

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Table of Contents

	Page
Independent Accountants' Compilation Report	1
Balance Sheet	2
Statement of Income	3
Statement of Member's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Financial Statements - December 31, 2014

(With Accountants' Compilation Report Thereon)

WOLF CREEK RESORT MASTER ASSOCIATION INC.



Christensen,  
Palmer & Ambrose  
Certified Public Accountants  
Business Advisors

Table of Contents

Paul A. Christensen, CPA  
Jeffrey L. Ambrose, CPA  
Chuck Palmer, CPA

	<u>Page</u>
Independent Accountants' Compilation Report .....	1
Balance Sheet .....	2
Statement of Income .....	3
Statement of Members' Equity .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6

The Board of Directors  
Wolf Creek Resort Master Association Inc.  
Bend, Utah

We have compiled the accompanying balance sheet of Wolf Creek Resort Master Association Inc. for the year ended December 31, 2014, and the related statements of income, members' equity, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

*Christensen, Palmer & Ambrose P.C.*

January 26, 2015



**Christensen,  
Palmer & Ambrose**  
*Certified Public Accountants  
Business Advisors*

Kent R. Christensen, CPA  
Jeffrey L. Ambrose, CPA  
Chuck Palmer, CPA

Independent Accountant's Compilation Report

The Board of Directors  
Wolf Creek Resort Master Association Inc.  
Eden, Utah

We have compiled the accompanying balance sheet of Wolf Creek Resort Master Association Inc. for the year ended December 31, 2014, and the related statements of income, members' equity, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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*Christensen, Palmer & Ambrose P.C.*

January 26, 2015

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Balance Sheet

December 31, 2014

Assets

Current assets:

Cash \$ 72,054  
Accounts receivable 2,550

Total assets \$ 74,604

Liabilities and Members' Equity

Current liabilities:

DRB deposits \$ 10,000  
Total current liabilities \$ 10,000

Members' equity:

Members' capital equity 64,604  
Total members' equity 64,604

Total liabilities and members' equity \$ 74,604

See notes to compiled financial statements and accountants' compilation report.

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Statement of Income

Year Ended December 31, 2014

Assessment income	\$ 50,900	
Operating revenue	<u>264</u>	
Total operating revenue		\$ 51,164
Operating costs:		
Accounting	1,770	
Insurance expense	625	
Legal fees	32,476	
Postage and delivery	244	
Taxes	110	
Bad debt expense	225	
Design review board	669	
Supplies	234	
Miscellaneous	<u>169</u>	
Total operating costs		<u>36,522</u>
Income from operations		<u>14,642</u>
Other income:		
Interest income	<u>65</u>	
Total other income		<u>65</u>
Net income		<u>\$ 14,707</u>

See notes to compiled financial statements and accountants' compilation report.

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Statement of Members' Equity

Year Ended December 31, 2014

Members' equity at beginning of year	\$ 49,897
Net income	<u>14,707</u>
Members' equity at end of year	<u>\$ 64,604</u>

See notes to compiled financial statements and accountants' compilation report.

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Statement of Cash Flows

Year Ended December 31, 2014

Cash flows from operating activities:

Net income	\$ 14,707
Adjustments to reconcile net income to net cash -	
changes in assets and liabilities:	
Decrease in accounts receivable	225
Increase in DRB deposit account	250
Decrease in deferred revenue	(34,000)
Decrease in transfer fee reserve	(16,900)
Total adjustments	<u>(50,425)</u>
Net cash used by operating activities	\$ (35,718)
Cash at beginning of year	<u>107,772</u>
Cash at end of year	<u>\$ 72,054</u>

See notes to compiled financial statements and accountants' compilation report.

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Notes to Financial Statements

December 31, 2014

(1) Summary of Significant Accounting Policies

**A. Business Purpose**

The Wolf Creek Resort Master Association Inc. is the business entity of the Wolf Creek Master Homeowners Association (MHOA). The Organization is formed under Covenants, Conditions, and Restrictions (CCRs October 2002 as amended), recorded against specific parcels of development land with the Wolf Creek Resort in Eden, Utah. By-Laws and initial rules were also part of the recorded documents.

The Master Resort Association is an umbrella association. Individual neighborhoods within the resort have neighborhood homeowners associations (HOAs), which in turn comprise the members of the Master Resort Association. In 2013, there were four neighborhood HOAs, for the Trappers Ridge, Fairways, Highlands, and The Retreat neighborhoods. Individual property owners elect management boards of these neighborhood HOAs.

The Master Resort Association is presently governed, in accordance with the CCRs, by a board of seven directors, elected by member representative of neighborhood associations. Any property owner of a Wolf Creek MHOA parcel is eligible for nomination as an MHOA director. The initial Board of Directors was elected on December 30, 2013. Further elections were held on December 29, 2014 to elect the current board that governs the MHOA.

The primary activities of the MHOA are enforcement of Design Guidelines through a Design Review Board, maintenance of common facilities and land (only one parcel at this time), and administration/management of the Organization.

**B. Basis of Accounting**

The books are maintained on the accrual basis.

**C. Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**D. Subsequent Events**

Management has evaluated subsequent events through January 26, 2015 the date the financial statements were available to be issued.

**E. Income Taxes**

This year Wolf Creek Resort Master Association Inc. did not qualify to file a Form 1120-H and instead was required to file Form 1120.

(2) Cash

The Association defines cash for financial statements to include cash on hand and amounts in demand and savings accounts.

(3) Revenue

No assessments were made in 2014. The Board decided it had enough money in reserves to pay for activities in 2014.

Assessment income is deferred revenue that had not been recognized due to the likelihood it would have to be refunded to homeowners. In 2014 management determined that circumstances have changed and recognized \$34,000 of deferred revenue and \$16,900 of transfer fee reserves as assessment revenue.

(4) DRB Account

The DRB account is money that has been received from property owners for the review of their development plans. As those plans are reviewed money is used to cover the cost of plan reviews. Any unused deposit is returned to the property owner.