

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

We have compiled the interim Balance Sheet of Falls Creek Ranch Association, Inc. as of October 31, 2015, and the related fund 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, 2016 are also presented for supplementary analysis purposes only.

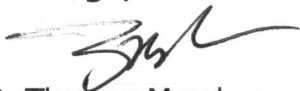
A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements, monthly budgeted information or the schedule and, accordingly, do not express 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, 2016 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
Durango, CO



R. Thomas Meadows, CPA

November 4, 2015

FALLS CREEK RANCH ASSOC., INC.

Balance Sheet

As of October 31, 2015

	Oct 31, 15
ASSETS	
Current Assets	
Checking/Savings	
1350 · BSJ Op Acct	232,294.87
1355 · Bank of SJ - Grant Reserve	19,444.72
1360 · Bank of SJ - Capital Reserve	52,953.51
Total Checking/Savings	304,693.10
Accounts Receivable	
1200 · Accounts Receivable	94,271.96
Total Accounts Receivable	94,271.96
Total Current Assets	398,965.06
Fixed Assets	
1500 · Buildings & Bldg Improvements	168,934.00
1530 · Roads & Road Improvements	218,825.00
1550 · Vehicles & Equipment	276,900.00
1600 · Lake, Utilities & Improvements	455,500.00
1700 · Accumulated Depreciation	(415,661.00)
Total Fixed Assets	704,498.00
TOTAL ASSETS	1103463.06
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Unearned Assessments	224,325.00
Total Other Current Liabilities	224,325.00
Total Current Liabilities	224,325.00
Long Term Liabilities	
2030 · Spillway Diversion Note Lo...	80,000.00
Total Long Term Liabilities	80,000.00
Total Liabilities	304,325.00
Equity	
3051 · Restricted Fund Bal - Capital	97,608.01
3052 · Restricted Fund Bal - Fire Miti	9,444.19
3050 · Unrestricted Fund Balance	658,563.50
Net Income	33,522.36
Total Equity	799,138.06
TOTAL LIABILITIES & EQUITY	1103463.06

FALLS CREEK RANCH ASSOC., INC.
Income Statement Budget Performance - Operating
October 2015

