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“Do-It-Yourself” Reserve Study

Falls Creek Ranch Association Durango, CO

Report #: 27234-0

For Period Beginning: August 1, 2015

Expires: July 31, 2016

Date Prepared: February 18, 2015



Hello, and welcome to your Reserve Study!

We don't want you to be surprised. This Report is designed to help you anticipate, and prepare for, the major common area expenses your association will face. Inside you will find:

- 1) **The Reserve Component List** (the “Scope and Schedule” of your Reserve projects) – telling you what your association is Reserving for, what condition they are in now, and what they'll cost to replace.
- 2) **An Evaluation of your current Reserve Fund Size and Strength** (Percent Funded). This tells you your financial starting point, revealing your risk of deferred maintenance and special assessments.
- 3) **A Recommended Multi-Year Reserve Funding Plan**, answering the question... “What do we do now?”

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

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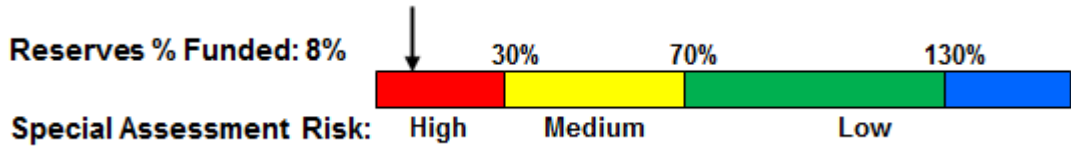
3- Minute Executive Summary

Association: Falls Creek Ranch Association **#:** 27234-0
Location: Durango, CO **# of Units:** 100
Report Period: August 1, 2015 through July 31, 2016

Findings/Recommendations as-of 8/1/2015:

Projected Starting Reserve Balance:	\$57,785
Current Fully Funded Reserve Balance:	\$696,366
Average Reserve Deficit Per Unit:	\$6,386
Recommended 2015 Annual "Full Funding" Contributions:	\$94,000
Alternate Minimum Contributions* to keep Reserves above \$0:.....	\$75,000
Recommended 2015 Special Assessment for Reserves:	\$0

Most Recent Budgeted Reserve Contribution Rate:\$38,110



Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 0.30%
Annual Inflation Rate 3.00%

- This Reserve Study is based on the information provided to our firm, shown in the attached appendix, without oversight or review by Association Reserves personnel.
- Because your Reserve Fund is at 8% Funded, this means the association's special assessment & deferred maintenance risk is currently high. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.

*officially called "Baseline Funding"

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Repl. Cost Estimate
1	Ranch House Foundation Replaced	40	25	\$25,000
2	Ranch House Garage	50	42	\$50,000
3	Ranch House Garage roof	20	12	\$10,000
4	Ranch House Improvements	10	4	\$10,000
5	Ranch House Bath Upgrade	10	6	\$5,000
6	Ranch House (siding, paint, roof repair)	20	17	\$25,000
7	Emergency generator	15	9	\$2,000
8	Emergency generator	15	9	\$2,000
9	Equipment Shed - First Bay	50	19	\$10,000
10	Mailbox Shed	50	23	\$10,000
11	Equipment Shed - Second Bay	50	24	\$10,000
12	Equipment Shed - Third Bay	50	39	\$10,000
13	Record Shed	50	41	\$15,000
14	Sand Shed Construction	50	46	\$15,000
15	Guardrail on Falls Creek Main - 1	30	20	\$8,000
16	Guardrail on Falls Creek Main - 2	30	25	\$8,000
17	Water tanks (2)	40	19	\$60,000
18	Water System Piping	40	19	\$60,000
19	Water System Lake Hydrant	30	9	\$3,000
20	Well #1 Pump Replacement (5HP)	15	2	\$6,000
21	Well #2 Pump Replacement (2HP)	7	7	\$6,000
22	SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	15	3	\$50,000
23	Well #4 (pump, casing, drilling, testing)	15	6	\$100,000
24	Water Disinfection Project -1	30	28	\$100,000
25	Water Disinfection Project -2	30	29	\$100,000
26	Used Dump Truck	28	5	\$65,000
27	Used BackHoe	24	5	\$100,000
28	Used Grader	24	5	\$150,000
29	Used 1990 GMC Pickup (spray truck)	26	4	\$10,000
30	Used Zetor Tractor	18	5	\$25,000
31	Brush Hog	10	2	\$3,000
32	Used 2006 GMC Pickup	10	5	\$15,000
33	Slide Gate Valve 12"	25	25	\$1,800
34	SIT70 Satellite Internet Telemetry	10	11	\$2,800
35	FC220 Flow Monitor	10	11	\$1,200
36	Ultrasonic Mounting Bracket	10	11	\$4,200
37	BC 12V Smart Battery Charger	3	4	\$2,600
38	Creek Fish Screen	25	24	\$1,200
39	Potable Water Distribution piping	60	40	\$500,000
39	Total Funded Components			

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Note 2: Yellow highlighted line items are expected to require attention in the initial year, green highlighted items are expected to occur within the first five years.

Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association’s major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association’s Reserve Fund Strength (reported in terms of “Percent Funded”). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Do-It-Yourself Reserve Study Kit](#), the client has provided the Reserve Component List, Reserve Balance, and values for interest and inflation. We then calculated Reserve Fund strength (Percent Funded) and developed a Funding Plan using the cash-flow methodology, designed to Fully Fund the association’s Reserves.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association’s total budget). This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.



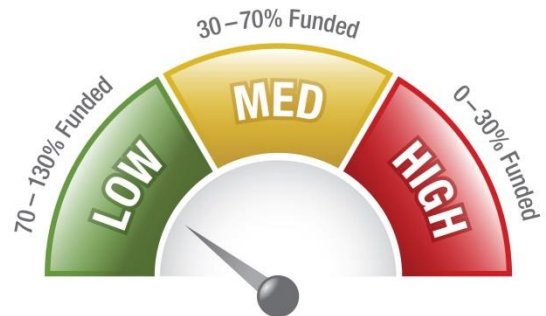
RESERVE COMPONENT “FOUR-PART TEST”

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



SPECIAL ASSESSMENT RISK

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% -130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called “Full Funding” (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70-130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0-30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the “margin of safety” is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Your *first five years* of projected Reserve expenses total \$89,621. Adding the next five years, your *first ten years* of projected Reserve expenses are \$646,249. Please be aware of your near-term expenses, which are typically projected more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in Table 5, while details of the projects that make up these expenses are shown in Table 6.

