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 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

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 1360 · Bank of SJ - Capital Reserve	5,930.18 179,421.10
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 1503 · Sheds & Outbuildings 1501 · Ranch House	17,650.00 58,096.28 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 1570 · ZetorTractor 1560 · Cat Road Grader 1551 · Int'l. Truck/Plow 1555 · Monroe Road Sander 1565 · '91 P/U Truck 1580 · 87 Case Backhoe	12,620.55 21,059.90 61,950.00 72,872.50 4,310.55 12,210.00 36,000.00
Total 1550 · Vehicles & Equipment	221,023.50
1600 · Lake, Utilities & Improvements 1601 · Water Systems Generator 1625 · Water System 1630 · 2012/2013 PWTP System 1600 · Lake, Utilities & Improvements - Ot	3,976.35 33,156.07 171,587.42 2,570.44
Total 1600 · Lake, Utilities & Improvements	211,290.28
1650 · Mail Boxes 1700 · Accumulated Depreciation	3,486.49 (7 <del>9</del> ,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 3052 · Restricted Fund Bal - Fire Miti	165,000.00 25,930.00
3050 · Unrestricted Fund Balance Net Income	388,141.99 178,870.06
Total Equity	757,942.05
TOTAL LIABILITIES & EQUITY	872,942.05

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

	CT III	Management of the Control of the Con	CONTRACTOR OF THE PROPERTY OF	THE PERSON NAMED IN COLUMN STREET, SAN OF STREET,
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	%88.86
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	20.00%
6120 · Payroll Taxes	353.92	1,852.13	3,780.00	49.00%
6130 · Health Insurance	200.00	3,000.00	00.006′9	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	20.00%
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%
6230 - Maintenance	00 0	10 41	200 005	3 88%
		11.01	0000	
Total 6200 · Ranch House	0.00	19.41	200.00	3.88%

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FALLS CREEK RANCH ASSOC,, INC. Income Statement Budget Performance 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	00.009	102.95%
6370 · Supplies - expendable	21.56	205.05	00.009	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	00:00	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	%00.0
6730 · FCR- Mag Chlor	0.00	13.49	11,000.00	0.12%
6750 · Culverts	0.00	0.00	2,000.00	%00.0
6760 · Equipment Rentals	0.00	0.00	00.000,6	0.00%
6770 · Signs	247.04	677.64	200.00	135.53%
6790 · Road Sand	0.00	0.00	200.00	%00.0
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	00.096	15.54%

