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**SPRING CREEK ASSOCIATION  
ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2014**



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**SPRING CREEK ASSOCIATION**  
**DECEMBER 31, 2014**

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## **FINANCIAL SECTION**

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CPAs & BUSINESS ADVISORS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of the  
Spring Creek Association

### ***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, 2014, 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.

### ***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 entity'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 entity'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 the Association as of December 31, 2014, 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 (Unaudited) on page 11 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

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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 12 through 17 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Elko, Nevada  
April 17, 2015

**SPRING CREEK ASSOCIATION**  
**BALANCE SHEET**  
**DECEMBER 31, 2014**

	OPERATING FUND	PROPERTY FUND	REPLACEMENT FUND	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,178,896	\$ 87,511	\$ 72,903	\$ 1,339,310
Investments	95,112	379,846	2,657,247	3,132,205
Assessments receivable	127,597	-	-	127,597
Other accounts receivable	187	-	-	187
Accrued interest receivable	3	490	2,592	3,085
Inventories	13,730	-	-	13,730
Prepaid insurance	74,812	-	-	74,812
Lots owned	179,498	-	-	179,498
Lots obtained through foreclosure	28,637	-	-	28,637
	<u>1,698,472</u>	<u>467,847</u>	<u>2,732,742</u>	<u>4,899,061</u>
Capital assets:				
Land and land improvements	-	3,336,332	-	3,336,332
Buildings	-	1,953,769	-	1,953,769
Equipment	-	2,238,190	-	2,238,190
	-	<u>7,528,291</u>	-	<u>7,528,291</u>
Accumulated depreciation	-	<u>(3,587,660)</u>	-	<u>(3,587,660)</u>
	<u>-</u>	<u>3,940,631</u>	<u>-</u>	<u>3,940,631</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,698,472</u>	<u>\$ 4,408,478</u>	<u>\$ 2,732,742</u>	<u>\$ 8,839,692</u>
<b>LIABILITIES</b>				
Accrued payroll and related expenses	\$ 113,525	\$ -	\$ -	\$ 113,525
Assessments received in advance	325,338	-	-	325,338
Accounts payable	7,445	-	-	7,445
Security deposits	2,900	-	-	2,900
<b>TOTAL LIABILITIES</b>	<u>449,208</u>	<u>-</u>	<u>-</u>	<u>449,208</u>
<b>FUND BALANCES</b>	<u>1,249,264</u>	<u>4,408,478</u>	<u>2,732,742</u>	<u>8,390,484</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,698,472</u>	<u>\$ 4,408,478</u>	<u>\$ 2,732,742</u>	<u>\$ 8,839,692</u>

**SPRING CREEK ASSOCIATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	OPERATING FUND	PROPERTY FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>				
Assessments	\$ 3,089,360	\$ -	\$ -	\$ 3,089,360
Interest income	847	1,436	6,412	8,695
Other general income	376,745	-	-	376,745
Golf course	257,180	-	-	257,180
Horse Palace	66,175	-	-	66,175
Trap and skeet	5,042	-	-	5,042
Buildings and facilities	24,647	-	-	24,647
Roads and road construction	194,145	-	-	194,145
	<u>4,014,141</u>	<u>1,436</u>	<u>6,412</u>	<u>4,021,989</u>
<b>EXPENSES</b>				
General expenses	732,824	-	-	732,824
Golf course	520,801	-	-	520,801
Horse Palace	121,192	-	-	121,192
Trap and skeet	6,878	-	-	6,878
Buildings and facilities	255,495	-	-	255,495
Roads and road construction	1,511,303	-	-	1,511,303
Security	80,546	-	-	80,546
Depreciation	-	233,360	-	233,360
	<u>3,229,039</u>	<u>233,360</u>	<u>-</u>	<u>3,462,399</u>
Excess of Revenues				
Over (Under) Expenses	<u>785,102</u>	<u>(231,924)</u>	<u>6,412</u>	<u>559,590</u>
<b>FUND BALANCES, January 1</b>	<u>1,214,417</u>	<u>4,352,219</u>	<u>2,264,258</u>	<u>7,830,894</u>
<b>INTERFUND TRANSFERS</b>				
Capital Replacement Reserve	(462,072)	-	462,072	-
Capital Asset Additions	(266,429)	266,429	-	-
Golf Course Clubhouse Reserve	(21,754)	21,754	-	-
	<u>(750,255)</u>	<u>288,183</u>	<u>462,072</u>	<u>-</u>
<b>FUND BALANCES, December 31</b>	<u>\$ 1,249,264</u>	<u>\$ 4,408,478</u>	<u>\$ 2,732,742</u>	<u>\$ 8,390,484</u>