Ordinary Income/Expense	<u>Oct 15</u>	<u>Aug - Oct 15</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Income				
4000 · Assessments				
4010 · Improved Lots	19,716.67	59,150.01	236,600.00	25.00%
4020 · Unimproved Lots	1,882.50	5,647.50	22,590.00	25.00%
Total 4000 · Assessments	<u>21,599.17</u>	<u>64,797.51</u>	<u>259,190.00</u>	25.00%
4100 · Road Easements	0.00	0.00	100.00	0.00%
4225 · Water Billing Service Fee	4,092.17	14,847.06	30,300.00	49.00%
4250 · Water Usage Charge	0.00	0.00	0.00	
4500 · Stable Rent	0.00	0.00	1.00	0.00%
4300 · Misc. Income	0.00	300.00		
4320 · Interest Income	2.09	5.73		
4400 · Late Fees	0.00	226.96		
4800 · High Meadow Fees	0.00	2,079.00	2,079.00	100.00%
4805 · Watson Property Fees	0.00	432.00	432.00	100.00%
Total Income	<u>25,693.43</u>	<u>82,688.26</u>	<u>292,102.00</u>	28.31%
Expense				
6100 · Caretaker & Help				
6110 · Wages	3,699.58	11,098.74	44,395.00	25.00%
6120 · Payroll Taxes	302.83	908.49	3,900.00	23.29%
6130 · Health Insurance	500.00	1,500.00	6,900.00	21.74%
6140 · Workman's Compensation	0.00	794.00	4,290.00	18.51%
6150 · Travel Allowance	0.00	0.00	300.00	0.00%
6160 · Retirement expense	258.97	776.91	3,108.00	25.00%
6561 · Payroll Expenses	77.07	212.26	1,100.00	19.30%
Total 6100 · Caretaker & Help	<u>4,838.45</u>	<u>15,290.40</u>	<u>63,993.00</u>	23.89%
6200 · Ranch House				
6230 · Maintenance	0.00	0.00	1,500.00	0.00%
Total 6200 · Ranch House	<u>0.00</u>	<u>0.00</u>	<u>1,500.00</u>	0.00%
6300 · Equipment Shed				
6320 · Electricity	21.76	43.04	1,200.00	3.59%
6330 · Telephone	252.71	484.18	1,000.00	48.42%
6340 · Maintenance	129.60	129.60	200.00	64.80%
6360 · Small Tools & Equipment	29.11	29.11	600.00	4.85%
6370 · Supplies - expendable	0.00	27.88	500.00	5.58%
Total 6300 · Equipment Shed	<u>433.18</u>	<u>713.81</u>	<u>3,500.00</u>	20.39%
6500 · Beautification Committee				
6510 · Plants and equipment	0.00	789.62	300.00	263.21%
Total 6500 · Beautification Committee	<u>0.00</u>	<u>789.62</u>	<u>300.00</u>	263.21%
6600 · Lakeside Committee				
6620 · Furniture	0.00	0.00	400.00	0.00%
6640 · Signs & Misc.	0.00	0.00	100.00	0.00%
6690 · Misc. Lake Expense	483.66	483.66	1,500.00	32.24%
Total 6600 · Lakeside Committee	<u>483.66</u>	<u>483.66</u>	<u>2,000.00</u>	24.18%
6700 · Roads Committee				
6710 · FCR- Gravel	0.00	0.00	13,000.00	0.00%
6730 · FCR- Mag Chlor	0.00	0.00	13,000.00	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	0.00	500.00	0.00%
6790 · Road Sand	0.00	0.00	1,000.00	0.00%
Total 6700 · Roads Committee	<u>0.00</u>	<u>0.00</u>	<u>38,500.00</u>	0.00%
6800 · Firewise Program				
6820 · Administrative Costs	0.00	0.00	200.00	0.00%
Total 6800 · Firewise Program	<u>0.00</u>	<u>0.00</u>	<u>200.00</u>	0.00%
6900 · Utilities Committee				
6945 · Tank level sight gauge	0.00	0.00	2,000.00	0.00%
6910 · Electricity - pumps	199.85	424.53	2,000.00	21.23%
6915 · Scada phone	50.53	101.06	1,500.00	6.74%
6920 · Water Tests	50.00	1,154.40	7,600.00	15.19%
6925 · Chemicals	6.39	12.33	100.00	12.33%
6940 · System Repairs	431.25	471.37	10,000.00	4.71%
6950 · System Improvements	16.60	(73.50)	1,000.00	-7.35%
6960 · Consultants	0.00	0.00	20,000.00	0.00%
6970 · Memberships & Fees	0.00	99.00	3,000.00	3.30%
6980 · Training	0.00	300.00	600.00	50.00%
6990 · Utilities Misc.	0.00	90.10	100.00	90.10%
Total 6900 · Utilities Committee	<u>754.62</u>	<u>2,579.29</u>	<u>47,900.00</u>	5.38%

See Accompanying Accountant's Compilation Report

FALLS CREEK RANCH ASSOC., INC.
Income Statement Budget Performance - Operating
October 2015