Page 2 of 4 See Accompanying Accountant's Compilation Report

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

7,600.00 180.00 6,000.00 1,000.00 1,000.00 2,560.00 600.00 1,300.00 32,720.00 200.00 15,000.00 7,000.00 1,000.00 1,000.00 1,000.00 200.00 1,000.00 1,000.00 15,100.00 15,100.00 6,550.00		Jan 15	Aug '14 - Jan 15	Annual Budget	% of Budget
16.33 53.60 180.00 240.06 249.27 6,000.00 0.00 1,098.36 1,000.00 0.00 0 1,090.36 1,000.00 0.00 0 1,557.29 2,560.00 0.00 0 417.25 600.00 0.00 0 129.44 10,000.00 0.00 0 475.53 4,000.00 0.00 0 475.53 4,000.00 0.00 0 646.68 15,000.00 1.00 0 0.00 0 1,000.00 1.00 0 0 0.00 0 1,000.00 1.00 0 0 0.00 0 1,000.00 1.00 0 0 0.00 0 1,000.00 1.00 0 0 0.00 0 1,000.00 1.00 0 0 0.00 0 1,000.00 1.00 0 0 0.00 0 1,000.00 1.00 0 0 0 0.00 0 1,000.00 1.00 0 0 0 0 0 0 0 1,000.00 1.00 0 0 0 0 0 0 0 1,000.00 1.00 0 0 0 0 0 0 0 1,000.00 1.00 0 0 0 0 0 0 0 1,000.00 1.00 0 0 0 0 0 0 0 1,000.00 1.00 0 0 0 0 0 0 1,000.00 1.00 0 0 0 0 0 0 1,000.0	6920 · Water Tests	50.00	4,927.42	7,600.00	64.83%
240.06 1,098.36 6,000.00  0.00 1,098.36 1,000.00  150.00 0.00 1,557.29 2,560.00  17.02 27.01 1,300.00  17.02 27.01 1,300.00  0.00 417.25 600.00  17.02 27.01 1,300.00  0.00 129.44 10,000.00  10.00 475.53 4,000.00  10.00 646.68 15,000.00  10.00 646.68 15,000.00  10.00 331.84 400.00  10.00 0.00 1,000.00  10.00 1,000.00  10.00 1,000.00  10.00 1,000.00  10.744.50 6,550.00  11,216.00 1,216.00  11,216.00 6,550.00  11,216.00 6,550.00  11,216.00 6,550.00  11,216.00 6,550.00	6925 · Chemicals	16.33	53.60	180.00	29.78%
0.00 1,098.36 1,000.00 1,000.00 1,000.00 1,000.00 150.00 1	6940 · System Repairs	240.06	249.27	6,000.00	4.15%
0.00 0.00 10,000.00 150.00 1,557.29 2,560.00 0.00 417.25 600.00 17.02 27.01 1,300.00 0.00 475.33 4,000.00 0.00 475.53 4,000.00 0.00 475.53 4,000.00 0.00 475.53 4,000.00 0.00 646.68 15,000.00 14.13.64 1,31.62 10,744.50 17,100.00 14,498.04 1,31.62 10,744.50 17,100.00 14,498.04 17,100 0.00 14,498.04 17,100 0.00 14,498.04 17,100.00 14,498.04 17,100.00 14,498.04 17,100.00 14,498.04 17,116.00 14,498.04 6,550.00 14,498.04 6,550.00 14,498.04 6,550.00	6950 · System Improvements	0.00	1,098.36	1,000.00	109.84%
150.00 1,557.29 2,560.00  0.00 417.25 600.00  17.02 27.01 1,300.00  0.00 0.00 0.00  0.00 0.00 0.00  0.00 0.00 0.00  0.00 0.00 0.00  129.44 10,000.00  0.00 0.00 0.00  0.00 0.00 0.00	6960 · Consultants	0.00	0.00	10,000.00	%00.0
17.02	6970 · Memberships & Fees	150.00	1,557.29	2,560.00	%83%
17.02 27.01 1,300.00 608.17 8,904.34 32,720.00 0.00 0.00 0.00 500.00 0.00 0.00 475.53 4,000.00 0.00 475.53 4,000.00 0.00 475.53 4,000.00 0.00 646.68 15,000.00 0.00 646.68 15,000.00 0.00 331.84 400.00 0.00 331.84 400.00 0.00 395.18 1,000.00 0.00 408.14 500.00 0.00 408.14 500.00 0.00 408.14 500.00 0.00 1,7,216.00 0.00 1,7,216.00 0.00 1,498.20 6,550.00	6980 · Training	0.00	417.25	00.009	69.54%
rs         608.17         8,904.34         32,720.00           0.00         41.71         300.00           0.00         0.00         500.00           0.00         475.53         4,000.00           0.00         475.53         4,000.00           0.00         646.68         15,000.00           rs         145.89         2,186.89         7,000.00           raintenanc         0.00         331.84         400.00           tenance         71.90         3,190.60         5,000.00           ranance         0.00         40.81.4         500.00           enance         3,913.83         4,231.85         200.00           enance         3,913.83         4,231.85         200.00           enance         3,913.83         4,231.85         200.00           enance         3,913.83         4,231.85         15,100.00           enance         4,131.62         10,744.50         15,100.00           enance         4,131.62         6,550.00         6,550.00	6990 · Utilities Misc.	17.02	27.01	1,300.00	2.08%
0.00 41.71 300.00 0.00 0.00 500.00 0.00 0.00 500.00 0.00 0.00	Total 6900 · Utilities Committee	608.17	8,904.34	32,720.00	27.21%