**SPRING CREEK ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	OPERATING FUND	PROPERTY FUND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over (under) expenses	\$ 785,102	\$ (231,924)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	-	233,360
(Increase) decrease in operating assets:		
Assessments receivable	(30,337)	-
Other receivables	(187)	-
Inventory	(4,821)	-
Prepaid insurance	(2,449)	-
Increase (decrease) in operating liabilities:		
Accrued payroll and related expenses	19,419	-
Assessments received in advance	(7,268)	-
Accounts payable	(1,325)	-
Security deposits	1,800	-
Net Cash Provided (Used) by Operating Activities	<u>759,934</u>	<u>1,436</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	-	(266,429)
Purchase of investments	(475,000)	475,000
Sale of investments	570,000	(475,000)
Investment earnings	(408)	(255)
Net Cash Provided (Used) by Investing Activities	<u>94,592</u>	<u>(266,684)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Transfers between funds	<u>(750,255)</u>	<u>288,183</u>
Net Increase (Decrease) in Cash and Cash Equivalents	104,271	22,935
CASH AND CASH EQUIVALENTS BALANCE, January 1	<u>1,074,625</u>	<u>64,576</u>
CASH AND CASH EQUIVALENTS BALANCE, December 31	<u>\$ 1,178,896</u>	<u>\$ 87,511</u>

See accompanying notes.

REPLACEMENT FUND	TOTAL
\$ 6,412	\$ 559,590
-	233,360
-	(30,337)
-	(187)
-	(4,821)
-	(2,449)
-	19,419
-	(7,268)
-	(1,325)
-	1,800
6,412	767,782
-	(266,429)
(2,850,000)	(2,850,000)
2,185,000	2,280,000
1,173	510
(663,827)	(835,919)
462,072	-
(195,343)	(68,137)
268,246	1,407,447
\$ 72,903	\$ 1,339,310

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**SPRING CREEK ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**1. Summary of  
Significant  
Accounting  
Policies**

**Organizational Data**

Spring Creek Association was incorporated April 8, 1971 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, or billed, and 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**

For purposes of the statement of cash flows, the Association considers all highly liquid investments with an initial maturity at the date of purchase of three months or less as cash.

**Investments**

The association has adopted the fair value measurement topic of the FASB (Financial Accounting Standards Board) Accounting Standards Codification. Fair value is generally determined based on quoted market prices in active markets for identical assets. If quoted market prices are not available, the Association uses valuation techniques that place greater reliance on observable inputs and less reliance on unobservable inputs. In measuring fair value, the Association may make adjustments for risk and uncertainties, if a market participant would include such an adjustment in its pricing.

**Inventory**

Inventory is stated at the lower of cost or market. Cost is determined by the first-in, first-out method. No reserve for obsolescence was deemed necessary in 2014.

**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. No asset impairment was recorded for 2014. These lots held are available for sale.

**Lots Obtained Through Foreclosure**

The Association has obtained lots through foreclosure which were recorded at cost at the date of acquisition less any write-downs to current fair value. Fair value write-downs are reported as asset impairments on the statement of revenues and expenses. No asset impairment was recorded for 2014. These lots held are available for sale.

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**SPRING CREEK ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**1. Summary of Significant Accounting Policies (Continued)**

**Property, Equipment and Depreciation**

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 financial statements at cost and depreciated over the estimated useful lives of the items purchased, using straight line method of depreciation.

**Member Assessments**

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, 2014 to be fully collectible.

**Assessments Received in Advance**

Any excess assessments at year end are retained by the Association for use in the subsequent year.

**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. 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, 2014 totaled \$847,108. Money market amounts were fully covered by the Securities Investor Protection Corporation (SIPC) as of December 31, 2014.

**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.

**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.

**SPRING CREEK ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

2. **Replacement Fund (Continued)** Although it 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.

3. **Fair Value Measurement** **Fair Value Measurement**  
The Association has classified its investments as held-to-maturity and records the financial assets at fair value. The Fair Value Measurements topic of the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Under this topic, the three levels of the fair value hierarchy are described below:

*Level 1* - Quoted prices in active markets for identical assets. Level 1 assets generally include cash, cash equivalents, and equity securities that are traded in an active exchange market.