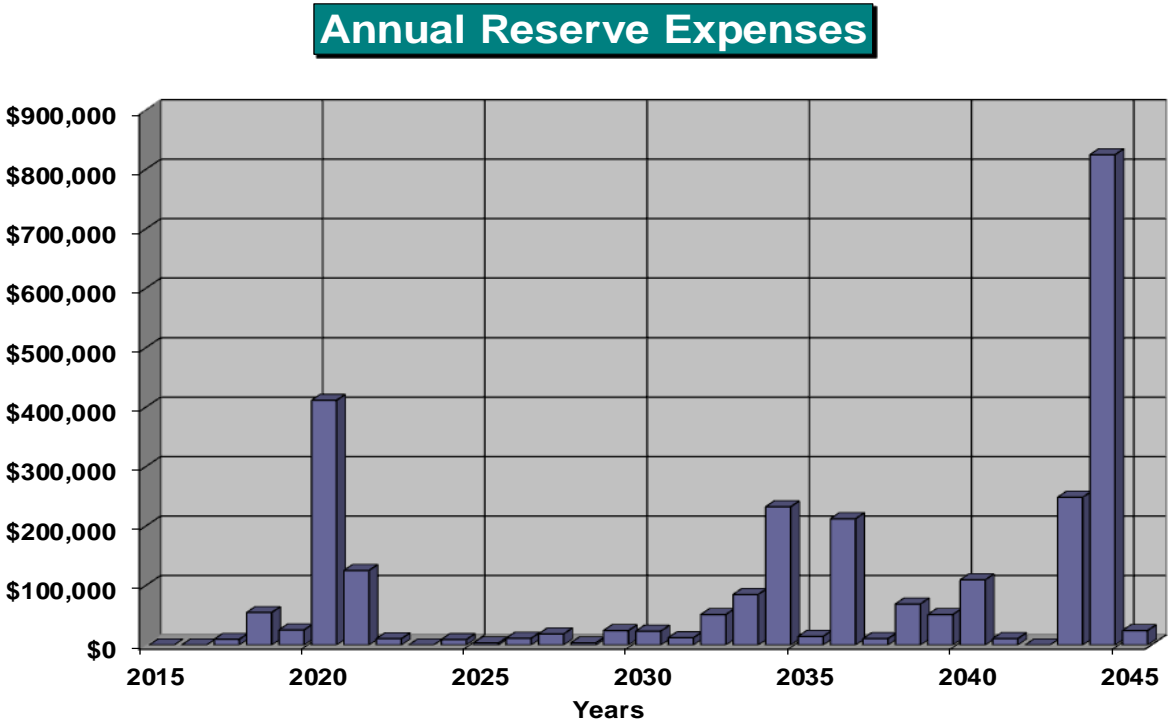


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$57,785 as-of the start of your Fiscal Year on August 1, 2015. As of August 1, 2015, your Fully Funded Balance is computed to be \$696,366 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 8% Funded. Across the country approx 58% of associations in this range experience special assessments or deferred maintenance.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$94,000/year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both Table 5 and Table 6.

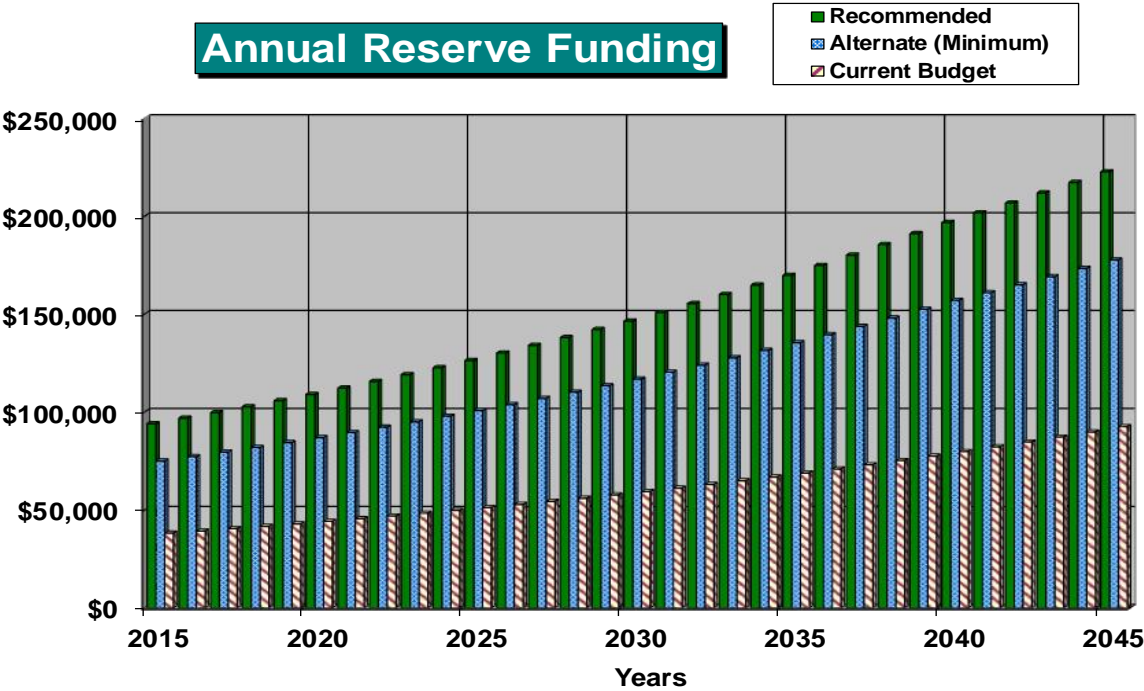


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

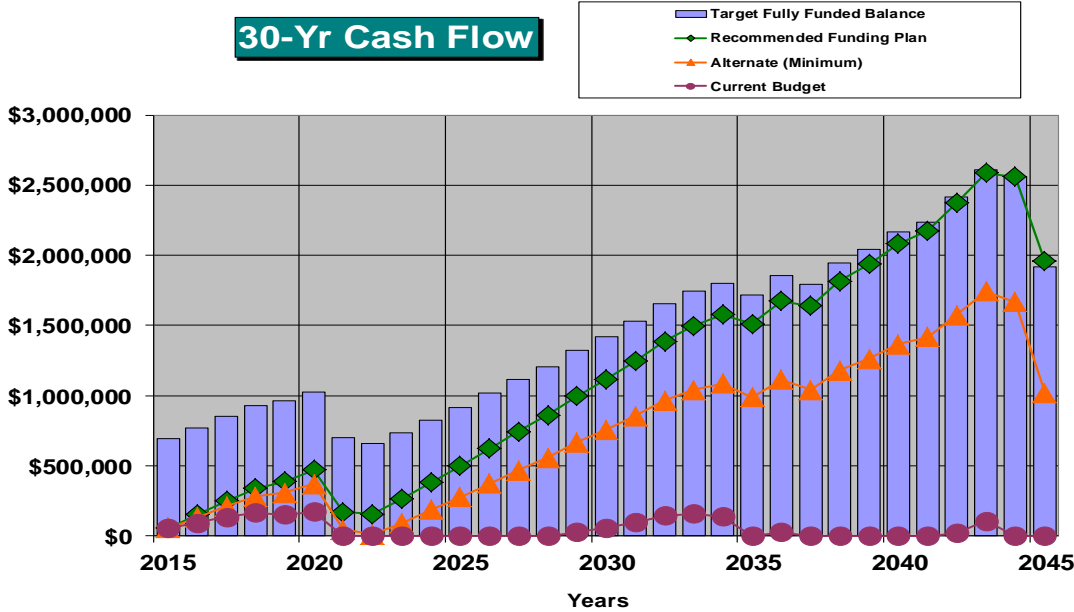


Figure 3

This figure shows this same information, plotted on a [Percent Funded](#) scale.

