

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 October 31, 2014, 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 Associations 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

November 10, 2014

FALLS CREEK RANCH ASSOC., INC.

Balance Sheet

As of October 31, 2014

	Oct 31, 14
ASSETS	
Current Assets	
Checking/Savings	
1349 · Cash - Bank of San Juans	
1350 · BSJ Op Acct	122,203.81
Total 1349 · Cash - Bank of San Juans	122,203.81
1355 · Bank of SJ - Grant Reserve	5,930.00
1360 · Bank of SJ - Capital Reserve	179,415.60
Total Checking/Savings	307,549.41
Accounts Receivable	
1200 · Accounts Receivable	80,209.16
Total Accounts Receivable	80,209.16
Total Current Assets	387,758.57
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	922,740.05
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	388,489.99
Net Income	228,320.06
Total Equity	807,740.05
TOTAL LIABILITIES & EQUITY	922,740.05

See Accompanying Accountant's Compilation Report

FALLS CREEK RANCH ASSOC., INC.
Income Statement Budget Performance
October 2014

	Oct 14	Aug - Oct 14	Annual Budget	% Budget
Ordinary Income/Expense				
Income				
4225 · Base Water Charge	0.00	13,728.87	30,300.00	45.31%
4250 · Water Usage Charge	4,075.73	4,648.61	28,000.00	16.60%
4000 · Assessments				
4010 · Improved Lots	0.00	253,800.00	256,620.00	98.90%
4020 · Unimproved Lots	0.00	27,200.00	24,480.00	111.11%
Total 4000 · Assessments	0.00	281,000.00	281,100.00	99.96%
4100 · Road Easements	0.00	100.00	100.00	100.00%
4300 · Misc. Income				
4335 · Designated Grants Received	0.00	3,545.00		
4300 · Misc. Income - Other	150.00	2,025.00		
Total 4300 · Misc. Income	150.00	5,570.00		
4320 · Interest Income	1.81	7.40		
4400 · Late Fees	90.71	166.13		
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	4,318.25	307,267.01	341,546.00	89.96%
Expense				
6100 · Caretaker & Help				
6110 · Wages	3,662.92	10,988.76	43,955.00	25.00%
6120 · Payroll Taxes	299.83	898.55	3,780.00	23.77%
6130 · Health Insurance	500.00	1,500.00	6,900.00	21.74%
6140 · Workman's Compensation	689.00	550.00	4,150.00	13.25%
6150 · Travel Allowance	0.00	0.00	250.00	0.00%
6160 · Retirement expense	256.40	769.20	3,077.00	25.00%
6561 · Payroll Expenses	72.21	190.73	1,055.00	18.08%
Total 6100 · Caretaker & Help	5,480.36	14,897.24	63,167.00	23.58%
6200 · Ranch House				
6230 · Maintenance	0.00	0.00	500.00	0.00%
Total 6200 · Ranch House	0.00	0.00	500.00	0.00%

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 October 2014

	<u>Oct 14</u>	<u>Aug - Oct 14</u>	<u>Annual Budget</u>	<u>% Budget</u>
6300 · Equipment Shed				
6320 · Electricity	22.74	67.84	1,100.00	6.17%
6330 · Telephone	82.15	327.34	1,000.00	32.73%
6340 · Maintenance	168.81	168.81	200.00	84.41%
6360 · Small Tools & Equipment	146.90	184.17	600.00	30.70%
6370 · Supplies - expendable	37.01	107.42	600.00	17.90%
Total 6300 · Equipment Shed	<u>457.61</u>	<u>855.58</u>	<u>3,500.00</u>	<u>24.45%</u>
6500 · Beautification Committee				
6510 · Plants and equipment	0.00	0.00	250.00	0.00%
Total 6500 · Beautification Committee	<u>0.00</u>	<u>0.00</u>	<u>250.00</u>	<u>0.00%</u>
6600 · Lake Committee				
6690 · Misc. Lake Expense	0.00	4,219.94	100.00	4219.94%
Total 6600 · Lake Committee	<u>0.00</u>	<u>4,219.94</u>	<u>100.00</u>	<u>4219.94%</u>
6700 · Roads Committee				
6710 · FCR- Gravel	0.00	0.00	12,000.00	0.00%
6730 · FCR- Mag Chlor	0.00	0.00	11,000.00	0.00%
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	0.00	132.06	500.00	26.41%
6790 · Road Sand	0.00	0.00	500.00	0.00%
Total 6700 · Roads Committee	<u>0.00</u>	<u>132.06</u>	<u>35,000.00</u>	<u>0.38%</u>
6800 · Firewise Program				
6820 · Administrative Costs	74.85	92.02	200.00	46.01%
6810 · Mitigation Projects	0.00	20,000.00		
Total 6800 · Firewise Program	<u>74.85</u>	<u>20,092.02</u>	<u>200.00</u>	<u>10046.01%</u>
6900 · Utilities Committee				
6910 · Electricity - pumps	210.10	581.91	2,520.00	23.09%