*Level 2*- Observable inputs, other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets. Level 2 assets and liabilities include derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes agency mortgage-based securities, U.S. Government obligations, municipal bonds, certificates of deposits, and corporate and other debt.

*Level 3* - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The Association has no Level 3 assets.

Investments consisted of the following at December 31, 2014:

	<u>Cost</u>	<u>Fair Value</u>	<u>Gross Unrealized Gain (Loss)</u>
Certificates of deposit (level 2)	\$ 3,135,000	\$ 3,132,205	\$ (2,795)

It is the Association's intent to hold these investments until maturity, and, as such, it is not anticipated that the Association will realize any losses associated with these investments. Of these certificates of deposits, \$2,565,000 mature in 2015 and \$570,000 mature in 2016.

**SPRING CREEK ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**4. 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, 2014, the Association is no longer subject to U.S. Federal income tax examinations by tax authorities for years before 2011.

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, 2014, 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.

**5. 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 \$1,500 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 2014 was \$16,238.

**6. Lease Income**

The Association has a number of month-to-month and short term leases for property such as land rental, kiosk sign use, and house rental. The leases terminate at various dates through April 2033. Amounts anticipated to be received from these leases for the next five years and thereafter are listed below:

Year	Amount
2015	\$ 10,596
2016	8,326
2017	7,176
2018	5,448
2019	5,448
Thereafter	<u>72,640</u>
Total	<u>\$ 109,634</u>

**7. Leases**

The Association has two operating leases for office equipment in effect at December 31, 2014, with monthly payments aggregating to \$418. Lease expense was \$5,013 for the current year. Future obligations under these leases are:

Year	Amount
2015	\$ 2,388
2016	2,388
2017	<u>1,194</u>
Total	<u>\$ 5,970</u>

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**SPRING CREEK ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**8. Subsequent  
Events**

The financial statements were available to be issued on and subsequent events were evaluated through April 17, 2015.

- On February 25, 2015 the Association approved a bid for the design and construction of the Spring Creek Community Center for \$1,539,354.
- On March 18, 2015 the Association approved a bid of an estimated \$96,000 for a representative to oversee the construction of the Spring Creek Community Center.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**SPRING CREEK ASSOCIATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

The Board conducted a study in 2009 to estimate the remaining useful lives and the replacement costs of the components of common property. The Association has assessed the present condition of all common area components; estimated replacement costs relying upon published data, contractor's or engineer's estimates, and previously paid amounts; and estimated remaining lives, relying upon consultants or published data.

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

MAJOR COMPONENT	ESTIMATED REMAINING LIFE (YEARS)	ESTIMATED CURRENT REPLACEMENT COST
Equipment	0 - 40.4	\$ 1,800,444
Paint	0.6 - 20.6	14,000
Furniture	5.6 - 5.6	18,091
Lighting	10.6 - 20.6	57,025
Roads	0 - 5	3,500,000
Fencing	5.6 - 5.6	118,643
Roofing	10.6 - 20.6	13,887
Building components	0.00 - 33.5	2,263,655
Other components	0.5 - 38.5	24,348
Hardscape	20.0 - 30.6	55,166
Total		\$ 7,865,260

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## **SUPPLEMENTARY INFORMATION**

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**SPRING CREEK ASSOCIATION**  
**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
*(Page 1 of 2)*

OPERATING FUND	ACTUAL	BUDGET	VARIANCE
<b>REVENUES</b>			
Assessments	\$ 3,089,360	\$ 3,094,128	\$ (4,768)
Interest income	847	4,800	(3,953)
Other income	376,745	290,048	86,697
Golf course	257,180	242,300	14,880
Horse Palace	66,175	52,790	13,385
Trap and skeet	5,042	5,500	(458)
Buildings and facilities	24,647	24,660	(13)
Roads and road construction	194,145	190,000	4,145
Total Revenues	<u>4,014,141</u>	<u>3,904,226</u>	<u>109,915</u>
 <b>EXPENSES</b>			
General expenses	732,824	1,003,609	270,785
Golf course	520,801	662,735	141,934
Horse Palace	121,192	148,540	27,348
Trap and skeet	6,878	17,360	10,482
Buildings and facilities	255,495	365,205	109,710
Roads and road construction	1,511,303	1,695,147	183,844
Security	80,546	82,558	2,012
Total Expenses	<u>3,229,039</u>	<u>3,975,154</u>	<u>746,115</u>
Excess of Revenues Over (Under) Expenses	<u>\$ 785,102</u>	<u>\$ (70,928)</u>	<u>\$ 856,030</u>

