

FALL CREEK

Overview

The Fall Creek HOA Board presents the Fall Creek, Serrano Creek and Fairway Crossing 2016 Budgets, all produced for the first time under the direction of your all resident Board. These budgets reflect the Board's resolve to increase property values through constantly making Fall Creek more secure, as well as making the community's assets (pools, parks, etc.) more desirable. Throughout this process, we have also remained committed to creating open communications amongst the residents and are excited about the progress and potential of our new website <http://www.fallcreeklife.com/>. Our first year of transition has required a lot of work from a great and dedicated collection of residents resulting in a strong foundation poised to yield greater, expanded results in 2016.

Financial Summary

We expect an approximate \$640,000 and \$111,000 yearly cash surplus for 2015 and 2016 for the Fall Creek HOA budget (after funding for Reserves and Capital). We also expect \$21,000 and - \$6,000 yearly cash surplus in 2015 and 2016 for Serrano Creek and \$53,000 and \$43,000 respectively for Fairway Crossing (after funding for Reserves and Capital). For 2015, approximately \$2,400,000 are expected to be in total HOA cash reserves at the end of 2015, including the \$908,000 generated from the past Capital Fee revenues. There is approximately \$210,000 and \$130,000 in dedicated cash assets for Serrano Creek and Fairway Crossing respectively. Additionally, the Foundation budget will now come under the control of the HOA Board and provides a direct source of cash to our community, creating estimated income of \$144,000 in 2015, and estimated \$100,000 in 2016. Based on the strong cash positions across all accounts, there will not be a raise in any annual homeowner assessments.

The Board completed the updated Reserve Study, an estimate of the Fall Creek HOA capital commitment for the next 30 years. This study is completed by engineers that estimate the useful life and cost basis of the capital items under the HOA's responsibility. While a good rule of measure to apply in defining our commitments, it serves only as a guideline as costs will be determined by the then market for the improvement and under an unknown timing. However, the Board believes in creating a "capital placeholder" in the budget for all stipulated items in this study as a practice of prudent capital planning.

2016 Financial Initiatives

Having taken on a number of latent issues that we inherited from the past developer controlled Board, we stand ready to position Fall Creek for the future. For 2016, the Board is centered on creating cost efficiencies in the areas of landscaping, utility and insurance contracts, our largest non-reimbursed operating expenditures. The Board will also be committed to exploring and defining capital projects in light of the Reserve Study. You can find the detailed 2016 budget along with the full reserve study with explanation at <http://www.fallcreeklife.com/>. Thank you all for your continued support and we look forward to fruitful 2016!

FALL CREEK

FALL CREEK HOA	2016 BUDGET	THRU 10/31/2015 & REMAINING BUDGET	VARIANCE	COMMENTS
REVENUES				
Assessment Revenue	\$ 2,450,252	\$ 2,472,339	\$ (22,087)	
Fee Revenue	\$ 4,000	\$ 47,422	\$ (43,422)	
Capital Revenue	\$ 30,875	\$ 35,360	\$ (4,485)	
Other Revenue	\$ 340,955	\$ 275,472	\$ 65,483	Increased reimbursable for security
TOTAL REVENUES	\$ 2,826,082	\$ 2,830,593	\$ (4,511)	
OPERATING EXPENSES				
Amenity Maintenance	\$ 42,651	\$ 38,119	\$ 4,532	
General Maintenance	\$ 119,624	\$ 90,120	\$ 29,504	Increased cleaning services and monument R&M
Insurance and Taxes	\$ 53,527	\$ 49,303	\$ 4,224	Bidding insurance contract
Lake Maintenance	\$ 23,204	\$ 18,961	\$ 4,243	
Landscape Maintenance	\$ 1,048,798	\$ 839,246	\$ 209,552	Bidding landscape contract
Miscellaneous	\$ 5,000	\$ 3,942	\$ 1,058	
Other Expenses	\$ 98,700	\$ 83,099	\$ 15,601	Increased community events
Pool Maintenance	\$ 178,987	\$ 232,029	\$ (53,042)	Efficiencies from transition
Tennis Court Maintenance	\$ 6,580	\$ 750	\$ 5,830	
Professional Services	\$ 331,562	\$ 305,688	\$ 25,874	
Security Expense	\$ 408,301	\$ 315,482	\$ 92,819	A portion of overage revenue reimbursable (security)
Utility Expense	\$ 334,930	\$ 322,797	\$ 12,133	Bidding utility contracts
TOTAL OPERATING EXPENSES	\$ 2,651,864	\$ 2,299,536	\$ 352,328	
INCOME AVAILABLE FOR RESERVE & CAPITAL PROJECTS	\$ 174,218	\$ 531,057	\$ (356,839)	
RESERVE EXPENSES	\$ (115,674)	\$ -	\$ (115,674)	Per reserve study
CAPITAL EXPENSES	\$ (48,000)	\$ (34,666)	\$ (13,334)	Projects under consideration
FOUNDATION REVENUE	\$ 100,000	\$ 143,584	\$ (43,584)	
CASH TO RESERVES / (DEFICIT FUNDING)	\$ 110,544	\$ 639,975	\$ (529,431)	