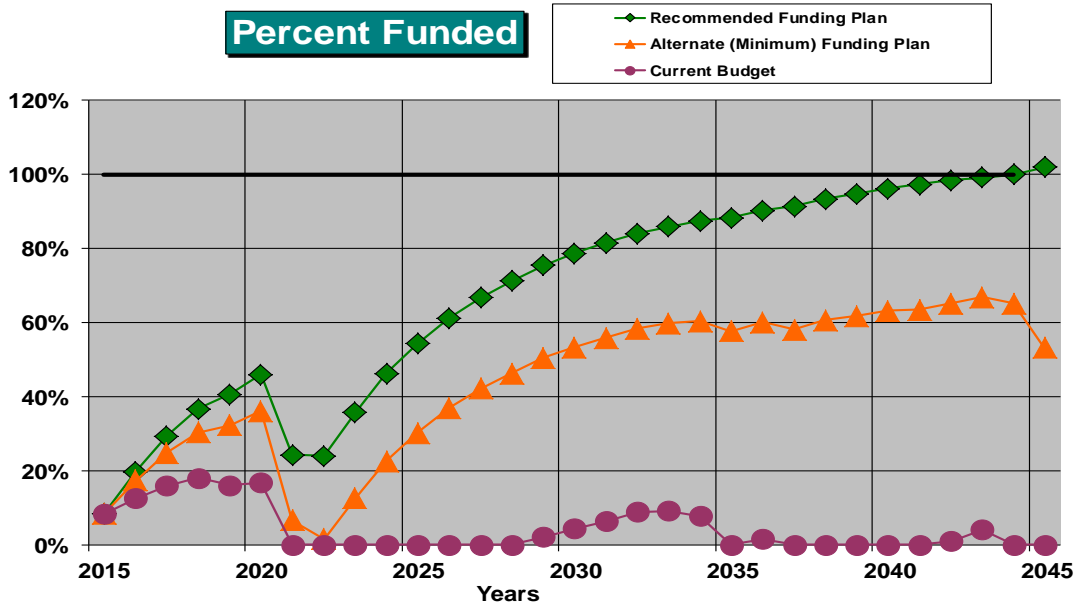


Figure 4

Table Descriptions

The tabular information in this Report is broken down into six tables.

Table 1 is a summary of your Reserve Components (your Reserve Component List), the information found in Table 2.

Table 2 is your Reserve Component List, which forms the foundation of this Reserve Study. This table represents the information from which all other tables are derived.

Table 3 shows the calculation of your Fully Funded Balance, the measure of your current Reserve component deterioration. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Table 4 shows the significance of each component to Reserve needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by Useful Life, then that component's percentage of the total is displayed.

Table 5: This table provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk for each year.

Table 6: This table shows the cash flow detail for the next 30 years. This table makes it possible to see which components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail**27234-0**

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Repl. Cost Estimate
1	Ranch House Foundation Replaced	1	40	25	\$25,000
2	Ranch House Garage	1	50	42	\$50,000
3	Ranch House Garage roof	1	20	12	\$10,000
4	Ranch House Improvements	1	10	4	\$10,000
5	Ranch House Bath Upgrade	1	10	6	\$5,000
6	Ranch House (sideing, paint, roof repair)	1	20	17	\$25,000
7	Emergency generator	1	15	9	\$2,000
8	Emergency generator	1	15	9	\$2,000
9	Equipment Shed - First Bay	1	50	19	\$10,000
10	Mailbox Shed	1	50	23	\$10,000
11	Equipment Shed - Second Bay	1	50	24	\$10,000
12	Equipment Shed - Third Bay	1	50	39	\$10,000
13	Record Shed	1	50	41	\$15,000
14	Sand Shed Contruction	1	50	46	\$15,000
15	Guardrail on Falls Creek Main - 1	1	30	20	\$8,000
16	Guardrail on Falls Creek Main - 2	1	30	25	\$8,000
17	Water tanks (2)	1	40	19	\$60,000
18	Water System Piping	1	40	19	\$60,000
19	Water System Lake Hydrant	1	30	9	\$3,000
20	Well #1 Pump Replacement (5HP)	1	15	2	\$6,000
21	Well #2 Pump Replacement (2HP)	1	7	7	\$6,000
22	SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	1	15	3	\$50,000
23	Well #4 (pump, casing, drilling, testing)	1	15	6	\$100,000
24	Water Disinfection Project -1	1	30	28	\$100,000
25	Water Disinfection Project -2	1	30	29	\$100,000
26	Used Dump Truck	1	28	5	\$65,000
27	Used BackHoe	1	24	5	\$100,000
28	Used Grader	1	24	5	\$150,000
29	Used 1990 GMC Pickup (spray truck)	1	26	4	\$10,000
30	Used Zetor Tractor	1	18	5	\$25,000
31	Brush Hog	1	10	2	\$3,000
32	Used 2006 GMC Pickup	1	10	5	\$15,000
33	Slide Gate Valve 12"	1	25	25	\$1,800
34	SIT70 Satelite Internet Telemetry	1	10	11	\$2,800
35	FC220 Flow Monitor	1	10	11	\$1,200
36	Ultrasound Mounting Bracket	1	10	11	\$4,200
37	BC 12V Smart Battery Charger	1	3	4	\$2,600
38	Creek Fish Screen	1	25	24	\$1,200
39	Potable Water Distribution piping	1	60	40	\$500,000
39	Total Funded Components				

Table 3: Fully Funded Balance**27234-0**

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
1	Ranch House Foundation Replaced	\$25,000	X	15	/	40	=	\$9,375
2	Ranch House Garage	\$50,000	X	8	/	50	=	\$8,000
3	Ranch House Garage roof	\$10,000	X	8	/	20	=	\$4,000
4	Ranch House Improvements	\$10,000	X	6	/	10	=	\$6,000
5	Ranch House Bath Upgrade	\$5,000	X	4	/	10	=	\$2,000
6	Ranch House (siding, paint, roof repair)	\$25,000	X	3	/	20	=	\$3,750
7	Emergency generator	\$2,000	X	6	/	15	=	\$800
8	Emergency generator	\$2,000	X	6	/	15	=	\$800
9	Equipment Shed - First Bay	\$10,000	X	31	/	50	=	\$6,200
10	Mailbox Shed	\$10,000	X	27	/	50	=	\$5,400
11	Equipment Shed - Second Bay	\$10,000	X	26	/	50	=	\$5,200
12	Equipment Shed - Third Bay	\$10,000	X	11	/	50	=	\$2,200
13	Record Shed	\$15,000	X	9	/	50	=	\$2,700
14	Sand Shed Construction	\$15,000	X	4	/	50	=	\$1,200
15	Guardrail on Falls Creek Main - 1	\$8,000	X	10	/	30	=	\$2,667
16	Guardrail on Falls Creek Main - 2	\$8,000	X	5	/	30	=	\$1,333
17	Water tanks (2)	\$60,000	X	21	/	40	=	\$31,500
18	Water System Piping	\$60,000	X	21	/	40	=	\$31,500
19	Water System Lake Hydrant	\$3,000	X	21	/	30	=	\$2,100
20	Well #1 Pump Replacement (5HP)	\$6,000	X	13	/	15	=	\$5,200
21	Well #2 Pump Replacement (2HP)	\$6,000	X	0	/	7	=	\$0
22	SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	\$50,000	X	12	/	15	=	\$40,000
23	Well #4 (pump, casing, drilling, testing)	\$100,000	X	9	/	15	=	\$60,000
24	Water Disinfection Project -1	\$100,000	X	2	/	30	=	\$6,667
25	Water Disinfection Project -2	\$100,000	X	1	/	30	=	\$3,333
26	Used Dump Truck	\$65,000	X	23	/	28	=	\$53,393
27	Used BackHoe	\$100,000	X	19	/	24	=	\$79,167
28	Used Grader	\$150,000	X	19	/	24	=	\$118,750
29	Used 1990 GMC Pickup (spray truck)	\$10,000	X	22	/	26	=	\$8,462
30	Used Zetor Tractor	\$25,000	X	13	/	18	=	\$18,056
31	Brush Hog	\$3,000	X	8	/	10	=	\$2,400
32	Used 2006 GMC Pickup	\$15,000	X	5	/	10	=	\$7,500
33	Slide Gate Valve 12"	\$1,800	X	0	/	25	=	\$0
34	SIT70 Satellite Internet Telemetry	\$2,800	X	0	/	10	=	\$0
35	FC220 Flow Monitor	\$1,200	X	0	/	10	=	\$0
36	Ultrasonic Mounting Bracket	\$4,200	X	0	/	10	=	\$0
37	BC 12V Smart Battery Charger	\$2,600	X	0	/	3	=	\$0
38	Creek Fish Screen	\$1,200	X	1	/	25	=	\$48
39	Potable Water Distribution piping	\$500,000	X	20	/	60	=	\$166,667
								\$696,366

