
<b>Fund balances</b>	<u>942,612</u>	<u>6,475,950</u>	<u>3,002,367</u>	<u>10,420,929</u>
	<u><u>\$ 1,478,370</u></u>	<u><u>\$ 6,475,950</u></u>	<u><u>\$ 3,002,367</u></u>	<u><u>\$ 10,956,687</u></u>

Spring Creek Association  
Statement of Revenues, Expenses, and Changes in Fund Balances  
Year Ended December 31, 2018

	Operating Fund	Property Fund	Replacement Fund	Total
<b>Revenues</b>				
Assessments	\$ 3,677,461	\$ -	\$ -	\$ 3,677,461
Interest income	4,347	2	45,825	50,174
Other general income	533,957	-	-	533,957
Golf course	332,607	-	-	332,607
Horse Palace	42,782	-	-	42,782
Trap and skeet	7,356	-	-	7,356
Buildings and facilities	78,324	-	-	78,324
Roads and road construction	190,000	-	-	190,000
Total revenues	<u>4,866,834</u>	<u>2</u>	<u>45,825</u>	<u>4,912,661</u>
<b>Expenses</b>				
General expenses	1,252,084	-	-	1,252,084
Golf course	677,813	-	-	677,813
Horse Palace	130,444	-	-	130,444
Trap and skeet	5,721	-	-	5,721
Buildings and facilities	606,199	-	-	606,199
Roads and road construction	1,699,440	-	-	1,699,440
Security	81,843	-	-	81,843
Depreciation	-	316,166	-	316,166
Total expenses	<u>4,453,544</u>	<u>316,166</u>	<u>-</u>	<u>4,769,710</u>
Excess (Deficiency) of Revenues Over Expenses Before Gains	<u>413,290</u>	<u>(316,164)</u>	<u>45,825</u>	<u>142,951</u>
Gain on sale of lots owned	92,778	-	-	92,778
Gain on donated land improvements and equipment	42,679	-	-	42,679
	<u>135,457</u>	<u>-</u>	<u>-</u>	<u>135,457</u>
Excess (Deficiency) of Revenues Over Expenses	<u>548,747</u>	<u>(316,164)</u>	<u>45,825</u>	<u>278,408</u>
Beginning Fund Balances	<u>925,161</u>	<u>6,510,818</u>	<u>2,706,542</u>	<u>10,142,521</u>
<b>Interfund Transfers</b>				
Capital replacement reserve	(250,000)	-	250,000	-
Capital asset additions	(256,809)	256,809	-	-
Sale of lot inventory to Elko County School District	(24,564)	24,564	-	-
Sale of lot 106D Parcel C	7,515	(7,515)	-	-
Sale of lot inventory to Boys & Girls Club	12,736	(12,736)	-	-
Golf course reserve	(20,174)	20,174	-	-
	<u>(531,296)</u>	<u>281,296</u>	<u>250,000</u>	<u>-</u>
Ending Fund Balances	<u>\$ 942,612</u>	<u>\$ 6,475,950</u>	<u>\$ 3,002,367</u>	<u>\$ 10,420,929</u>