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SERRANO CREEK	2016 BUDGET	THRU 10/31/2015 & REMAINING BUDGET	VARIANCE
REVENUES			
Assessment Revenue	\$ 47,705	\$ 50,433	\$ (2,728)
Fee Revenue	\$ -	\$ -	\$ -
Capital Revenue	\$ -	\$ -	\$ -
Other Revenue	\$ 625	\$ 156	\$ 469
TOTAL REVENUES	\$ 48,330	\$ 50,589	\$ (2,259)
OPERATING EXPENSES			
Amenity Maintenance	\$ -	\$ 487	\$ (487)
General Maintenance	\$ 5,500	\$ 1,598	\$ 3,902
Insurance and Taxes	\$ -	\$ -	\$ -
Lake Maintenance	\$ 8,700	\$ 8,122	\$ 578
Landscape Maintenance	\$ 7,200	\$ 2,691	\$ 4,509
Entry Gate Maintenance	\$ 11,000	\$ 14,118	\$ (3,118)
Other Expenses	\$ 1,000	\$ 170	\$ 830
Pool Maintenance	\$ -	\$ -	\$ -
Tennis Court Maintenance	\$ -	\$ -	\$ -
Professional Services	\$ -	\$ -	\$ -
Security Expense	\$ -	\$ -	\$ -
Utility Expense	\$ 6,000	\$ 2,496	\$ 3,504
TOTAL OPERATING EXPENSES	\$ 39,400	\$ 29,682	\$ 9,718
INCOME AVAILABLE FOR RESERVE & CAPITAL PROJECTS	\$ 8,930	\$ 20,907	\$ (11,977)
RESERVE EXPENSES	\$ (14,900)	\$ -	\$ (14,900)
CAPITAL EXPENSES	\$ -	\$ -	\$ -
FOUNDATION REVENUE	\$ -	\$ -	\$ -
CASH TO RESERVES / (DEFICIT FUNDING)	\$ (5,970)	\$ 20,907	\$ (26,877)

FALL CREEK

FAIRWAY CROSSING	2016 BUDGET	2015 ACTUAL THRU 10/31/2015 & REMAINING BUDGET	VARIANCE
REVENUES			
Assessment Revenue	\$ 94,416	\$ 91,764	\$ 2,652
Fee Revenue	\$ -	\$ -	
Capital Revenue	\$ -	\$ -	
Other Revenue	\$ 625	\$ 105	\$ 520
TOTAL REVENUES	\$ 95,041	\$ 91,869	\$ 3,172
OPERATING EXPENSES			
Amenity Maintenance	\$ -	\$ 487	\$ (487)
General Maintenance	\$ 8,000	\$ 3,583	\$ 4,417
Insurance and Taxes	\$ -	\$ -	\$ -
Lake Maintenance	\$ 13,520	\$ 13,247	\$ 273
Landscape Maintenance	\$ 7,200	\$ 3,530	\$ 3,670
Entry Gate Maintenance	\$ 16,000	\$ 15,626	\$ 373
Other Expenses	\$ 1,000	\$ 170	\$ 830
Pool Maintenance	\$ -	\$ -	
Tennis Court Maintenance	\$ -	\$ -	
Professional Services	\$ -	\$ -	\$ -
Security Expense	\$ -	\$ 135	\$ (135)
Utility Expense	\$ 6,000	\$ 2,472	\$ 3,528
TOTAL OPERATING EXPENSES	\$ 51,720	\$ 39,250	\$ 12,470
INCOME AVAILABLE FOR RESERVE & CAPITAL PROJECTS	\$ 43,321	\$ 52,619	\$ (9,298)
RESERVE EXPENSES	\$ -	\$ -	\$ -
CAPITAL EXPENSES	\$ -	\$ -	\$ -
FOUNDATION REVENUE	\$ -	\$ -	
CASH TO RESERVES / (DEFICIT FUNDING)	\$ 43,321	\$ 52,619	\$ (9,298)