Table 4: Component Significance**27234-0**

#	Component	Useful Life	Current Repl. Cost Estimate	Deterioration Cost/yr	Deterioration Significance
1	Ranch House Foundation Replaced	40	\$25,000	\$625	1.1%
2	Ranch House Garage	50	\$50,000	\$1,000	1.8%
3	Ranch House Garage roof	20	\$10,000	\$500	0.9%
4	Ranch House Improvements	10	\$10,000	\$1,000	1.8%
5	Ranch House Bath Upgrade	10	\$5,000	\$500	0.9%
6	Ranch House (sideing, paint, roof repair)	20	\$25,000	\$1,250	2.3%
7	Emergency generator	15	\$2,000	\$133	0.2%
8	Emergency generator	15	\$2,000	\$133	0.2%
9	Equipment Shed - First Bay	50	\$10,000	\$200	0.4%
10	Mailbox Shed	50	\$10,000	\$200	0.4%
11	Equipment Shed - Second Bay	50	\$10,000	\$200	0.4%
12	Equipment Shed - Third Bay	50	\$10,000	\$200	0.4%
13	Record Shed	50	\$15,000	\$300	0.5%
14	Sand Shed Construction	50	\$15,000	\$300	0.5%
15	Guardrail on Falls Creek Main - 1	30	\$8,000	\$267	0.5%
16	Guardrail on Falls Creek Main - 2	30	\$8,000	\$267	0.5%
17	Water tanks (2)	40	\$60,000	\$1,500	2.7%
18	Water System Piping	40	\$60,000	\$1,500	2.7%
19	Water System Lake Hydrant	30	\$3,000	\$100	0.2%
20	Well #1 Pump Replacement (5HP)	15	\$6,000	\$400	0.7%
21	Well #2 Pump Replacement (2HP)	7	\$6,000	\$857	1.6%
22	SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	15	\$50,000	\$3,333	6.1%
23	Well #4 (pump, casing, drilling, testing)	15	\$100,000	\$6,667	12.2%
24	Water Disinfection Project -1	30	\$100,000	\$3,333	6.1%
25	Water Disinfection Project -2	30	\$100,000	\$3,333	6.1%
26	Used Dump Truck	28	\$65,000	\$2,321	4.3%
27	Used BackHoe	24	\$100,000	\$4,167	7.6%
28	Used Grader	24	\$150,000	\$6,250	11.5%
29	Used 1990 GMC Pickup (spray truck)	26	\$10,000	\$385	0.7%
30	Used Zetor Tractor	18	\$25,000	\$1,389	2.5%
31	Brush Hog	10	\$3,000	\$300	0.5%
32	Used 2006 GMC Pickup	10	\$15,000	\$1,500	2.7%
33	Slide Gate Valve 12"	25	\$1,800	\$72	0.1%
34	SIT70 Satelite Internet Telemetry	10	\$2,800	\$280	0.5%
35	FC220 Flow Monitor	10	\$1,200	\$120	0.2%
36	Ultrasonic Mounting Bracket	10	\$4,200	\$420	0.8%
37	BC 12V Smart Battery Charger	3	\$2,600	\$867	1.6%
38	Creek Fish Screen	25	\$1,200	\$48	0.1%
39	Potable Water Distribution piping	60	\$500,000	\$8,333	15.3%
39	Total Funded Components			\$54,550	100.0%

Fiscal Year Start: 08/01/15

Interest: 0.3%

Inflation: 3.0%

**Reserve Fund Strength Calculations
(All values as of Fiscal Year Start Date)**

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2015	\$57,785	\$696,366	8.3%	High	\$94,000	\$0	\$315	\$0
2016	\$152,100	\$771,707	19.7%	High	\$96,820	\$0	\$602	\$0
2017	\$249,522	\$852,731	29.3%	High	\$99,725	\$0	\$885	\$9,548
2018	\$340,584	\$928,087	36.7%	Med	\$102,716	\$0	\$1,095	\$54,636
2019	\$389,759	\$961,051	40.6%	Med	\$105,798	\$0	\$1,292	\$25,436
2020	\$471,412	\$1,026,922	45.9%	Med	\$108,972	\$0	\$962	\$411,542
2021	\$169,803	\$698,977	24.3%	High	\$112,241	\$0	\$490	\$125,375
2022	\$157,159	\$657,899	23.9%	High	\$115,608	\$0	\$630	\$10,577
2023	\$262,820	\$735,845	35.7%	Med	\$119,076	\$0	\$968	\$0
2024	\$382,865	\$829,096	46.2%	Med	\$122,649	\$0	\$1,321	\$9,133
2025	\$497,701	\$917,873	54.2%	Med	\$126,328	\$0	\$1,680	\$3,494
2026	\$622,214	\$1,017,321	61.2%	Med	\$130,118	\$0	\$2,048	\$11,351
2027	\$743,029	\$1,113,925	66.7%	Med	\$134,022	\$0	\$2,406	\$18,535
2028	\$860,922	\$1,208,361	71.2%	Low	\$138,042	\$0	\$2,788	\$3,818
2029	\$997,933	\$1,323,191	75.4%	Low	\$142,183	\$0	\$3,175	\$24,201
2030	\$1,119,091	\$1,422,947	78.6%	Low	\$146,449	\$0	\$3,547	\$23,370
2031	\$1,245,717	\$1,529,103	81.5%	Low	\$150,842	\$0	\$3,951	\$12,196
2032	\$1,388,314	\$1,652,578	84.0%	Low	\$155,368	\$0	\$4,327	\$51,238
2033	\$1,496,770	\$1,742,248	85.9%	Low	\$160,029	\$0	\$4,609	\$85,122
2034	\$1,576,287	\$1,802,494	87.5%	Low	\$164,830	\$0	\$4,634	\$232,515
2035	\$1,513,235	\$1,715,603	88.2%	Low	\$169,774	\$0	\$4,779	\$14,449
2036	\$1,673,340	\$1,853,669	90.3%	Low	\$174,868	\$0	\$4,970	\$212,446
2037	\$1,640,732	\$1,794,984	91.4%	Low	\$180,114	\$0	\$5,183	\$10,730
2038	\$1,815,299	\$1,945,441	93.3%	Low	\$185,517	\$0	\$5,628	\$69,076
2039	\$1,937,369	\$2,043,546	94.8%	Low	\$191,083	\$0	\$6,030	\$51,226
2040	\$2,083,256	\$2,166,306	96.2%	Low	\$196,815	\$0	\$6,389	\$109,714
2041	\$2,176,746	\$2,235,933	97.4%	Low	\$201,736	\$0	\$6,826	\$10,783
2042	\$2,374,524	\$2,413,077	98.4%	Low	\$206,779	\$0	\$7,444	\$0
2043	\$2,588,747	\$2,610,276	99.2%	Low	\$211,948	\$0	\$7,722	\$248,469
2044	\$2,559,949	\$2,561,213	100.0%	Low	\$217,247	\$0	\$6,778	\$824,798