	Operating Fund	Property Fund
<b>Operating Activities</b>		
Excess (deficiency) of revenues over expenses	\$ 548,747	\$ (316,164)
Adjustments to reconcile changes in fund balances to net cash provided (used) by operating activities:		
Depreciation	-	316,166
Donation of lot owned	33,000	-
(Gain) loss on sale of lots owned	(92,778)	-
(Gain) loss on donated land improvements and equipment	(42,679)	-
Unrealized gain (loss) on investments held to maturity	(173)	-
(Increase) decrease in operating assets:		
Assessments receivable	(8,101)	-
Grants receivable	(190,000)	-
Other receivable	(331)	-
Inventories	(13,079)	-
Lots owned	500	-
Prepaid insurance	1,353	-
Increase (decrease) in operating liabilities:		
Accrued payroll and related expenses	29,470	-
Assessments received in advance	12,388	-
Accounts payable	(25,584)	-
Security deposits	800	-
Net cash from (used for) operating activities	<u>253,533</u>	<u>2</u>
<b>Investing Activities</b>		
Purchase of capital assets	(214,130)	-
Sale of lots owned	55,465	-
Purchase of investments	(475,000)	-
Sale of investments	570,000	-
Net cash from (used for) investing activities	<u>(63,665)</u>	<u>-</u>
<b>Financing Activities</b>		
Transfers in between funds	-	20,174
Transfers out between funds	(270,174)	-
Net cash from (used for) financing activities	(270,174)	20,174
Net change in cash and cash equivalents	(80,306)	20,176
Cash and Cash Equivalents, Beginning of Year	<u>937,703</u>	<u>1,059</u>
Cash and Cash Equivalents, End of Year	<u>\$ 857,397</u>	<u>\$ 21,235</u>
<b>Cash and Cash Equivalents Consist of</b>		
Cash and cash equivalents	\$ 596,517	\$ 21,235
Cash and cash equivalents - designated for future capital expenses	<u>260,880</u>	<u>-</u>
	<u>\$ 857,397</u>	<u>\$ 21,235</u>

See Notes to Financial Statements



Spring Creek Association  
Statement of Cash Flows  
Year Ended December 31, 2018

Replacement Fund	Total
\$ 45,825	\$ 278,408
-	316,166
-	33,000
-	(92,778)
-	(42,679)
6,941	6,768
-	(8,101)
-	(190,000)
(12,606)	(12,937)
-	(13,079)
-	500
-	1,353
-	29,470
-	12,388
-	(25,584)
-	800
<u>40,160</u>	<u>293,695</u>
-	(214,130)
-	55,465
(1,710,449)	(2,185,449)
<u>2,470,000</u>	<u>3,040,000</u>
<u>759,551</u>	<u>695,886</u>
250,000	270,174
<u>-</u>	<u>(270,174)</u>
250,000	-
1,049,711	989,581
<u>38,563</u>	<u>977,325</u>
<u>\$ 1,088,274</u>	<u>\$ 1,966,906</u>
\$ 1,088,274	\$ 1,706,026
<u>-</u>	<u>260,880</u>
<u>\$ 1,088,274</u>	<u>\$ 1,966,906</u>

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	Operating Fund	Property Fund
	<u>          </u>	<u>          </u>
Noncash Capital Activities		
Lot sold to Elko County School District in exchange for future road improvements	\$      40,000	\$            -
Transfer of Due From Elko County School District	\$     (40,000)	\$      40,000
Gain on sale of lots owned	\$      4,313	\$            -
Land improvements and equipment donated	\$     42,679	\$            -
Lot donated to Boys & Girls Club	\$     33,000	\$            -
Transfer of capital assets to Property Fund	\$   (256,809)	\$    256,809

Spring Creek Association  
Statement of Cash Flows  
Year Ended December 31, 2018  
(Continued)

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Replacement Fund	Total
<u>\$ -</u>	<u>\$ 40,000</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 4,313</u>
<u>\$ -</u>	<u>\$ 42,679</u>
<u>\$ -</u>	<u>\$ 33,000</u>
<u>\$ -</u>	<u>\$ -</u>

## **Note 1 - Principal Business Activity and Significant Accounting Policies**

### **Organizational Data**

Spring Creek Association began operations on April 8, 1971, was later incorporated on April 8, 1983 and is a non-stock, non-profit cooperative corporation formed as a residential real estate management association. The Association is responsible for preserving, maintaining, and operating the common areas of a 5,420 lot planned development totaling 23.4 square miles located in Spring Creek, Nevada.

### **Accounting Method**

The Association maintains its books of account on the accrual basis of accounting. Under this method of accounting, revenue is recognized when assessments are earned and all other revenues are recognized as the facilities are used or the revenue is earned. Expenses are recognized when goods or services are received, whether paid or not.

