

Falls Creek Ranch Association, Inc.
6350 Falls Creek Main
Durango, CO 81301

We have compiled the Balance Sheet of Falls Creek Ranch Association, Inc. as of January 30, 2015, and the related interim Income Statements for the month and year to date periods then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Supplementary budget information for the interim periods and year ended July 31, 2015 are also presented for supplementary analysis purposes only.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements, monthly budgeted information or the schedule and, accordingly, do not express an opinion or any other form of assurance on them. However, we are aware of departures from generally accepted accounting principles that are described in the following paragraphs.

The Association has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included with the statements of operations, they might influence the user's conclusions about the Association's results of operations. Accordingly, these statements of operations are not designed for those who are not informed about such matters.

The accompanying budget information for the Association for the year ending July 31, 2015 has not been compiled or examined by us, and accordingly, we do not express an opinion or any other form of assurance on it. The Association has elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the Association's budgeted information. Accordingly this budgeted information is not designed for those who are not informed about such matters.

We are not independent with respect to Falls Creek Ranch Association, Inc.

Elliott, Meadows & Associates, LLC



R. Thomas Meadows, CPA

February 6, 2015

FALLS CREEK RANCH ASSOC., INC.

Balance Sheet

As of January 31, 2015

	Jan 31, 15
ASSETS	
Current Assets	
Checking/Savings	
1349 · C - Bank of San Juans	
1350 · BSJ Op Acct	97,963.94
Total 1349 · C - Bank of San Juans	97,963.94
1355 · Bank of SJ - Grant Reserve	5,930.18
1360 · Bank of SJ - Capital Reserve	179,421.10
Total Checking/Savings	283,315.22
Accounts Receivable	
1200 · Accounts Receivable	54,645.35
Total Accounts Receivable	54,645.35
Total Current Assets	337,960.57
Fixed Assets	
1500 · Buildings & Bldg Improvements	
1520 · Corral	17,650.00
1503 · Sheds & Outbuildings	58,096.28
1501 · Ranch House	97,887.43
Total 1500 · Buildings & Bldg Improvements	173,633.71
1538 · W-Beam Guard Rail (2009)	5,437.50
1550 · Vehicles & Equipment	
1582 · GMC 2500 Pickup	12,620.55
1570 · ZetorTractor	21,059.90
1560 · Cat Road Grader	61,950.00
1551 · Int'l. Truck/Plow	72,872.50
1555 · Monroe Road Sander	4,310.55
1565 · '91 P/U Truck	12,210.00
1580 · 87 Case Backhoe	36,000.00
Total 1550 · Vehicles & Equipment	221,023.50
1600 · Lake, Utilities & Improvements	
1601 · Water Systems Generator	3,976.35
1625 · Water System	33,156.07
1630 · 2012/2013 PWTP System	171,587.42
1600 · Lake, Utilities & Improvements - Ot...	2,570.44
Total 1600 · Lake, Utilities & Improvements	211,290.28
1650 · Mail Boxes	3,486.49
1700 · Accumulated Depreciation	(79,890.00)
Total Fixed Assets	534,981.48
TOTAL ASSETS	872,942.05
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
2030 · Spillway Diversion Note Loans	115,000.00
Total Long Term Liabilities	115,000.00
Total Liabilities	115,000.00
Equity	
3051 · Restricted Fund Bal - Capital	165,000.00
3052 · Restricted Fund Bal - Fire Miti	25,930.00
3050 · Unrestricted Fund Balance	388,141.99
Net Income	178,870.06
Total Equity	757,942.05
TOTAL LIABILITIES & EQUITY	872,942.05

See Accompanying Accountant's Compilation Report

FALLS CREEK RANCH ASSOC., INC.
 Income Statement Budget Performance
 January 2015