	Oct 15	Aug - Oct 15	Annual Budget	% of Budget
7000 · Common Property				
6520 · Cleanup Day	111.86	111.86	300.00	37.29%
7010 · Beetle Control - Sevin	0.00	0.00	500.00	0.00%
7030 · Weed & Pest Control	(1,000.00)	(1,000.00)	10,000.00	-10.00%
7040 · Forest Management	0.00	0.00	4,000.00	0.00%
7070 · Signs	0.00	0.00	200.00	0.00%
Total 7000 · Common Property	<u>(888.14)</u>	<u>(888.14)</u>	<u>15,000.00</u>	<u>-5.92%</u>
7100 · Equipment Operations				
7110 · Fuels, Lubricants & Filters	1,044.77	1,232.02	5,000.00	24.64%
7120 · Licenses and Permits	0.00	0.00	350.00	0.00%
7130 · Grader Repairs & Maintenance	0.00	1,173.55	4,500.00	26.08%
7140 · Dump Truck Repairs & Maintenance	0.00	0.00	1,000.00	0.00%
7145 · Water Truck - Repairs	0.00	0.00	0.00	
7160 · Backhoe Repairs & Maintenance	36.17	1,626.08	1,000.00	162.61%
7170 · Pickup Repairs & Maintenance	0.00	70.51	500.00	14.10%
7175 · Tractor Repairs & Maintenance	0.00	237.30	200.00	118.65%
Total 7100 · Equipment Operations	<u>1,080.94</u>	<u>4,339.46</u>	<u>12,550.00</u>	<u>34.58%</u>
7200 · Services				
7210 · Liability, Prop, DO Insurance	0.00	0.00	19,600.00	0.00%
7220 · Accounting	2,900.00	3,150.00	5,750.00	54.78%
7225 · Finance Charges	0.00	0.00	0.00	
7230 · Dumpsters	770.38	2,311.14	8,810.00	26.23%
7240 · Property, Auto, Equip Insurance	0.00	0.00	0.00	
Total 7200 · Services	<u>3,670.38</u>	<u>5,461.14</u>	<u>34,160.00</u>	<u>15.99%</u>
7300 · Activities				
7310 · Annual Meeting	0.00	0.00	1,000.00	0.00%
7330 · Special Events	0.00	0.00	100.00	0.00%
Total 7300 · Activities	<u>0.00</u>	<u>0.00</u>	<u>1,100.00</u>	<u>0.00%</u>
7400 · Board Operations				
7410 · Prof./web page/Legal Fees	0.00	60.00	8,280.00	0.72%
7420 · Administrative	0.00	131.78	500.00	26.36%
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	<u>0.00</u>	<u>191.78</u>	<u>10,660.00</u>	<u>1.80%</u>
7700 · Note Interest Expense	250.00	250.00	3,975.00	6.29%
7900 · Dam Committee				
7915 · Dam Maintenance	0.00	0.00	800.00	0.00%
7920 · Misc Dam Expense	0.00	0.00	0.00	
7935 · Equipment Rental	0.00	0.00	1,500.00	0.00%
Total 7900 · Dam Committee	<u>0.00</u>	<u>0.00</u>	<u>2,300.00</u>	<u>0.00%</u>
Total Expense	<u>10,623.09</u>	<u>29,211.02</u>	<u>237,638.00</u>	<u>12.29%</u>
Net Ordinary Income	15,070.34	53,477.24	54,464.00	98.19%
Other Income/Expense				
Other Expense				
8100 · Depreciation Expense	2,700.00	8,100.00		
Total Other Expense	<u>2,700.00</u>	<u>8,100.00</u>		
Net Other Income	<u>(2,700.00)</u>	<u>(8,100.00)</u>		
Excess of Revenues Over Expenses	<u><u>12,370.34</u></u>	<u><u>45,377.24</u></u>	<u><u>54,464.00</u></u>	
Beginning Fund Balance	691,570.40	658,563.50	658,563.50	
Transfers of Assets	0.00	0.00	0.00	
Ending Fund Balance	<u>703,940.74</u>	<u>703,940.74</u>	<u>713,027.50</u>	

FALLS CREEK RANCH ASSOC., INC.
Statement of Revenues, Expenses and Fund Balances Budget Performance - Capital Reserve
October 2015