**SPRING CREEK ASSOCIATION**  
**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
*(Page 2 of 2)*

PROPERTY FUND	ACTUAL	BUDGET	VARIANCE
<b>REVENUES</b>			
Interest income	\$ 1,436	\$ -	\$ 1,436
<b>EXPENSES</b>			
Major repairs and replacements	-	-	-
Depreciation	233,360	-	(233,360)
Total Expenses	233,360	-	(233,360)
Excess of Revenues Over (Under) Expenses	\$ (231,924)	\$ -	\$ (231,924)
<b>REPLACEMENT FUND</b>			
<b>REVENUES</b>			
Interest income	\$ 6,412	\$ -	\$ 6,412
<b>EXPENSES</b>			
Major repairs and replacements	-	321,072	321,072
Excess of Revenues Over (Under) Expenses	\$ 6,412	\$ (321,072)	\$ 327,484

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**SPRING CREEK ASSOCIATION**  
**TEST OF ASSESSMENT LIMITATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
*(Page 1 of 2)*

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YEAR ENDING	CPI INDEX	INDEX CHANGE %	MAXIMUM ASSESSMENT PER CPI	ACTUAL ASSESSMENT
1971	40.3		\$ 144	\$ 0
1972	41.6	1.30	146	0
1973	43.9	2.30	149	0
1974	48.6	4.70	156	48
1975	53.2	4.60	163	60
1976	56.5	3.30	168	72
1977	60.3	3.80	174	84
1978	64.5	4.20	181	93
1979	71.5	7.00	194	105
1980	81.8	10.30	214	126
1981	89.8	8.00	231	153
1982	95.8	6.00	245	168
1983	99.2	3.40	253	180
1984	103.4	4.20	264	180
1985	107.3	3.90	274	186
1986	108.9	1.60	278	186
1987	113.1	4.20	290	192
1988	117.5	4.40	303	192
1989	123.8	6.30	322	204
1990	129.2	5.40	339	228
1991	135.6	6.40	361	228
1992	139.7	4.10	376	228
1993	144.2	4.50	393	228
1994	147.5	3.30	406	264
1995	152.2	4.70	425	264
1996	156.6	4.40	444	288
1997	160.1	3.50	460	288
1998	162.8	2.70	472	300
1999	166.2	3.40	488	300
2000	171.5	5.30	514	336
2001	177.7	6.20	546	336
2002	179.8	2.10	557	336
2003	183.5	3.70	578	336
2004	189.1	5.60	610	336

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**SPRING CREEK ASSOCIATION  
TEST OF ASSESSMENT LIMITATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Page 2 of 2)**

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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	5.30	\$ 642	\$ 372
2006	202.5	8.10	694	372
2007	207.949	5.45	732	408
2008	216.632	8.68	796	468
2009	213.856	-2.78	796	468
2010	218.178	4.32	830	540
2011	225.964	7.79	895	540
2012	229.815	3.85	929	540
2013	232.945	3.13	958	552
2014	237.900	4.96	1,005	576

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.

**SPRING CREEK ASSOCIATION**  
**SCHEDULE OF OPERATING DEPARTMENTAL REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>GENERAL</u>	<u>GOLF COURSE</u>	<u>HORSE PALACE</u>
<b>REVENUES</b>			
Assessments	\$ 3,089,360	\$ -	\$ -
Interest income	847	-	-
Other revenues per Schedule of Other Revenues	<u>376,745</u>	<u>257,180</u>	<u>66,175</u>
<b>Total Revenues</b>	<u>3,466,952</u>	<u>257,180</u>	<u>66,175</u>
<b>EXPENSES</b>			
Salaries and related expenses	328,749	111,990	37,582
Repairs and maintenance	1,368	40,617	6,584
Insurance	123,096	10,065	22,168
Utilities	13,709	259,963	32,476
Postage	12,620	-	-
Contract	-	55,955	-
Fuel and oil	73	7,784	1,389
Taxes and licenses	6,611	66	-
Special events	-	-	-
Advertising	2,916	-	-
Financial and computer services	25,718	-	-
Legal	173,661	-	-
Other administrative expenses	21,029	4,427	200
Purchased services	4,850	500	-
Rents	2,685	615	-
Supplies	1,163	9,082	308
Fertilizer	-	15,821	-
Chemicals- weed abatement	-	-	-
Travel and education	8,308	50	-
Other expenses	<u>6,268</u>	<u>3,866</u>	<u>20,485</u>
<b>Total Expenses</b>	<u>732,824</u>	<u>520,801</u>	<u>121,192</u>
<b>Excess of Revenues Over (Under) Expenses</b>	<u>\$ 2,734,128</u>	<u>\$ (263,621)</u>	<u>\$ (55,017)</u>