	Jan 15	Aug '14 - Jan 15	Annual Budget	% of Budget
Ordinary Income/Expense				
Income				
4225 · Base Water Charge	0.00	19,182.64	30,300.00	63.31%
4250 · Water Usage Charge	3,888.59	8,537.20	28,000.00	30.49%
4000 · Assessments				
4010 · Improved Lots	0.00	253,750.00	256,620.00	98.88%
4020 · Unimproved Lots	0.00	27,200.00	24,480.00	111.11%
Total 4000 · Assessments	0.00	280,950.00	281,100.00	99.95%
4100 · Road Easements	0.00	100.00	100.00	100.00%
4300 · Misc. Income				
4335 · Designated Grants Received	20,000.00	43,545.00		
4300 · Misc. Income - Other	1,485.00	3,686.00		
Total 4300 · Misc. Income	21,485.00	47,231.00		
4320 · Interest Income	1.57	15.89		
4400 · Late Fees	0.00	132.32		
4800 · High Meadow Fees	0.00	1,627.00	1,627.00	100.00%
4805 · Watson Property Fees	0.00	419.00	419.00	100.00%
Total Income	25,375.16	358,195.05	341,546.00	104.87%
Expense				
6100 · Caretaker & Help				
6110 · Wages	3,662.92	21,977.52	43,955.00	50.00%
6120 · Payroll Taxes	353.92	1,852.13	3,780.00	49.00%
6130 · Health Insurance	500.00	3,000.00	6,900.00	43.48%
6140 · Workman's Compensation	0.00	1,928.00	4,150.00	46.46%
6150 · Travel Allowance	0.00	0.00	250.00	0.00%
6160 · Retirement expense	256.40	1,538.40	3,077.00	50.00%
6561 · Payroll Expenses	133.01	479.26	1,055.00	45.43%
Total 6100 · Caretaker & Help	4,906.25	30,775.31	63,167.00	48.72%
6200 · Ranch House				
6230 · Maintenance	0.00	19.41	500.00	3.88%
Total 6200 · Ranch House	0.00	19.41	500.00	3.88%

FALLS CREEK RANCH ASSOC., INC.
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January 2015

	Jan 15	Aug '14 - Jan 15	Annual Budget	% of Budget
6300 · Equipment Shed				
6320 · Electricity	193.48	501.22	1,100.00	45.57%
6330 · Telephone	164.58	491.96	1,000.00	49.20%
6340 · Maintenance	0.00	168.81	200.00	84.41%
6360 · Small Tools & Equipment	100.08	617.70	600.00	102.95%
6370 · Supplies - expendable	21.56	205.05	600.00	34.18%
Total 6300 · Equipment Shed	479.70	1,984.74	3,500.00	56.71%
6500 · Beautification Committee				
6510 · Plants and equipment	0.00	33.14	250.00	13.26%
Total 6500 · Beautification Committee	0.00	33.14	250.00	13.26%
6600 · Lake Committee				
6690 · Misc. Lake Expense	0.00	4,219.94	100.00	4219.94%
Total 6600 · Lake Committee	0.00	4,219.94	100.00	4219.94%
6700 · Roads Committee				
6710 · FCR- Gravel	0.00	0.00	12,000.00	0.00%
6730 · FCR- Mag Chlor	0.00	13.49	11,000.00	0.12%
6750 · Culverts	0.00	0.00	2,000.00	0.00%
6760 · Equipment Rentals	0.00	0.00	9,000.00	0.00%
6770 · Signs	247.04	677.64	500.00	135.53%
6790 · Road Sand	0.00	0.00	500.00	0.00%
Total 6700 · Roads Committee	247.04	691.13	35,000.00	1.97%
6800 · Firewise Program				
6820 · Administrative Costs	0.00	92.02	200.00	46.01%
6810 · Mitigation Projects	41,145.00	81,145.00		
Total 6800 · Firewise Program	41,145.00	81,237.02	200.00	40618.51%
6900 · Utilities Committee				
6910 · Electricity - pumps	104.91	424.98	2,520.00	16.86%
6915 · Scada phone	29.85	149.16	960.00	15.54%

