

Accountants' Preparation Disclaimer

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

The accompanying financial statements of Wolf Creek Resort Master Association as of and for the year ended December 31, 2015; were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them

Christman, Palmer & Imboe P.C.

January 22, 2016

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Balance Sheet

December 31, 2015

Assets

Current assets:

Cash	\$ 69,265	
Accounts receivable	<u>2,325</u>	

Total assets		<u>\$ 71,590</u>
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Liabilities and Members' Equity

Current liabilities:

DRB deposits	\$ <u>10,000</u>	
Total current liabilities		\$ 10,000

Members' equity:

Members' capital equity	<u>61,590</u>	
Total members' equity		<u>61,590</u>

Total liabilities and members' equity		<u>\$ 71,590</u>
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No assurance is provided

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Statement of Income

Year Ended December 31, 2015

Operating revenue	\$	<u>284</u>	
Total operating revenue			\$ 284
Operating costs:			
Professional Fees		2,130	
Insurance expense		625	
Taxes		348	
Supplies		224	
Miscellaneous		<u>20</u>	
Total operating costs			<u>3,347</u>
Income from operations			<u>(3,063)</u>
Other income:			
Interest income		<u>49</u>	
Total other income			<u>49</u>
Net loss			<u>\$ (3,014)</u>

No assurance is provided

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Statement of Members' Equity

Year Ended December 31, 2015

Members' equity at beginning of year	\$ 64,604
Net loss	<u>(3,014)</u>
Members' equity at end of year	<u>\$ 61,590</u>

No assurance is provided

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Statement of Cash Flows

Year Ended December 31, 2015

Cash flows from operating activities:		
Net loss	\$	(3,014)
Adjustments to reconcile net income to net cash - changes in assets and liabilities:		
Decrease in accounts receivable		<u>225</u>
Total adjustments		<u>225</u>
Net cash used by operating activities	\$	(2,789)
Cash at beginning of year		<u>72,054</u>
Cash at end of year	\$	<u>69,265</u>

No assurance is provided

WOLF CREEK RESORT MASTER ASSOCIATION INC.

Notes to Financial Statements

December 31, 2015

(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 Resort Master 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 2015, 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 Resort Master Association is presently governed, in accordance with the CCRs, by a board of seven directors, elected by member representatives 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, 2015 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 22, 2016 the date the financial statements were available to be issued.

E. Income Taxes

This year Wolf Creek Resort Master Association Inc. qualified to file a Form 1120-H. The Resort Master Association Tax returns for the years ending 2015, 2014 and 2013 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

(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 2015. The Board decided it had enough money in reserves to pay for activities in 2015.

(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.