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)

27234-0

Fiscal Year	2015	2016	2017	2018	2019
Starting Reserve Balance	\$57,785	\$152,100	\$249,522	\$340,584	\$389,759
Annual Reserve Contribution	\$94,000	\$96,820	\$99,725	\$102,716	\$105,798
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$315	\$602	\$885	\$1,095	\$1,292
Total Income	\$152,100	\$249,522	\$350,132	\$444,395	\$496,848
# Component					
1 Ranch House Foundation Replaced	\$0	\$0	\$0	\$0	\$0
2 Ranch House Garage	\$0	\$0	\$0	\$0	\$0
3 Ranch House Garage roof	\$0	\$0	\$0	\$0	\$0
4 Ranch House Improvements	\$0	\$0	\$0	\$0	\$11,255
5 Ranch House Bath Upgrade	\$0	\$0	\$0	\$0	\$0
6 Ranch House (siding, paint, roof repair)	\$0	\$0	\$0	\$0	\$0
7 Emergency generator	\$0	\$0	\$0	\$0	\$0
8 Emergency generator	\$0	\$0	\$0	\$0	\$0
9 Equipment Shed - First Bay	\$0	\$0	\$0	\$0	\$0
10 Mailbox Shed	\$0	\$0	\$0	\$0	\$0
11 Equipment Shed - Second Bay	\$0	\$0	\$0	\$0	\$0
12 Equipment Shed - Third Bay	\$0	\$0	\$0	\$0	\$0
13 Record Shed	\$0	\$0	\$0	\$0	\$0
14 Sand Shed Construction	\$0	\$0	\$0	\$0	\$0
15 Guardrail on Falls Creek Main - 1	\$0	\$0	\$0	\$0	\$0
16 Guardrail on Falls Creek Main - 2	\$0	\$0	\$0	\$0	\$0
17 Water tanks (2)	\$0	\$0	\$0	\$0	\$0
18 Water System Piping	\$0	\$0	\$0	\$0	\$0
19 Water System Lake Hydrant	\$0	\$0	\$0	\$0	\$0
20 Well #1 Pump Replacement (5HP)	\$0	\$0	\$6,365	\$0	\$0
21 Well #2 Pump Replacement (2HP)	\$0	\$0	\$0	\$0	\$0
22 SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	\$0	\$0	\$0	\$54,636	\$0
23 Well #4 (pump, casing, drilling, testing)	\$0	\$0	\$0	\$0	\$0
24 Water Disinfection Project -1	\$0	\$0	\$0	\$0	\$0
25 Water Disinfection Project -2	\$0	\$0	\$0	\$0	\$0
26 Used Dump Truck	\$0	\$0	\$0	\$0	\$0
27 Used BackHoe	\$0	\$0	\$0	\$0	\$0
28 Used Grader	\$0	\$0	\$0	\$0	\$0
29 Used 1990 GMC Pickup (spray truck)	\$0	\$0	\$0	\$0	\$11,255
30 Used Zetor Tractor	\$0	\$0	\$0	\$0	\$0
31 Brush Hog	\$0	\$0	\$3,183	\$0	\$0
32 Used 2006 GMC Pickup	\$0	\$0	\$0	\$0	\$0
33 Slide Gate Valve 12"	\$0	\$0	\$0	\$0	\$0
34 SIT70 Satellite Internet Telemetry	\$0	\$0	\$0	\$0	\$0
35 FC220 Flow Monitor	\$0	\$0	\$0	\$0	\$0
36 Ultrasonic Mounting Bracket	\$0	\$0	\$0	\$0	\$0
37 BC 12V Smart Battery Charger	\$0	\$0	\$0	\$0	\$2,926
38 Creek Fish Screen	\$0	\$0	\$0	\$0	\$0
39 Potable Water Distribution piping	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)**27234-0**

Fiscal Year	2015	2016	2017	2018	2019
Total Expenses	\$0	\$0	\$9,548	\$54,636	\$25,436
Ending Reserve Balance:	\$152,100	\$249,522	\$340,584	\$389,759	\$471,412

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)

27234-0

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$471,412	\$169,803	\$157,159	\$262,820	\$382,865
Annual Reserve Contribution	\$108,972	\$112,241	\$115,608	\$119,076	\$122,649
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$962	\$490	\$630	\$968	\$1,321
Total Income	\$581,345	\$282,534	\$273,397	\$382,865	\$506,834
# Component					
1 Ranch House Foundation Replaced	\$0	\$0	\$0	\$0	\$0
2 Ranch House Garage	\$0	\$0	\$0	\$0	\$0
3 Ranch House Garage roof	\$0	\$0	\$0	\$0	\$0
4 Ranch House Improvements	\$0	\$0	\$0	\$0	\$0
5 Ranch House Bath Upgrade	\$0	\$5,970	\$0	\$0	\$0
6 Ranch House (sideing, paint, roof repair)	\$0	\$0	\$0	\$0	\$0
7 Emergency generator	\$0	\$0	\$0	\$0	\$2,610
8 Emergency generator	\$0	\$0	\$0	\$0	\$2,610
9 Equipment Shed - First Bay	\$0	\$0	\$0	\$0	\$0
10 Mailbox Shed	\$0	\$0	\$0	\$0	\$0
11 Equipment Shed - Second Bay	\$0	\$0	\$0	\$0	\$0
12 Equipment Shed - Third Bay	\$0	\$0	\$0	\$0	\$0
13 Record Shed	\$0	\$0	\$0	\$0	\$0
14 Sand Shed Construction	\$0	\$0	\$0	\$0	\$0
15 Guardrail on Falls Creek Main - 1	\$0	\$0	\$0	\$0	\$0
16 Guardrail on Falls Creek Main - 2	\$0	\$0	\$0	\$0	\$0
17 Water tanks (2)	\$0	\$0	\$0	\$0	\$0
18 Water System Piping	\$0	\$0	\$0	\$0	\$0
19 Water System Lake Hydrant	\$0	\$0	\$0	\$0	\$3,914
20 Well #1 Pump Replacement (5HP)	\$0	\$0	\$0	\$0	\$0
21 Well #2 Pump Replacement (2HP)	\$0	\$0	\$7,379	\$0	\$0
22 SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	\$0	\$0	\$0	\$0	\$0
23 Well #4 (pump, casing, drilling, testing)	\$0	\$119,405	\$0	\$0	\$0
24 Water Disinfection Project -1	\$0	\$0	\$0	\$0	\$0
25 Water Disinfection Project -2	\$0	\$0	\$0	\$0	\$0
26 Used Dump Truck	\$75,353	\$0	\$0	\$0	\$0
27 Used BackHoe	\$115,927	\$0	\$0	\$0	\$0
28 Used Grader	\$173,891	\$0	\$0	\$0	\$0
29 Used 1990 GMC Pickup (spray truck)	\$0	\$0	\$0	\$0	\$0
30 Used Zetor Tractor	\$28,982	\$0	\$0	\$0	\$0
31 Brush Hog	\$0	\$0	\$0	\$0	\$0
32 Used 2006 GMC Pickup	\$17,389	\$0	\$0	\$0	\$0
33 Slide Gate Valve 12"	\$0	\$0	\$0	\$0	\$0
34 SIT70 Satellite Internet Telemetry	\$0	\$0	\$0	\$0	\$0
35 FC220 Flow Monitor	\$0	\$0	\$0	\$0	\$0
36 Ultrasonic Mounting Bracket	\$0	\$0	\$0	\$0	\$0
37 BC 12V Smart Battery Charger	\$0	\$0	\$3,198	\$0	\$0
38 Creek Fish Screen	\$0	\$0	\$0	\$0	\$0
39 Potable Water Distribution piping	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)**27234-0**