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6920 · Water Tests	50.00	4,927.42	7,600.00	64.83%
6925 · Chemicals	16.33	53.60	180.00	29.78%
6940 · System Repairs	240.06	249.27	6,000.00	4.15%
6950 · System Improvements	0.00	1,098.36	1,000.00	109.84%
6960 · Consultants	0.00	0.00	10,000.00	0.00%
6970 · Memberships & Fees	150.00	1,557.29	2,560.00	60.83%
6980 · Training	0.00	417.25	600.00	69.54%
6990 · Utilities Misc.	17.02	27.01	1,300.00	2.08%
Total 6900 · Utilities Committee	608.17	8,904.34	32,720.00	27.21%
7000 · Common Property				
6520 · Cleanup Day	0.00	41.71	300.00	13.90%
7010 · Beetle Control - Sevin	0.00	0.00	500.00	0.00%
7030 · Weed & Pest Control	0.00	129.44	10,000.00	1.29%
7040 · Forest Management	0.00	475.53	4,000.00	11.89%
7070 · Signs	0.00	0.00	200.00	0.00%
Total 7000 · Common Property	0.00	646.68	15,000.00	4.31%
7095 · Hidden Valley Permits	0.00	0.00	0.00	
7100 · Equipment Operations				
7110 · Fuels, Lubricants & Filters	145.89	2,186.89	7,000.00	31.24%
7120 · Licenses and Permits	0.00	331.84	400.00	82.96%
7130 · Grader Repairs & Maintenance	71.90	3,190.60	5,000.00	63.81%
7140 · Dump Truck Repairs & Maintenance	0.00	0.00	1,000.00	0.00%
7160 · Backhoe Repairs & Maintenance	0.00	395.18	1,000.00	39.52%
7170 · Pickup Repairs & Maintenance	0.00	408.14	500.00	81.63%
7175 · Tractor Repairs & Maintenance	3,913.83	4,231.85	200.00	2115.93%
Total 7100 · Equipment Operations	4,131.62	10,744.50	15,100.00	71.16%
7200 · Services				
7210 · General & D.O Liability Insuran	0.00	0.00	17,216.00	0.00%
7220 · Accounting	0.00	1,498.20	6,550.00	22.87%

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	Jan 15	Aug '14 - Jan 15	Annual Budget	% of Budget
7225 · Finance Charges	39.00	39.00		
7230 · Dumpsters	1,540.76	4,555.46	9,500.00	47.95%
7240 · Property, Auto, Equip Insurance	10.04	10.04	3,356.00	0.30%
Total 7200 · Services	1,589.80	6,102.70	36,622.00	16.66%
7300 · Activities				
7310 · Annual Meeting	150.00	150.00	1,000.00	15.00%
7330 · New Years Eve Skating	0.00	0.00	0.00	
Total 7300 · Activities	150.00	150.00	1,000.00	15.00%
7400 · Board Operations				
7410 · Prof./web page/Legal Fees	0.00	975.00	8,265.00	11.80%
7420 · Administrative	31.47	583.67	500.00	116.73%
7430 · Discretionary Payments-Bonus	0.00	1,485.00	1,500.00	99.00%
7445 · AED Fees	212.00	212.00	380.00	55.79%
Total 7400 · Board Operations	243.47	3,255.67	10,645.00	30.58%
7700 · Note Interest Expense	0.00	578.00	4,754.00	12.16%
7900 · Dam Committee				
7935 · Equipment Rental	0.00	0.00	2,500.00	0.00%
7925 · Spillway Diversion	6,244.76	29,939.16		
7910 · Testing/Inspections	0.00	0.00	0.00	
7915 · Dam Maintenance	0.00	0.00	1,250.00	0.00%
7920 · Misc Dam Expense	0.00	43.25	13,635.00	0.32%
Total 7900 · Dam Committee	6,244.76	29,982.41	17,385.00	172.46%
Total Expense	59,745.81	179,324.99	235,943.00	76.00%
Net Ordinary Income	(34,370.65)	178,870.06	105,603.00	169.38%
Net Income	(34,370.65)	178,870.06	105,603.00	169.38%