### **Fund Accounting**

To ensure observance of limitations and restrictions on the use of financial resources, the Association has segregated its activities into three funds: the operating fund, property fund and the replacement fund. The operating fund accounts for all current operating transactions of the Association. The property fund accounts for all real and personal property purchased with Association funds, and the depreciation expense associated with that property. The replacement fund accounts for amounts set aside to provide for the future repair and replacement of the Association's common areas.

### **Cash and Cash Equivalents**

The Association considers all highly liquid investments with an initial maturity at the date of purchase of three months or less as cash.

### **Investments**

Nevada Revised Statutes (NRS 116.311395) sets forth acceptable investments for Nevada common-interest ownership associations. The Association has not adopted a formal investment policy that would further limit its investment choices.

Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term investments. Certificates of deposit with remaining maturities greater than one year are classified as long-term investments.

### **Inventories**

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Cost is determined by the first-in, first-out method. No reserve for obsolescence was deemed necessary in 2018. Inventories consist of gasoline and diesel fuels.

### **Lots Owned**

Association-owned lots were acquired through purchase and are recorded at cost less any write-downs to fair value. Fair value write-downs are reported as asset impairments on the statement of revenues and expenses, and changes in fund balances. No asset impairment was recorded for 2018. These lots held are available for sale.

### Capital Assets

Certain real property common areas acquired by the Association from the developer are capitalized on the Association financial statements at the estimated fair market value at date of transfer. Assets purchased after that date are recorded at cost. Common areas maintained include the golf course and pro shop, park and fishing area, trap and skeet facilities, equestrian center, and other common areas and landscaping.

Personal property purchased by the Association is capitalized on the Association's financial statements at cost. Depreciation is computed using the straight-line method for all assets over the following estimated useful lives:

Land improvements	10 to 31.50 years
Buildings	5 to 40 years
Equipment	3 to 20 years

### Revenue and Revenue Recognition

Revenue is recognized when earned. Association member assessments are recognized over the period to which they pertain. Recreation programs, facility operations and other revenue is recognized when related programs and events occur. Assessments and fees paid in advance are deferred to the applicable period to which they apply.

Association members are subject to annual assessments, due in equal monthly payments, to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from property owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are 120 days or more delinquent. The Association considers all assessments receivable at December 31, 2018 to be fully collectible.

### Assessments Received in Advance

Assessments received in advance are assessments received before year end that are related to the next fiscal year. These are retained by the Association for use in the subsequent year and are included in liabilities until earned.

### Concentrations of Credit Risk

The Association maintains its cash and equivalents in bank deposit accounts and brokerage money market accounts which, at times, may exceed insured limits. The Association has not experienced any losses in such accounts. Board Policy #97-001 Revision 3 requires that all capital reserve accounts have FDIC insurance. The Association believes it is not exposed to any significant credit risk on cash and equivalents; however bank deposit accounts in excess of the Federal Deposit Insurance Corporation (FDIC) coverage at December 31, 2018 totaled \$793,356.

### Interest Income

Interest income is allocated to the various funds based on the actual earnings of the financial accounts held by each fund.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - Replacement Fund**

State statutes and the Association's governing documents do not require funds to be accumulated for the replacement of its common areas or for general operations. However, the Association has designated certain monies for such purpose. Such funds are intended to provide for the cost of future replacement, repairs and maintenance when it is estimated that such items are needed. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore amounts accumulated in the replacement fund may not be adequate to meet future needs. Although the Association is not subject to state statutes requiring preparation of a reserve study, the Association prepared a reserve study as of November 5, 2009. Estimated replacement costs were calculated using a pooled calculation with provisions for inflation of 1.25%, interest earnings of 2%, and no provision for taxes.