Fiscal Year	2020	2021	2022	2023	2024
Total Expenses	\$411,542	\$125,375	\$10,577	\$0	\$9,133
Ending Reserve Balance:	\$169,803	\$157,159	\$262,820	\$382,865	\$497,701

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)

27234-0

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$497,701	\$622,214	\$743,029	\$860,922	\$997,933
Annual Reserve Contribution	\$126,328	\$130,118	\$134,022	\$138,042	\$142,183
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,680	\$2,048	\$2,406	\$2,788	\$3,175
Total Income	\$625,709	\$754,380	\$879,456	\$1,001,752	\$1,143,292
# Component					
1 Ranch House Foundation Replaced	\$0	\$0	\$0	\$0	\$0
2 Ranch House Garage	\$0	\$0	\$0	\$0	\$0
3 Ranch House Garage roof	\$0	\$0	\$14,258	\$0	\$0
4 Ranch House Improvements	\$0	\$0	\$0	\$0	\$15,126
5 Ranch House Bath Upgrade	\$0	\$0	\$0	\$0	\$0
6 Ranch House (siding, paint, roof repair)	\$0	\$0	\$0	\$0	\$0
7 Emergency generator	\$0	\$0	\$0	\$0	\$0
8 Emergency generator	\$0	\$0	\$0	\$0	\$0
9 Equipment Shed - First Bay	\$0	\$0	\$0	\$0	\$0
10 Mailbox Shed	\$0	\$0	\$0	\$0	\$0
11 Equipment Shed - Second Bay	\$0	\$0	\$0	\$0	\$0
12 Equipment Shed - Third Bay	\$0	\$0	\$0	\$0	\$0
13 Record Shed	\$0	\$0	\$0	\$0	\$0
14 Sand Shed Construction	\$0	\$0	\$0	\$0	\$0
15 Guardrail on Falls Creek Main - 1	\$0	\$0	\$0	\$0	\$0
16 Guardrail on Falls Creek Main - 2	\$0	\$0	\$0	\$0	\$0
17 Water tanks (2)	\$0	\$0	\$0	\$0	\$0
18 Water System Piping	\$0	\$0	\$0	\$0	\$0
19 Water System Lake Hydrant	\$0	\$0	\$0	\$0	\$0
20 Well #1 Pump Replacement (5HP)	\$0	\$0	\$0	\$0	\$0
21 Well #2 Pump Replacement (2HP)	\$0	\$0	\$0	\$0	\$9,076
22 SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	\$0	\$0	\$0	\$0	\$0
23 Well #4 (pump, casing, drilling, testing)	\$0	\$0	\$0	\$0	\$0
24 Water Disinfection Project -1	\$0	\$0	\$0	\$0	\$0
25 Water Disinfection Project -2	\$0	\$0	\$0	\$0	\$0
26 Used Dump Truck	\$0	\$0	\$0	\$0	\$0
27 Used BackHoe	\$0	\$0	\$0	\$0	\$0
28 Used Grader	\$0	\$0	\$0	\$0	\$0
29 Used 1990 GMC Pickup (spray truck)	\$0	\$0	\$0	\$0	\$0
30 Used Zetor Tractor	\$0	\$0	\$0	\$0	\$0
31 Brush Hog	\$0	\$0	\$4,277	\$0	\$0
32 Used 2006 GMC Pickup	\$0	\$0	\$0	\$0	\$0
33 Slide Gate Valve 12"	\$0	\$0	\$0	\$0	\$0
34 SIT70 Satellite Internet Telemetry	\$0	\$3,876	\$0	\$0	\$0
35 FC220 Flow Monitor	\$0	\$1,661	\$0	\$0	\$0
36 Ultrasonic Mounting Bracket	\$0	\$5,814	\$0	\$0	\$0
37 BC 12V Smart Battery Charger	\$3,494	\$0	\$0	\$3,818	\$0
38 Creek Fish Screen	\$0	\$0	\$0	\$0	\$0
39 Potable Water Distribution piping	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)**27234-0**

Fiscal Year	2025	2026	2027	2028	2029
Total Expenses	\$3,494	\$11,351	\$18,535	\$3,818	\$24,201
Ending Reserve Balance:	\$622,214	\$743,029	\$860,922	\$997,933	\$1,119,091

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)