0.00 41.71 300.00  0.00 0.00 6.00 500.00  0.00 0.00 0.00 500.00  0.00 475.53 4,000.00  1.29,44 10,000.00  200.00 200.00  200.00 200.00  313.84 400.00  1,000.00  4,131.62 10,744.50 15,100.00  1,7,216.00  1,498.20 6,550.00  1,498.20 6,550.00	7000 · Common Property				
0.00 0.00 500.00  0.00 475.53 4,000.00  0.00 646.68 15,000.00  rs  1.45.89 2,186.89 7,000.00  tenance 0.00 331.84 400.00  tenance 0.00 335.18 1,000.00  tenance 0.00 408.14 500.00  anance 0.00 408.14 500.00  4,131.62 10,744.50 15,100.00  nsuran 0.00 1,498.20 6,550.00	6520 · Cleanup Day	0.00	41.71	300.00	13.90%
rs       0.00       129.44       10,000.00         0.00       475.53       4,000.00         0.00       0.00       200.00         rs       145.89       2,186.89       7,000.00         ranace       71.90       3,190.60       5,000.00         tenance       0.00       395.18       1,000.00         tenance       0.00       44,231.85       200.00         anance       3,913.83       4,231.85       200.00         anance       3,913.83       4,231.85       200.00         anance       0.00       10,744.50       15,100.00         nsuran       0.00       1,498.20       6,550.00		0.00	00.00	200.00	%00.0
nsuran       0.00       475.53       4,000.00         6.00       0.00       200.00         cs       145.89       2,186.89       7,000.00         snance       71.90       3,190.60       5,000.00         tenance       0.00       395.18       1,000.00         tenance       0.00       408.14       500.00         snance       0.00       408.14       500.00         tenance       0.00       408.14       500.00         snance       0.00       408.14       500.00         tenance       0.00       40.744.50       15,100.00         tenance       0.00       1,498.20       6,550.00	7030 · Weed & Pest Control	0.00	129.44	10,000.00	1.29%
rs         0.00         200.00           cond         646.68         15,000.00           rs         145.89         2,186.89         7,000.00           snance         71.90         3,190.60         5,000.00           tenance         0.00         395.18         1,000.00           tenance         0.00         408.14         500.00           enance         0.00         408.14         500.00           enance         10,744.50         15,100.00           asuran         0.00         1,498.20         6,550.00	7040 · Forest Management	0.00	475.53	4,000.00	11.89%
rs       0.000       646.68       15,000.00         rs       0.00       0.00       0.00         snance       71.90       3,190.60       5,000.00         tenance       0.00       3,190.60       5,000.00         tanance       0.00       408.14       500.00         snance       0.00       408.14       500.00         enance       3,913.83       4,231.85       200.00         thsuran       0.00       10,744.50       15,100.00         nsuran       0.00       1,498.20       6,550.00	7070 · Signs	0.00	00:00	200.00	%00.0
rs       145.89       2,186.89       7,000.00         snance       71.90       331.84       400.00         tenance       71.90       3,190.60       5,000.00         tenance       0.00       395.18       1,000.00         snance       0.00       408.14       500.00         enance       3,913.83       4,231.85       200.00         d,131.62       10,744.50       15,100.00         insuran       0.00       1,498.20       6,550.00	Total 7000 · Common Property	0.00	646.68	15,000.00	4.31%
rs         145.89         2,186.89         7,000.00           enance         71.90         331.84         400.00           faintenanc         0.00         3,190.60         5,000.00           tenance         0.00         395.18         1,000.00           enance         0.00         408.14         500.00           enance         3,913.83         4,231.85         200.00           enance         3,913.83         4,231.85         200.00           nsuran         0.00         10,744.50         15,100.00           nsuran         0.00         1,498.20         6,550.00	7095 · Hidden Vallev Permits	0.00	00'0	0.00	