**Note 3 - Income Taxes**

The Association is exempt from federal income taxes under Internal Revenue Code Section 501(c)(4). The Association was granted this status by the Internal Revenue Service on September 13, 2002. As a social welfare organization, the Association is exempt from taxation of all revenues and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance and care of the Association's property.

The Association is taxed on the net income of any business activities unrelated to its exempt purpose. Net nonexempt function income, which includes rental income, is taxed at 15% by the federal government. As of December 31, 2018, the Association is no longer subject to U.S. Federal income tax examinations by tax authorities for years before 2015.

The Association evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2018, the unrecognized tax benefit accrual was zero. The Association will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

**Note 4 - Employee Benefit Plans**

The Association established a 401(k) retirement plan for all eligible employees who meet certain eligibility criteria such as age, term of employment, etc. Eligible employees may elect to contribute to the plan a portion of their gross salary (subject to federal tax law limits). The Association currently matches up to \$3,000 of the employee's contributions. The amount of the Association's contribution to the plan is optional and is determined annually by the Association's Board of Directors. The total 401(k) match for 2018 was \$39,326.

**Note 5 - Lease Income**

The Association is the lessor in a number of month-to-month and short term leases for property such as land rental, kiosk sign use, concessions space rental, and house rental. Long term leases include sign pole rental and land use leases which terminate at various dates through April 2033. Amounts anticipated to be received from the long term leases for the next five years and thereafter are listed below:

Year	Amount
2019	\$ 33,666
2020	10,302
2021	5,802
2022	5,802
2023	5,802
Thereafter	54,147
Total	\$ 115,521

**Note 6 - Leases**

The Association has two operating leases for office equipment in effect at December 31, 2018, with monthly payments aggregating to \$413. Lease expense was \$4,952 for the current year. Future obligations under these leases are:

Year	Amount
2019	\$ 4,952
2020	4,311
2021	2,388
2022	1,194
Total	\$ 12,845

**Note 7 - Designated for Future Capital Expenses**

	2016	2017	2018
<u>Assessment increase designated to Operating Fund for capital assets:</u>			
2016 increase of \$1 per month approved January 27, 2016	\$ 65,076	\$ 65,076	\$ 65,076
2017 increase of \$2 per month approved November 16, 2016	n/a	128,976	128,976
2018 increase of \$5 per month approved October 25, 2017	n/a	n/a	323,637
	\$ 65,076	\$ 194,052	\$ 517,689
<u>Capital assets funded by:</u>			
Operating Fund	\$ 995,132	\$ 258,401	\$ -
Property Fund	522,000	400,000	256,809
Replacement Fund	490,000	19,000	-
Total capital assets	\$ 2,007,132	\$ 677,401	\$ 256,809
Assessment increase designated for capital expenses - designated cash and cash equivalents	\$ -	\$ -	\$ 260,880

**Note 8 - Sale of Lots Owned to Elko County School District in Exchange for Road Improvements**

On October 25, 2017, the Board approved the sale of two parcels of land to Elko County School District for the construction of a new elementary school. The commercial property exchanged consists of an 11 acre parcel at 106-D 250 Parkchester Drive (050-001-032) and a neighboring 3.46 acre parcel (050-006-001). The appraised value of the land was \$200,000 for the 11 acre parcel and \$40,000 for the 3.46 acre parcel. The agreement includes that the Elko County School District will make road improvements to Parkchester Drive in lieu of paying the appraised value and agreed upon purchase price of the land. The road work is expected to begin in 2019. The 11 acre parcel was transferred to Elko County School District in December 2017, which resulted in a gain on sale of \$17,020. The 3.46 acre parcel was transferred to Elko County School District in September 2018, which resulted in a gain on sale of \$24,563.



**Note 9 - Commitments and Contingent Liabilities**

The following events are Spring Creek Association commitments at December 31, 2018:

On October 24, 2018, the Board approved a proposal for the removal and reinstallation of galvanized piping under the mezzanine for the fire suppression system at the Horse Palace for \$18,306. No monies were spent as of December 31, 2018.