	Oct 15	Aug - Oct 15	Annual Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Assessments				
4010 · Improved Lots	3,033.33	9,099.99	36,400.00	25.00%
4020 · Unimproved Lots	292.50	877.50	3,510.00	25.00%
Total 4000 · Assessments	<u>3,325.83</u>	<u>9,977.49</u>	<u>39,910.00</u>	25.00%
4250 · Water Usage Charge	0.00	0.00	19,000.00	0.00%
4320 · Interest Income	0.67	2.10		
Total Income	<u>3,326.50</u>	<u>9,979.59</u>	<u>58,910.00</u>	16.94%
Expense				
5000 · Utilities				
5010 · Relocate SCADA PC	0.00	0.00	0.00	
5020 · Well Rehabilitation	0.00	0.00	5,000.00	0.00%
5030 · SCADA upgrade	0.00	0.00	18,000.00	0.00%
5040 · Replace fire hydrant	0.00	0.00	5,000.00	0.00%
5062 · Lower Tank	15,000.00	15,000.00	15,000.00	100.00%
5064 · Upper Tank	14,640.00	14,640.00	15,000.00	97.60%
5070 · Tank Mixer	0.00	0.00	11,000.00	0.00%
5072 · Lower PWT Bldg - Backup Gen	0.00	0.00	9,500.00	0.00%
5074 · Upper PWT Bldg - Backup Gen	0.00	0.00	8,500.00	0.00%
Total 5000 · Utilities	<u>29,640.00</u>	<u>29,640.00</u>	<u>87,000.00</u>	34.07%
6900 · Utilities Committee				
6945 · Tank level sight guage	2,195.00	2,195.00	0.00	
Total 6900 · Utilities Committee	<u>2,195.00</u>	<u>2,195.00</u>	<u>0.00</u>	
7900 · Dam Committee				
7925 · Spillway Diversion	0.00	0.00	20,613.00	0.00%
Total 7900 · Dam Committee	<u>0.00</u>	<u>0.00</u>	<u>20,613.00</u>	0.00%
Total Expense	<u>31,835.00</u>	<u>31,835.00</u>	<u>107,613.00</u>	29.58%
Net Ordinary Income	<u>(28,508.50)</u>	<u>(21,855.41)</u>	<u>(48,703.00)</u>	44.87%
Excess of Revenues over Expenses	<u>(28,508.50)</u>	<u>(21,855.41)</u>	<u>(48,703.00)</u>	44.87%
Beginning Fund Balance	<u>104,261.10</u>	<u>97,608.01</u>	<u>97,608.01</u>	
Transfers of Assets	0.00	0.00	0.00	
Ending Fund Balance	<u>75,752.60</u>	<u>75,752.60</u>	<u>48,905.01</u>	

FALLS CREEK RANCH ASSOC., INC.
Statement of Revenues, Expenses and Fund Balances Budget Performance - Grant Reserve
October 2015

	Oct 15	Aug - Oct 15	Annual Budget	% of Budget
Ordinary Income/Expense				
Income				
4300 · Misc. Income				
4335 · Designated Grants Received	0.00	20,000.00	50,000.00	40.00%
Total 4300 · Misc. Income	<u>0.00</u>	<u>20,000.00</u>	<u>50,000.00</u>	<u>40.00%</u>
4320 · Interest Income	0.22	0.53		
Total Income	<u>0.22</u>	<u>20,000.53</u>	<u>50,000.00</u>	<u>40.00%</u>
Expense				
6800 · Firewise Program				
6810 · Mitigation Projects	10,000.00	10,000.00		
6800 · Firewise Program - Other	0.00	0.00	50,000.00	0.00%
Total 6800 · Firewise Program	<u>10,000.00</u>	<u>10,000.00</u>	<u>50,000.00</u>	<u>20.00%</u>
Total Expense	<u>10,000.00</u>	<u>10,000.00</u>	<u>50,000.00</u>	<u>20.00%</u>
Net Ordinary Income	<u>(9,999.78)</u>	<u>10,000.53</u>	<u>0.00</u>	
Excess of Revenues Over Expenses	<u>(9,999.78)</u>	<u>10,000.53</u>	<u>0.00</u>	
Beginning Fund Balance	<u>29,444.50</u>	<u>9,444.19</u>	<u>9,444.19</u>	
Transfers of Assets	0.00	0.00	0.00	
Ending Fund Balance	<u>19,444.72</u>	<u>19,444.72</u>	<u>9,449.19</u>	

