



Blair & Company
CERTIFIED PUBLIC ACCOUNTANTS

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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 December 31, 1984 and the related statements of loss and fund deficit 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 loss and fund deficit and change in financial position present fairly the financial position of the McCall Area Timeshare Association at December 31, 1984 and the results of its operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles (GAAP).

Blair & Company

June 29, 1985



MCCALL AREA TIMESHARE ASSOCIATION
(A NON-PROFIT HOMEOWNERS' ASSOCIATION)
BALANCE SHEET
DECEMBER 31, 1984

ASSETS

Current Assets:

Cash	\$11,870
Homeowners' Fees and Late Charges Receivable, Net of Allowance for Uncollectible Fees and Late Charges of \$14,078 (Note B)	8,651
Receivable from Executive Affiliates (Note E)	<u>13,814</u>
Total Current Assets	<u>34,335</u>

Fixed Assets:

Automotive Equipment, at Cost, Less Accumulated Depreciation of \$498 (Note A)	748
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Other Assets:

Deposits (Note D)	<u>1,279</u>
Total Assets	<u>\$36,362</u>

The accompanying notes are an integral part of
the financial statements



MCCALL AREA TIMESHARE ASSOCIATION
(A NON-PROFIT HOMEOWNERS' ASSOCIATION)
BALANCE SHEET
DECEMBER 31, 1984

LIABILITIES AND FUND (DEFICIT)

Current Liabilities:	
Accounts Payable	\$39,667
Accounts Payable - Executive Management (Note D)	16,148
Homeowners' Fees - Advance (Note F)	<u>37,383</u>
Total Current Liabilities	<u>93,198</u>
Fund (Deficit)	<u>(56,836)</u>
Total Liabilities and Fund (Deficit)	<u>\$36,362</u>

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the financial statements



MCCALL AREA TIMESHARE ASSOCIATION
(A NON-PROFIT HOMEOWNERS' ASSOCIATION)
STATEMENT OF LOSS AND FUND DEFICIT

	Year Ended	
	December 31, 1984	
	<u>Amount</u>	<u>Percent</u>
Income:		
Homeowners' Fees Received	\$189,851	82.8
Homeowners' Fees-		
Due but Not Received	14,398	6.3
Late Charges Paid	220	.1
Late Charges Not Received	4,480	1.9
Fixed Cost Reimbursements on Unsold Units	17,796	7.8
Video Income	362	.2
Interest Income	<u>1,984</u>	<u>.9</u>
Total Income	<u>229,091</u>	<u>100.0</u>
Expenses:		
Resort Fixed Costs:		
Insurance	5,465	2.4
Property Taxes	23,986	10.5
Aspen/Aspen Villiage		
Homeowners' Fee	27,626	12.1
Sports Club Fees	<u>8,820</u>	<u>3.8</u>
Total Resort Fixed Costs	<u>65,897</u>	<u>28.8</u>
Resort Operating Costs:		
Maid Service	32,439	14.1
Maintenance & Repairs	17,523	7.7
Electricity	34,151	14.9
Telephone	6,955	3.0
Firewood	<u>900</u>	<u>.4</u>
Total Resort Operating Costs	<u>91,968</u>	<u>40.1</u>

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the financial statements



MCCALL AREA TIMESHARE ASSOCIATION
(A NON-PROFIT HOMEOWNERS' ASSOCIATION)
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 1984

Note A - Summary of Significant Accounting Policies

1. Ownership:

McCall Area Timeshare Association (hereinafter referred to as "Association") is organized to provide common services for the benefit of timeshare homeowners in the Aspens and Aspen Village Condominium Developments in McCall, Idaho.

2. Basis of Financial Statements:

Accounting policies of the Association are as required by Generally Accepted Accounting Principles (GAAP).

3. Fixed Assets:

Fixed assets are stated at cost less allowance for depreciation. These assets consist of a 1976 Chevrolet Van which is being depreciated using the straight-line method of depreciation over a period of five years.

Note B - Accounts Receivable:

The Association establishes an allowance for uncollected fees and late charges by adjusting the allowance for uncollected fees to a new balance equal to the estimated uncollectible portion of the Homeowners' fees and late charges receivable.



MCCALL AREA TIMESHARE ASSOCIATION
(A NON-PROFIT HOMEOWNERS' ASSOCIATION)
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 1984

Note C - Income Taxes:

The Association has been formed as a group of timeshare 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 nonprofit (nontaxable) status with both the Internal Revenue Service and the Idaho State Tax Commission.

Note D - Deposits:

Deposits at December 31, 1984 consists of the following:

Deposits on telephone service and equipment	\$ 685
Deposits on condominium association fees for the Aspens.	<u>594</u>
	<u>\$1,279</u>

Note E - Related Party Transaction:

Executive Affiliates Joint Venture is the timeshare developer. Executive Affiliates assumes the fixed costs for the unsold Timeshare weeks. The net amount from Executive Affiliates at December 31, 1984 is as follows:

Balance Receivable at December 31, 1983	\$1,019
Fixed Expenses on Unsold Weeks:	
1 - Bedroom (122 weeks at \$31.49)	\$3,842
2 - Bedroom (264 weeks at 31.49)	8,314
3 - Bedroom (75 weeks at 35.19)	<u>2,639</u>
	<u>14,795</u>
	<u>15,814</u>

Expenses Paid by Executive Affiliates:

Payment on insurance	(2,000)
Balance Receivable at December 31, 1984	<u>\$13,814</u>



MCCALL AREA TIMESHARE ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 1984

Note E - Continued

Executive Management provides management, maid service and related office services to McCall Area Timeshare Association. The Association owes Executive Management for the following:

Maid Service - Weeks 38,43,51 and 52	\$ 3,108
Management Fees	7,013
Management Salaries	5,362
Expenses Paid for "Association" by Executive Management	<u>665</u>
Balance Payable at December 31, 1984	<u>\$16,148</u>

Note F - Homeowners' Fees Advance:

The billing statements for the 1985 homeowners' fees were mailed during December, 1984. Some of the 1985 fees were paid prior to December 31, 1984. The 1985 fees of \$37,383 are shown on the balance sheet as a deferred credit (i.e., Homeowners' Fees - Advance) in the current liabilities section. These fees will be recognized as revenue in 1985.

Note G - Prior Period Adjustment -

The prior period adjustment for the nine months ended December 31, 1983 increased the fund deficit and net loss of the prior period by \$3,150.

The amount paid to the Aspen Village Homeowners' Association was a working capital contribution instead of a deposit on the Association's fees.