rs         145.89         2,186.89         7,000.00           snancle         71.90         3,190.60         5,000.00           laintenanc         0.00         3,190.60         1,000.00           tenance         0.00         395.18         1,000.00           snance         3,913.83         4,231.85         200.00           enance         3,913.83         4,231.85         200.00           enance         3,913.83         4,231.85         15,100.00           nsuran         0.00         1,498.20         6,550.00	7100 · Equipment Operations				
nance     331.84     400.00       faintenanc     0.00     3,190.60     5,000.00       tenance     0.00     395.18     1,000.00       enance     0.00     408.14     500.00       enance     3,913.83     4,231.85     200.00       enance     3,913.83     4,231.85     200.00       enance     3,913.83     4,231.85     15,100.00       nsuran     0.00     1,498.20     6,550.00	7110 · Fuels, Lubricants & Filters	145.89	2,186.89	7,000.00	31.24%
snance         71.90         3,190.60         5,000.00           faintenance         0.00         1,000.00           snance         0.00         408.14         500.00           enance         3,913.83         4,231.85         200.00           enance         3,913.83         4,231.85         200.00           enance         3,913.83         4,231.85         15,100.00           nsuran         0.00         1,498.20         6,550.00	7120 · Licenses and Permits	0.00	331.84	400.00	82.96%
faintenanc         0.00         1,000.00           tenance         0.00         395.18         1,000.00           anance         0.00         408.14         500.00           enance         3,913.83         4,231.85         200.00           4,131.62         10,744.50         15,100.00           nsuran         0.00         1,498.20         6,550.00	7130 · Grader Repairs & Maintenance	71.90	3,190.60	5,000.00	63.81%
tenance         0.00         395.18         1,000.00           enance         0.00         408.14         500.00           enance         3,913.83         4,231.85         200.00           4,131.62         10,744.50         15,100.00           nsuran         0.00         1,498.20         6,550.00	7140 · Dump Truck Repairs & Maintenanc	0.00	00.00	1,000.00	%00.0
snance         0.00         408.14         500.00           enance         3,913.83         4,231.85         200.00           4,131.62         10,744.50         15,100.00           nsuran         0.00         1,498.20         6,550.00	7160 · Backhoe Repairs & Maintenance	0.00	395.18	1,000.00	39.52%
enance         3,913.83         4,231.85         200.00         211           4,131.62         10,744.50         15,100.00         7           nsuran         0.00         0.00         17,216.00         2           0.00         1,498.20         6,550.00         2		0.00	408.14	200.00	81.63%
4,131.62     10,744.50     15,100.00       nsuran     0.00     0.00     17,216.00       0.00     1,498.20     6,550.00     2	7175 · Tractor Repairs & Maintenance	3,913.83	4,231.85	200.00	2115.93%
gral & D.O Liability Insuran       0.00       0.00       17,216.00         unting       0.00       1,498.20       6,550.00       2	Total 7100 · Equipment Operations	4,131.62	10,744.50	15,100.00	71.16%
Liability Insuran         0.00         0.00         17,216.00           0.00         1,498.20         6,550.00         2	7200 · Services				
0.00 1,498.20 6,550.00		0.00	00.00	17,216.00	%00.0
	7220 · Accounting	0.00	1,498.20	6,550.00	22.87%

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

	70.45	At act - ht' and	Americal Displant	% of Rudget
•	CT UPC	CT IIBC - LT SNY	Annual Budget	o or paraget
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	283.67	200.00	116.73%
7430 · Discretionary Payments-Bonus	0.00	1,485.00	1,500.00	%00.66
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%
st Income	(34,370.65)	178,870.06	105,603.00	169.38%

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Net Income