On August 22, 2018, the Board approved a proposal for reconstructing the marina dock for \$70,749. No monies were spent as of December 31, 2018.

On July 25, 2018, the Board approved a bid for the fabrication and installation of two sets of stairs at the Fairway Community Center for \$23,996. Approximately \$3,900 was paid as of December 31, 2018, leaving a commitment of approximately \$20,100.

On March 28, 2018, the Board approved the purchase of rubber mulch for the park footings for \$15,991. No monies were spent as of December 31, 2018.

**Claims and Lawsuits Involving Spring Creek Association**

Legal counsel for the Association is aware of a lawsuit against the Association, the ultimate effect to the Association has not been determined.

**Note 10 - Subsequent Events**

The financial statements were available to be issued on and subsequent events were evaluated through August 22, 2019, the following subsequent events were noted:

- On February 27, 2019, the Board approved spending \$15,250 to purchase five used golf carts and trading in ten older golf carts at the time of purchase.
- On May 22, 2019, the Board approved spending a total of \$175,505 to construct new football fields at the Schuckmann's Sports Complex. This expenditure includes sod, irrigation, running electrical power and other related expenses.
- On August 16, 2019, the Association received a \$105,351 insurance reimbursement to be used towards the repairs of the Horse Palace roof repair expected to cost approximately \$100,200 and the Horse Palace restrooms repairs expected to cost approximately \$43,300.



Required Supplementary Information  
December 31, 2018

# Spring Creek Association





Supplementary Information  
December 31, 2018

# Spring Creek Association

Spring Creek Association  
Schedule of Revenues and Expenses – Budget and Actual  
Year Ended December 31, 2018

Operating Fund	Actual	Budget	Variance
<u>Revenues</u>			
Assessments	\$ 3,677,461	\$ 3,671,532	\$ 5,929
Interest income	4,347	3,600	747
Other general income	533,957	376,038	157,919
Golf course	332,607	242,700	89,907
Horse Palace	42,782	61,050	(18,268)
Trap and skeet	7,356	4,500	2,856
Buildings and facilities	78,324	34,800	43,524
Roads and road construction	190,000	190,000	-
 Total Revenues	 <u>4,866,834</u>	 <u>4,584,220</u>	 <u>282,614</u>
<u>Expenses</u>			
General expenses	1,252,084	1,296,074	43,990
Golf course	677,813	695,504	17,691
Horse Palace	130,444	181,618	51,174
Trap and skeet	5,721	15,660	9,939
Buildings and facilities	606,199	681,767	75,568
Roads and road construction	1,699,440	1,930,113	230,673
Security	81,843	92,484	10,641
 Total Expenses	 <u>4,453,544</u>	 <u>4,893,220</u>	 <u>439,676</u>
 Net of Revenues and Expenses Before Gains	 <u>\$ 413,290</u>	 <u>\$ (309,000)</u>	 <u>\$ 722,290</u>

Spring Creek Association  
Schedule of Revenues and Expenses – Budget and Actual  
Year Ended December 31, 2018

<u>Property Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues			
Interest income	\$           2	\$           -	\$           2
Expenses			
Depreciation	<u>316,166</u>	<u>-</u>	<u>(316,166)</u>
Excess of revenues over (under) expenses	<u>\$ (316,164)</u>	<u>\$ -</u>	<u>\$ (316,164)</u>
<u>Replacement Fund</u>			
Revenues			
Interest income	\$    45,825	\$           -	\$    45,825
Expenses			
Major repairs and replacements	<u>-</u>	<u>391,000</u>	<u>391,000</u>
Excess of revenues over (under) expenses	<u>\$    45,825</u>	<u>\$ (391,000)</u>	<u>\$   436,825</u>

Spring Creek Association  
 Test of Assessment Limitations (unaudited)  
 Year Ended December 31, 2018

