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BOARD OF TRUSTEES AND TIME PERIOD OWNERS
McCall Area Timeshare Association
McCall, Idaho

We have examined the balance sheet of the McCall Area Timeshare Association as of March 31, 1982 and the related statements of Income and members' equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of Income and members' equity and changes in financial position present fairly the financial position of the McCall Area Timeshare Association at March 31, 1982 and the results of its operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles.



SUTHERLAND, GUBLER & MACKAY

July 12, 1982

McCALL AREA TIMESHARE ASSOCIATION

Balance Sheet

March 31, 1982

ASSETS

Current assets:	
Cash on hand in the bank	\$ 18,057
Homeowners' fees receivable (note 1)	13,435
Prepaid expenses (note 2)	1,760
Total Current Assets	<u>33,252</u>
Other assets:	
Deposits (note 3)	3,704
Total Other Assets	<u>3,704</u>
Total Assets	<u>\$ 36,956</u>

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:	
Accounts payable	\$ 11,001
Payable to Executive Affiliates (note 4)	1,525
Total Current Liabilities	<u>12,526</u>
Members' Equity:	
Unappropriated funds	18,578
Reserve for replacements (note 5)	5,852
Total Members' Equity	<u>24,430</u>
Total Liabilities and Members' Equity	<u>\$ 36,956</u>

The accompanying notes are an integral part of the financial statements.

McCALL AREA TIMESHARE ASSOCIATION

Notes to Financial Statements

March 31, 1982

Note 1 - Accounting Basis For Recording Income

Homeowner fees are recorded as collected. The amount due but not collected at the end of the year which is computed as follows has not been confirmed.

Due on The Aspens (268 weeks sold @ \$139 per week)	\$ 37,252
Due on Aspen Village (264 weeks sold @ \$129 per week)	<u>34,056</u>
Total due	71,308
Total collected	<u>57,873</u>
Homeowners fees receivable	<u>\$ 13,435</u>

Rental income is recorded as collected.

Executive Affiliates has contributed an amount to cover the fixed expenses incurred by M.A.T.A. on unsold weeks.

Note 2 - Prepaid Expenses

At March 31, 1982 insurance of \$431 was prepaid representing the balance of coverage to July 1, 1982. The April condominium fees of the Aspens and Aspen Village for \$594 and \$735, respectively, were paid in March.

Note 3 - Deposits

At March 31, 1982 there were deposits on telephone equipment of \$1,046. Deposits representing two-months' condominium fees were made to The Aspens and Aspen Village in the amounts of \$1,188 and \$1,470, respectively.

McCALL AREA TIMESHARE ASSOCIATION

Notes to Financial Statements (Continued)

March 31, 1982

Note 4 - Payable to Executive Affiliates

The amount payable to Executive Affiliates has been computed as follows:

Fixed expenses on unsold weeks payable by Executive Affiliates:	
Aspen Village Buildings E & Y (55 weeks @ \$27.60)	\$ 1,518
The Aspens (179 weeks @ \$33.72)	6,036
Aspen Village unit K-53 (15 weeks @ \$33.72)	<u>506</u>
Total due from Executive Affiliates	<u>8,060</u>
Funds advanced by Executive Affiliates	2,000
Management fee payable to Executive Affiliates @ 10% of fees collected	5,787
Rent on office paid by Executive Affiliates	900
Telephone bills paid by Executive Affiliates	<u>898</u>
Total due to Executive Affiliates	<u>9,585</u>
Net amount payable to Executive Affiliates	<u>\$ (1,525)</u>

Note 5 - Reserve for Replacements

A reserve for replacements has been established at \$11.00 for each week sold. At March 31, 1982 there were a total of 532 weeks sold (see note 1).

Note 6 - Income Taxes

The association has been formed as a group of homeowners to cover the cost of common expenses and to care for the housing units involved. As such it is believed the association qualifies for non-profit (nontaxable) status with both the Internal Revenue Service and the Idaho State Tax Commission.

McCALL AREA TIMESHARE ASSOCIATION

Statement of Income and Members' Equity

For the Year Ended March 31, 1982

Income:	
Homeowner fees paid (note 1)	\$ 57,873
Homeowner fees receivable (note 2)	13,435
Fixed costs on unsold units paid by Executive Affiliates (notes 1 and 4)	8,060
Rental income (note 1)	1,274
Total Income	<u>80,642</u>
Expenses:	
Condominium fees	\$ 10,749
Electricity	9,202
Maid service	7,964
Management salary	7,643
Management fees (note 4)	5,787
Property taxes	3,491
Repairs, maintenance & replacements	3,094
Telephone	2,665
Office supplies	398
Firewood	1,320
Insurance	1,038
Rent	2,475
Printing	199
Miscellaneous	187
Total Expenses	<u>56,212</u>
Net Income (note 6)	<u>24,430</u>
Members' equity at beginning of year	<u>-0-</u>
Members' equity at end of year	<u>\$ 24,430</u>

The accompanying notes are an integral part of the financial statements.

McCALL AREA TIMESHARE ASSOCIATION

Statement of Changes in Financial Position

For the Year Ended March 31, 1982

Source of working capital:	
Net income	\$ 24,430
Total source of working capital	<u>24,430</u>
Application of working capital:	
Deposits on condominium fees and utility service	<u>3,704</u>
Total application of working capital	<u>3,704</u>
Net increase of working capital	<u>\$ 20,726</u>
Changes in elements of working capital:	
Increase of current assets:	
Cash in banks	\$ 18,057
Homeowners' fees receivable	13,435
Prepaid expenses	<u>1,760</u>
Increase of current assets	<u>33,252</u>
Increase of current liabilities:	
Accounts payable	11,001
Payable to Executive Affiliates	<u>1,525</u>
Increase of current liabilities	<u>12,526</u>
Net increase of working capital	<u>\$ 20,726</u>