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6915 · Scada phone	59.66	89.46	960.00	9.32%
6920 · Water Tests	5,452.00	5,774.50	7,600.00	75.98%
6925 · Chemicals	33.29	33.29	180.00	18.49%
6940 · System Repairs	9.21	9.21	6,000.00	0.15%
6950 · System Improvements	0.00	0.00	1,000.00	0.00%
6960 · Consultants	0.00	0.00	10,000.00	0.00%
6970 · Memberships & Fees	0.00	920.00	2,560.00	35.94%
6980 · Training	0.00	92.24	600.00	15.37%
6990 · Utilities Misc.	0.00	9.99	1,300.00	0.77%
Total 6900 · Utilities Committee	5,764.26	7,510.60	32,720.00	22.95%
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	99.95	99.95	10,000.00	1.00%
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	99.95	617.19	15,000.00	4.11%
7095 · Hidden Valley Permits	0.00	0.00	0.00	
7100 · Equipment Operations				
7110 · Fuels, Lubricants & Filters	95.57	394.74	7,000.00	5.64%
7120 · Licenses and Permits	0.00	0.00	400.00	0.00%
7130 · Grader Repairs & Maintenance	0.00	1,485.30	5,000.00	29.71%
7140 · Dump Truck Repairs & Maintenance	0.00	0.00	1,000.00	0.00%
7160 · Backhoe Repairs & Maintenance	17.55	172.14	1,000.00	17.21%
7170 · Pickup Repairs & Maintenance	0.00	0.00	500.00	0.00%
7175 · Tractor Repairs & Maintenance	0.00	318.02	200.00	159.01%
Total 7100 · Equipment Operations	113.12	2,370.20	15,100.00	15.70%
7200 · Services				
7210 · General & D.O Liability Insuran	0.00	0.00	17,216.00	0.00%

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7220 · Accounting	498.20	748.20	6,550.00	11.42%
7230 · Dumpsters	1,507.35	2,244.32	9,500.00	23.62%
7240 · Property, Auto, Equip Insurance	0.00	0.00	3,356.00	0.00%
Total 7200 · Services	2,005.55	2,992.52	36,622.00	8.17%
7300 · Activities				
7310 · Annual Meeting	0.00	0.00	1,000.00	0.00%
7330 · New Years Eve Skating	0.00	0.00	0.00	
Total 7300 · Activities	0.00	0.00	1,000.00	0.00%
7400 · Board Operations				
7410 · Prof./web page/Legal Fees	375.00	500.00	8,265.00	6.05%
7420 · Administrative	80.01	487.20	500.00	97.44%
7430 · Discretionary Payments-Bonus	0.00	0.00	1,500.00	0.00%
7445 · AED Fees	0.00	0.00	380.00	0.00%
Total 7400 · Board Operations	455.01	987.20	10,645.00	9.27%
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	23,694.40	23,694.40		
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	0.00	13,635.00	0.00%
Total 7900 · Dam Committee	23,694.40	23,694.40	17,385.00	136.29%
Total Expense	38,145.11	78,946.95	235,943.00	33.46%
Net Ordinary Income	(33,826.86)	228,320.06	105,603.00	216.21%
Net Income	(33,826.86)	228,320.06	105,603.00	216.21%