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Year Ending	CPI Index	Index Change % From Base Year 1971	Maximum Assessment per CPI	Actual Assessment
1971	40.3		\$ 144	\$ 0
1972	41.6	1.30	149	0
1973	43.9	3.60	157	0
1974	48.6	8.30	174	48
1975	53.2	12.90	190	60
1976	56.5	16.20	202	72
1977	60.3	20.00	215	84
1978	64.5	24.20	230	93
1979	71.5	31.20	255	105
1980	81.8	41.50	292	126
1981	89.8	49.50	321	153
1982	95.8	55.50	342	168
1983	99.2	58.90	354	180
1984	103.4	63.10	369	180
1985	107.3	67.00	383	186
1986	108.9	68.60	389	186
1987	113.1	72.80	404	192
1988	117.5	77.20	420	192
1989	123.8	83.50	442	204
1990	129.2	88.90	462	228
1991	135.6	95.30	485	228
1992	139.7	99.40	499	228
1993	144.2	103.90	515	228
1994	147.5	107.20	527	264
1995	152.2	111.90	544	264
1996	156.6	116.30	560	288
1997	160.1	119.80	572	288
1998	162.8	122.50	582	300
1999	166.2	125.90	594	300
2000	171.5	131.20	613	336
2001	177.7	137.40	635	336
2002	179.8	139.50	642	336
2003	183.5	143.20	656	336
2004	189.1	148.80	676	336

Spring Creek Association  
 Test of Assessment Limitations (unaudited)  
 Year Ended December 31, 2018

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<u>Year Ending</u>	<u>CPI Index</u>	<u>Index Change %</u>	<u>Maximum Assessment per CPI</u>	<u>Actual Assessment</u>
2005	194.4	154.10	695	\$ 372
2006	202.5	162.20	724	372
2007	207.949	167.65	743	408
2008	216.632	176.33	774	468
2009	213.856	173.56	764	468
2010	218.178	177.88	780	540
2011	225.964	185.66	807	540
2012	229.815	189.52	821	540
2013	232.945	192.65	832	552
2014	237.900	197.60	850	576
2015	237.805	197.51	850	588
2016	240.229	199.93	858	600
2017	244.733	204.43	874	624
2018	251.588	211.29	899	684

CPI for All Urban Consumers (CPI-U), May

Rate may be increased by same proportionate rate as the cost of living index of the U.S. Department of Labor using 6/1/71 as base.



	General	Golf Course	Horse Palace	Trap and Skeet
<b>Revenues</b>				
Assessments	\$ 3,677,461	\$ -	\$ -	\$ -
Interest income	4,347	-	-	-
Other revenues per Schedule of Other Revenues	<u>533,957</u>	<u>332,607</u>	<u>42,782</u>	<u>7,356</u>
<b>Total Revenues</b>	<u>4,215,765</u>	<u>332,607</u>	<u>42,782</u>	<u>7,356</u>
<b>Expenses</b>				
Salaries and related expenses	526,808	212,779	44,480	-
Repairs and maintenance	4,086	50,986	9,269	600
Insurance	132,628	10,736	23,644	1,807
Utilities	16,574	244,716	32,347	3,314
Postage	15,593	-	-	-
Contract services	-	54,650	-	-
Fuel and oil	1,065	5,251	2,697	-
Taxes and licenses	4,459	67	-	-
Special events	-	-	-	-
Advertising	1,153	-	-	-
Financial and computer services	39,104	6,315	-	-
Legal	292,704	-	-	-
Other administrative expenses	41,276	6,128	200	-
Donated lot	33,000	-	-	-
Purchased services	129,933	-	-	-
Rents	3,670	3,407	-	-
Supplies	2,429	65,143	1,374	-
Fertilizer	-	15,232	-	-
Chemicals - weed abatement	-	-	-	-
Travel and education	1,714	-	-	-
Other expenses	<u>5,888</u>	<u>2,403</u>	<u>16,433</u>	<u>-</u>
<b>Total Expenses</b>	<u>1,252,084</u>	<u>677,813</u>	<u>130,444</u>	<u>5,721</u>
<b>Excess of Revenues Over (Under) Expenses</b>	<u>\$ 2,963,681</u>	<u>\$ (345,206)</u>	<u>\$ (87,662)</u>	<u>\$ 1,635</u>