27234-0

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$1,119,091	\$1,245,717	\$1,388,314	\$1,496,770	\$1,576,287
Annual Reserve Contribution	\$146,449	\$150,842	\$155,368	\$160,029	\$164,830
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,547	\$3,951	\$4,327	\$4,609	\$4,634
Total Income	\$1,269,086	\$1,400,510	\$1,548,009	\$1,661,408	\$1,745,750
# Component					
1 Ranch House Foundation Replaced	\$0	\$0	\$0	\$0	\$0
2 Ranch House Garage	\$0	\$0	\$0	\$0	\$0
3 Ranch House Garage roof	\$0	\$0	\$0	\$0	\$0
4 Ranch House Improvements	\$0	\$0	\$0	\$0	\$0
5 Ranch House Bath Upgrade	\$0	\$8,024	\$0	\$0	\$0
6 Ranch House (sideing, paint, roof repair)	\$0	\$0	\$41,321	\$0	\$0
7 Emergency generator	\$0	\$0	\$0	\$0	\$0
8 Emergency generator	\$0	\$0	\$0	\$0	\$0
9 Equipment Shed - First Bay	\$0	\$0	\$0	\$0	\$17,535
10 Mailbox Shed	\$0	\$0	\$0	\$0	\$0
11 Equipment Shed - Second Bay	\$0	\$0	\$0	\$0	\$0
12 Equipment Shed - Third Bay	\$0	\$0	\$0	\$0	\$0
13 Record Shed	\$0	\$0	\$0	\$0	\$0
14 Sand Shed Construction	\$0	\$0	\$0	\$0	\$0
15 Guardrail on Falls Creek Main - 1	\$0	\$0	\$0	\$0	\$0
16 Guardrail on Falls Creek Main - 2	\$0	\$0	\$0	\$0	\$0
17 Water tanks (2)	\$0	\$0	\$0	\$0	\$105,210
18 Water System Piping	\$0	\$0	\$0	\$0	\$105,210
19 Water System Lake Hydrant	\$0	\$0	\$0	\$0	\$0
20 Well #1 Pump Replacement (5HP)	\$0	\$0	\$9,917	\$0	\$0
21 Well #2 Pump Replacement (2HP)	\$0	\$0	\$0	\$0	\$0
22 SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	\$0	\$0	\$0	\$85,122	\$0
23 Well #4 (pump, casing, drilling, testing)	\$0	\$0	\$0	\$0	\$0
24 Water Disinfection Project -1	\$0	\$0	\$0	\$0	\$0
25 Water Disinfection Project -2	\$0	\$0	\$0	\$0	\$0
26 Used Dump Truck	\$0	\$0	\$0	\$0	\$0
27 Used BackHoe	\$0	\$0	\$0	\$0	\$0
28 Used Grader	\$0	\$0	\$0	\$0	\$0
29 Used 1990 GMC Pickup (spray truck)	\$0	\$0	\$0	\$0	\$0
30 Used Zetor Tractor	\$0	\$0	\$0	\$0	\$0
31 Brush Hog	\$0	\$0	\$0	\$0	\$0
32 Used 2006 GMC Pickup	\$23,370	\$0	\$0	\$0	\$0
33 Slide Gate Valve 12"	\$0	\$0	\$0	\$0	\$0
34 SIT70 Satellite Internet Telemetry	\$0	\$0	\$0	\$0	\$0
35 FC220 Flow Monitor	\$0	\$0	\$0	\$0	\$0
36 Ultrasonic Mounting Bracket	\$0	\$0	\$0	\$0	\$0
37 BC 12V Smart Battery Charger	\$0	\$4,172	\$0	\$0	\$4,559
38 Creek Fish Screen	\$0	\$0	\$0	\$0	\$0
39 Potable Water Distribution piping	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)**27234-0**

Fiscal Year	2030	2031	2032	2033	2034
Total Expenses	\$23,370	\$12,196	\$51,238	\$85,122	\$232,515
Ending Reserve Balance:	\$1,245,717	\$1,388,314	\$1,496,770	\$1,576,287	\$1,513,235

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)

27234-0

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$1,513,235	\$1,673,340	\$1,640,732	\$1,815,299	\$1,937,369
Annual Reserve Contribution	\$169,774	\$174,868	\$180,114	\$185,517	\$191,083
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,779	\$4,970	\$5,183	\$5,628	\$6,030
Total Income	\$1,687,789	\$1,853,178	\$1,826,029	\$2,006,445	\$2,134,482
# Component					
1 Ranch House Foundation Replaced	\$0	\$0	\$0	\$0	\$0
2 Ranch House Garage	\$0	\$0	\$0	\$0	\$0
3 Ranch House Garage roof	\$0	\$0	\$0	\$0	\$0
4 Ranch House Improvements	\$0	\$0	\$0	\$0	\$20,328
5 Ranch House Bath Upgrade	\$0	\$0	\$0	\$0	\$0
6 Ranch House (siding, paint, roof repair)	\$0	\$0	\$0	\$0	\$0
7 Emergency generator	\$0	\$0	\$0	\$0	\$4,066
8 Emergency generator	\$0	\$0	\$0	\$0	\$4,066
9 Equipment Shed - First Bay	\$0	\$0	\$0	\$0	\$0
10 Mailbox Shed	\$0	\$0	\$0	\$19,736	\$0
11 Equipment Shed - Second Bay	\$0	\$0	\$0	\$0	\$20,328
12 Equipment Shed - Third Bay	\$0	\$0	\$0	\$0	\$0
13 Record Shed	\$0	\$0	\$0	\$0	\$0
14 Sand Shed Construction	\$0	\$0	\$0	\$0	\$0
15 Guardrail on Falls Creek Main - 1	\$14,449	\$0	\$0	\$0	\$0
16 Guardrail on Falls Creek Main - 2	\$0	\$0	\$0	\$0	\$0
17 Water tanks (2)	\$0	\$0	\$0	\$0	\$0
18 Water System Piping	\$0	\$0	\$0	\$0	\$0
19 Water System Lake Hydrant	\$0	\$0	\$0	\$0	\$0
20 Well #1 Pump Replacement (5HP)	\$0	\$0	\$0	\$0	\$0
21 Well #2 Pump Replacement (2HP)	\$0	\$11,162	\$0	\$0	\$0
22 SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	\$0	\$0	\$0	\$0	\$0
23 Well #4 (pump, casing, drilling, testing)	\$0	\$186,029	\$0	\$0	\$0
24 Water Disinfection Project -1	\$0	\$0	\$0	\$0	\$0
25 Water Disinfection Project -2	\$0	\$0	\$0	\$0	\$0
26 Used Dump Truck	\$0	\$0	\$0	\$0	\$0
27 Used BackHoe	\$0	\$0	\$0	\$0	\$0
28 Used Grader	\$0	\$0	\$0	\$0	\$0
29 Used 1990 GMC Pickup (spray truck)	\$0	\$0	\$0	\$0	\$0
30 Used Zetor Tractor	\$0	\$0	\$0	\$49,340	\$0
31 Brush Hog	\$0	\$0	\$5,748	\$0	\$0
32 Used 2006 GMC Pickup	\$0	\$0	\$0	\$0	\$0
33 Slide Gate Valve 12"	\$0	\$0	\$0	\$0	\$0
34 SIT70 Satellite Internet Telemetry	\$0	\$5,209	\$0	\$0	\$0
35 FC220 Flow Monitor	\$0	\$2,232	\$0	\$0	\$0
36 Ultrasonic Mounting Bracket	\$0	\$7,813	\$0	\$0	\$0
37 BC 12V Smart Battery Charger	\$0	\$0	\$4,982	\$0	\$0
38 Creek Fish Screen	\$0	\$0	\$0	\$0	\$2,439
39 Potable Water Distribution piping	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)**27234-0**

Fiscal Year	2035	2036	2037	2038	2039
Total Expenses	\$14,449	\$212,446	\$10,730	\$69,076	\$51,226
Ending Reserve Balance:	\$1,673,340	\$1,640,732	\$1,815,299	\$1,937,369	\$2,083,256

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)