<u>TRAP AND SKEET</u>	<u>BUILDINGS AND FACILITIES</u>	<u>ROADS AND ROAD CONSTRUCTION</u>	<u>SECURITY</u>	<u>TOTAL OPERATING FUND</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,089,360
-	-	-	-	847
<u>5,042</u>	<u>24,647</u>	<u>194,145</u>	<u>-</u>	<u>923,934</u>
<u>5,042</u>	<u>24,647</u>	<u>194,145</u>	<u>-</u>	<u>4,014,141</u>
-	117,692	586,171	62,816	1,245,000
1,714	5,832	731,087	2,073	789,275
1,694	6,356	17,942	2,573	183,894
3,470	80,857	12,394	368	403,237
-	-	-	-	12,620
-	-	-	-	55,955
-	5,749	46,798	10,104	71,897
-	890	9,817	162	17,546
-	11,887	-	-	11,887
-	-	-	-	2,916
-	-	1,599	-	27,317
-	-	-	-	173,661
-	793	200	-	26,649
-	1,450	13,985	-	20,785
-	-	5,679	-	8,979
-	2,887	68,732	2,065	84,237
-	6,756	-	-	22,577
-	-	7,774	-	7,774
-	-	787	-	9,145
-	14,346	8,338	385	53,688
<u>6,878</u>	<u>255,495</u>	<u>1,511,303</u>	<u>80,546</u>	<u>3,229,039</u>
<u>\$ (1,836)</u>	<u>\$ (230,848)</u>	<u>\$ (1,317,158)</u>	<u>\$ (80,546)</u>	<u>\$ 785,102</u>



**SPRING CREEK ASSOCIATION  
SCHEDULE OF OTHER REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

REVENUES	<u>GENERAL</u>	<u>GOLF COURSE</u>	<u>HORSE PALACE</u>	<u>TRAP AND SKEET</u>
Lease fees	\$ 42,986	\$ 3,000	\$ 2,275	\$ -
Pasture lease	790	-	720	-
Legal revenue	138,701	-	-	-
Late fees	75,930	-	-	-
Owner transfer fees	83,200	-	-	-
Other income	648	8,767	-	-
Return check fees	2,240	-	-	-
Grants	-	-	-	-
Green fees	-	85,620	-	-
Cart rental	-	59,566	-	-
Golf annual pass	-	57,550	-	-
Cart assessment fees and storage	-	19,910	-	-
Tournaments	-	22,767	-	-
Ranch Hand Rodeo	-	-	23,671	-
Stall and corral rental	-	-	3,425	-
Facility rental	-	-	11,920	-
Utility reimbursement	-	-	9,119	-
Bar revenue	-	-	2,105	-
Non-property owner pass	-	-	9,090	-
Player use fees	-	-	-	-
Billboard rental	-	-	3,850	-
Special events	-	-	-	-
Targets thrown	-	-	-	5,042
Campground and parks	-	-	-	-
Committee of Architecture revenue	32,250	-	-	-
	<u>\$ 376,745</u>	<u>\$ 257,180</u>	<u>\$ 66,175</u>	<u>\$ 5,042</u>

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<u>BUILDINGS AND FACILITIES</u>	<u>ROADS AND ROAD CONSTRUCTION</u>	<u>TOTAL FUNDS</u>
\$ -	\$ -	\$ 48,261
1,676	-	3,186
-	-	138,701
-	-	75,930
-	-	83,200
27	4,145	13,587
-	-	2,240
-	190,000	190,000
-	-	85,620
-	-	59,566
-	-	57,550
-	-	19,910
-	-	22,767
-	-	23,671
-	-	3,425
-	-	11,920
-	-	9,119
-	-	2,105
-	-	9,090
7,750	-	7,750
-	-	3,850
9,350	-	9,350
-	-	5,042
5,844	-	5,844
-	-	32,250
\$ 24,647	\$ 194,145	\$ 923,934

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