Spring Creek Association  
Schedule of Operating Departmental Revenues and Expenses  
Year Ended December 31, 2018

Buildings and Facilities	Roads and Road Construction	Security	Total Operating Fund
\$ -	\$ -	\$ -	\$ 3,677,461
-	-	-	4,347
78,324	190,000	-	1,185,026
78,324	190,000	-	4,866,834
390,760	490,200	70,504	1,735,531
12,373	921,770	222	999,306
6,813	21,702	2,744	200,074
97,752	12,536	323	407,562
-	-	-	15,593
-	-	-	54,650
14,073	76,421	5,698	105,205
960	12,407	-	17,893
23,630	-	-	23,630
-	-	-	1,153
1,394	1,774	-	48,587
-	-	-	292,704
2,375	271	-	50,250
			33,000
25,182	83,603	-	238,718
2,579	-	-	9,656
12,431	59,976	2,352	143,705
4,704	-	-	19,936
-	9,230	-	9,230
-	573	-	2,287
11,173	8,977	-	44,874
606,199	1,699,440	81,843	4,453,544
<u>\$ (527,875)</u>	<u>\$ (1,509,440)</u>	<u>\$ (81,843)</u>	<u>\$ 413,290</u>

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	<u>General</u>	<u>Golf Course</u>	<u>Horse Palace</u>
Revenues			
Lease fees	\$ 41,317	\$ 22,650	\$ 475
Pasture lease	450	-	300
Legal revenue	206,084	-	-
Late fees	77,590	-	-
Owner transfer fees	115,000	-	-
Other income	10,961	3,146	-
Return check fees	2,585	-	-
Grants	-	7,500	-
Green fees	-	97,755	-
Cart rental	-	52,252	-
Golf annual pass	-	62,950	-
Pro shop sales	-	58,461	-
Cart trail fees and storage	-	24,776	-
Tournaments	-	3,003	-
Catering fees	-	114	-
Ranch Hand Rodeo	-	-	13,560
Stall and corral rental	-	-	5,100
Facility rental	-	-	3,522
Utility reimbursement	-	-	1,760
Bar revenue	-	-	188
Non-property owner pass	-	-	17,877
Player use fees	-	-	-
Billboard rental	-	-	-
Special events	-	-	-
Targets thrown	-	-	-
Lead recycling revenue	-	-	-
Campground and parks	-	-	-
Committee of Architecture revenue	79,970	-	-
	<u>\$ 533,957</u>	<u>\$ 332,607</u>	<u>\$ 42,782</u>

Spring Creek Association  
Schedule of Other Revenues  
Year Ended December 31, 2018

Trap and Skeet	Buildings and Facilities	Roads and Road Construction	Total Funds
\$ -	\$ -	\$ -	\$ 64,442
-	-	-	750
-	-	-	206,084
-	-	-	77,590
-	-	-	115,000
-	12	-	14,119
-	-	-	2,585
-	33,094	190,000	230,594
-	-	-	97,755
-	-	-	52,252
-	-	-	62,950
-	-	-	58,461
-	-	-	24,776
-	-	-	3,003
-	-	-	114
-	-	-	13,560
-	-	-	5,100
-	-	-	3,522
-	-	-	1,760
-	-	-	188
-	-	-	17,877
-	12,185	-	12,185
-	-	-	-
-	28,748	-	28,748
4,806	-	-	4,806
2,550	-	-	2,550
-	4,285	-	4,285
-	-	-	79,970
<u>\$ 7,356</u>	<u>\$ 78,324</u>	<u>\$ 190,000</u>	<u>\$ 1,185,026</u>