27234-0

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$2,083,256	\$2,176,746	\$2,374,524	\$2,588,747	\$2,559,949
Annual Reserve Contribution	\$196,815	\$201,736	\$206,779	\$211,948	\$217,247
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,389	\$6,826	\$7,444	\$7,722	\$6,778
Total Income	\$2,286,460	\$2,385,307	\$2,588,747	\$2,808,418	\$2,783,974
# Component					
1 Ranch House Foundation Replaced	\$52,344	\$0	\$0	\$0	\$0
2 Ranch House Garage	\$0	\$0	\$0	\$0	\$0
3 Ranch House Garage roof	\$0	\$0	\$0	\$0	\$0
4 Ranch House Improvements	\$0	\$0	\$0	\$0	\$0
5 Ranch House Bath Upgrade	\$0	\$10,783	\$0	\$0	\$0
6 Ranch House (sideing, paint, roof repair)	\$0	\$0	\$0	\$0	\$0
7 Emergency generator	\$0	\$0	\$0	\$0	\$0
8 Emergency generator	\$0	\$0	\$0	\$0	\$0
9 Equipment Shed - First Bay	\$0	\$0	\$0	\$0	\$0
10 Mailbox Shed	\$0	\$0	\$0	\$0	\$0
11 Equipment Shed - Second Bay	\$0	\$0	\$0	\$0	\$0
12 Equipment Shed - Third Bay	\$0	\$0	\$0	\$0	\$0
13 Record Shed	\$0	\$0	\$0	\$0	\$0
14 Sand Shed Construction	\$0	\$0	\$0	\$0	\$0
15 Guardrail on Falls Creek Main - 1	\$0	\$0	\$0	\$0	\$0
16 Guardrail on Falls Creek Main - 2	\$16,750	\$0	\$0	\$0	\$0
17 Water tanks (2)	\$0	\$0	\$0	\$0	\$0
18 Water System Piping	\$0	\$0	\$0	\$0	\$0
19 Water System Lake Hydrant	\$0	\$0	\$0	\$0	\$0
20 Well #1 Pump Replacement (5HP)	\$0	\$0	\$0	\$0	\$0
21 Well #2 Pump Replacement (2HP)	\$0	\$0	\$0	\$13,728	\$0
22 SCADA Computer and Data System (original system: 2 wells, 2 tanks, 1 central station)	\$0	\$0	\$0	\$0	\$0
23 Well #4 (pump, casing, drilling, testing)	\$0	\$0	\$0	\$0	\$0
24 Water Disinfection Project -1	\$0	\$0	\$0	\$228,793	\$0
25 Water Disinfection Project -2	\$0	\$0	\$0	\$0	\$235,657
26 Used Dump Truck	\$0	\$0	\$0	\$0	\$0
27 Used BackHoe	\$0	\$0	\$0	\$0	\$235,657
28 Used Grader	\$0	\$0	\$0	\$0	\$353,485
29 Used 1990 GMC Pickup (spray truck)	\$0	\$0	\$0	\$0	\$0
30 Used Zetor Tractor	\$0	\$0	\$0	\$0	\$0
31 Brush Hog	\$0	\$0	\$0	\$0	\$0
32 Used 2006 GMC Pickup	\$31,407	\$0	\$0	\$0	\$0
33 Slide Gate Valve 12"	\$3,769	\$0	\$0	\$0	\$0
34 SIT70 Satellite Internet Telemetry	\$0	\$0	\$0	\$0	\$0
35 FC220 Flow Monitor	\$0	\$0	\$0	\$0	\$0
36 Ultrasonic Mounting Bracket	\$0	\$0	\$0	\$0	\$0
37 BC 12V Smart Battery Charger	\$5,444	\$0	\$0	\$5,949	\$0
38 Creek Fish Screen	\$0	\$0	\$0	\$0	\$0
39 Potable Water Distribution piping	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)**27234-0**

Fiscal Year	2040	2041	2042	2043	2044
Total Expenses	\$109,714	\$10,783	\$0	\$248,469	\$824,798
Ending Reserve Balance:	\$2,176,746	\$2,374,524	\$2,588,747	\$2,559,949	\$1,959,176

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we do not expect that all the events anticipated in this Report will occur as planned. The starting Reserve Balance and interest rate earned on deposited Reserve funds that you provided to us were considered reliable representations of the association's current situation.

Because the physical condition of your components, the association's Reserve balance, the economic environment, and legislative environment change each year, this Reserve Study is by nature a "one-year" document. Because a long-term perspective improves the accuracy of near-term planning, this Report projects expenses for the next 30 years. It is our recommendation and that of the Financial Accounting Standards Board (FASB) that your Reserve Study be updated each year as part of the annual budget process.

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Bryan Farley, R.S., company president, is a credentialed Reserve Specialist (#260). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association's situation.

This Report was prepared only for Reserve budget and disclosure purposes (to help identify and address the normal deterioration of properly built and installed components with predictable life expectancies). The Funding Plan in this Report was developed using the cash-flow methodology to achieve the specified Funding Objective.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered. The Board of Directors has agreed to accept full responsibility for the accuracy of the information provided to us. They have been told that Association Reserves will not verify the accuracy of the information submitted. As a result, Association Reserves will not be responsible for updates or revisions to this Report required as a result of errors, omissions, or changes in the information that was provided to us.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The value of the deterioration of the Reserve Components. This is the fraction of life “used up” of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 6.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.

Percent Funded: The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life (RUL): The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

Useful Life (UL): The estimated time, in years, that a common area component can be expected to serve its intended function.

Do-It-Yourself Worksheets

Note: Any questions relating to the information contained in this Appendix should be directed to the contact person indicated on the following page, not Association Reserves.

Do-It-Yourself Reserve Study Worksheet**Report#**

■ Yes, we'd like to do it ourselves! We accept full responsibility for the accuracy of the information provided below. We understand that Association Reserves, Inc. will not verify the accuracy of the information submitted. We understand that Association Reserves will charge for revisions to the Reserve Study Report (as a result of errors, omissions, or changes in the information that we provide to you), and that Association Reserves is not responsible for future updates to this information.

Please print Name Sue McCarthy Title Treasurer
 Signature Susan McCarthy Date 2/16/15

PART 1: ASSOCIATION INFORMATION

Association Name Falls Creek Ranch Homeowners Association, Inc.

(as you would like it to appear on the Report)

Assoc. City/St 6350 Falls Creek Main, Durango CO 81301

Contact Person Sue McCarthy

Company/Title Treasurer

Mailing Address 6350 Falls Creek Main

City, ST, Zip Durango, CO 81301

Day Telephone (970) 769 - 8803

FAX () -

Send completed Report via: mail email: ssnmccrth@gmail.com

PART 2: PROPERTY PROFILE

Property Type: Condo PUD Timeshare Co-Op Other: HOA

Apartment Style Townhouse Style High-Rise (# of Stories)

Construction Date: _____ # of Phases: _____ Converted? Yes No Year: _____

of Buildings: 1 Residential Recreational Other (describe): Equipment sheds

of Pools 0 Asphalt Yes No mail box shed

of Spas 0 Halls or Rooms Yes No sand shed

of Tennis Cts 0 Gate Systems Yes No

of Elevators 0 Waterscapes Yes No

Other Notes: _____

PART 3: BUDGET INFORMATION

This Report should cover the 12-mo. period beginning 8 / 1 / 15, ending 7 / 31 / 16

(note: this should coincide with the association's Fiscal Year).

The total # of units/lots as of the start date above will be 100.

Our total current budgeted assessment income is \$ 291,900 per Yr (mo/qtr/yr).

Our total current budgeted Reserve contribution is \$ 38,110 per Yr (mo/qtr/yr).

Our projected Reserve balance as-of the start date above will be \$ 57,785.

Do interest earnings remain in the Reserve account? Yes No

If yes, what is the net annual interest rate? .3 %