

Falcon Highlands Metropolitan District
Financial Statement Variances
May 31, 2016

Current month variances:

Note to reader: Budget variances assume an annual budget divided by 12 months. Therefore, as of May 2016, the District should be at 41.67% of the total budget for 2016.

Property Taxes Collected

1. The 2016 collections through May are at 71.81% of the total amount levied compared to 60.98% at this time last year.

General Fund

1. Insurance expenditures are on budget as the annual premiums were paid in full in January.
2. District management is currently tracking ahead of budget but should be within budget at year end.
3. Miscellaneous expenditures are tracking ahead of budget mainly due to bank service fees that are being charged twice a year.
4. Legal expenditures are tracking ahead of budget. Additional increase is due to attorney work for bond refunding.
5. Election expenditures are over budget.
6. Overall, the total General Fund expenditures are at 27.37% of budget.

Conservation Trust Fund

1. As of May 31, 2016, the District has received \$1,003 in Conservation Trust Fund proceeds for the year.

Enterprise Fund

1. Insurance expenditures are over budget as mentioned in the General Fund section.
2. District management is currently tracking ahead of budget as mentioned in the General Fund section.
3. Legal expenditures are tracking ahead of budget as mentioned in the General Fund section.
4. Overall, the total Enterprise Fund expenditures are at 27.50% of budget.

Cash and Investments

As of July 5, 2016 the available cash and investments are as follows:

1. General Fund: \$459,373.59
2. Debt Service Fund: \$1,401,613.84 of which \$900,821.56 is the Reserve Fund
3. Enterprise Fund: \$313,077.12
4. Conservation Trust Fund: \$6,634.66

FALCON HIGHLANDS METROPOLITAN DISTRICT
FINANCIAL STATEMENTS

MAY 31, 2016

DRAFT

**FALCON HIGHLANDS METROPOLITAN DISTRICT
BALANCE SHEET - ALL FUND TYPES AND SCHEDULE OF
CAPITAL ASSETS AND LONG-TERM DEBT
MAY 31, 2016**

	<u>Governmental Funds</u>			<u>Business - Type Funds</u>	<u>Total</u>	<u>Schedule of Capital Assets and Long-Term Debt</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Conservation Trust Fund</u>	<u>Enterprise Fund</u>		
ASSETS						
Cash	\$ 491,725	\$ -	\$ 5,030	\$ 328,904	\$ 825,659	\$ -
Cash - Series 2004 Bonds	-	1,282,982	-	-	1,282,982	-
Cash - Series 2007 Bonds	-	10,163	-	-	10,163	-
Accounts receivable	12,510	-	-	37,952	50,462	-
Due from County	24,008	108,470	-	-	132,478	-
Capital assets, net	-	-	-	3,995,855	3,995,855	1,348,423
TOTAL ASSETS	<u>\$ 528,243</u>	<u>\$ 1,401,615</u>	<u>\$ 5,030</u>	<u>\$ 4,362,711</u>	<u>\$ 6,297,599</u>	<u>\$ 1,348,423</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 28,613	\$ -	\$ -	\$ 60,836	\$ 89,449	\$ -
LONG-TERM LIABILITIES						
Series 2004 Bonds	-	-	-	-	-	6,985,000
Series 2004 A - original issue discount	-	-	-	-	-	(48,897)
Series 2007 Subordinate Bonds	-	-	-	-	-	4,935,000
Series 2004 B-1 Notes	-	-	-	-	-	1,000,000
Series 2006 B-2 Notes	-	-	-	-	-	1,500,000
Series 2006 B-3 Notes	-	-	-	-	-	440,000
Series 2004 B-1 Notes - accrued interest	-	-	-	-	-	394,500
Series 2006 B-2 Notes - accrued interest	-	-	-	-	-	504,417
Series 2006 B-3 Notes - accrued interest	-	-	-	-	-	147,962
Series 2007 Sub Bonds - accrued interest	-	-	-	-	-	5,061,670
Letter of Credit - Cygnet LLC	-	-	-	-	-	265,000
Cygnet, LLC - notes payable	-	-	-	-	-	4,025,291
RDS, LLC - notes payable	-	-	-	-	-	128,682
John Deer Mower Note	-	-	-	-	-	3,837
Tamlin Ventures - notes payable	-	-	-	-	-	447,534
Total liabilities	<u>28,613</u>	<u>-</u>	<u>-</u>	<u>60,836</u>	<u>89,449</u>	<u>\$ 25,789,996</u>
FUND BALANCES						
Fund balance	<u>499,630</u>	<u>1,401,615</u>	<u>5,030</u>	<u>4,301,875</u>	<u>6,208,150</u>	
TOTA: LIABILITIES AND FUND BALANCES	<u>\$ 528,243</u>	<u>\$ 1,401,615</u>	<u>\$ 5,030</u>	<u>\$ 4,362,711</u>	<u>\$ 6,297,599</u>	

FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2016

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>	<u>% of Budget</u>
REVENUES				
Property taxes	\$ 91,827	\$ 65,944	\$ (25,883)	71.81%
Specific ownership taxes	70,707	29,295	(41,412)	41.43%
Maintenance fees	130,500	54,743	(75,757)	41.95%
Interest income	700	1,166	466	166.57%
Total revenue	<u>293,734</u>	<u>151,148</u>	<u>(142,586)</u>	<u>51.46%</u>
EXPENDITURES				
Accounting	30,000	9,315	20,685	31.05%
Audit	8,500	-	8,500	0.00%
County Treasurer's fees	1,377	989	388	71.82%
District management	25,000	13,014	11,986	52.06%
Directors fees	-	500	(500)	0.00%
Election expense	2,000	2,579	(579)	128.95%
Engineering expense	5,000	-	5,000	0.00%
Insurance & bonds	5,800	6,414	(614)	110.59%
Landscape maintenance	3,000	-	3,000	0.00%
Legal	30,000	18,753	11,247	62.51%
Payroll - wages and taxes	26,000	9,414	16,586	36.21%
Repairs and maintenance	9,000	1,342	7,658	14.91%
Park Equipment	20,000	-	20,000	0.00%
Equipment expense	10,000	-	10,000	0.00%
Fuel	2,000	159	1,841	7.95%
Utilities	12,750	6,458	6,292	50.65%
Miscellaneous expenses	2,000	1,497	503	74.85%
Contingency	5,842	-	5,842	0.00%
Monuments	30,000	-	30,000	0.00%
Sidewalk repairs	10,000	-	10,000	0.00%
Bond council	20,000	-	20,000	0.00%
John Deere Mower 2013 - Principal	1,597	652	945	40.83%
John Deere - CY interest	134	70	64	52.24%
Total expenditures	<u>260,000</u>	<u>71,156</u>	<u>188,844</u>	<u>27.37%</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	33,734	79,992	46,258	
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	-	-	-	0.00%
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	33,734	79,992	46,258	
FUND BALANCE - BEGINNING	405,958	419,638	13,680	103.37%
FUND BALANCE - ENDING	<u>\$ 439,692</u>	<u>\$ 499,630</u>	<u>\$ 59,938</u>	<u>113.63%</u>

**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2016**

CONSERVATION TRUST FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>	<u>% of Budget</u>
REVENUES				
Interest income	\$ 10	\$ -	\$ (10)	0.00%
Conservation trust fund proceeds	<u>4,500</u>	<u>1,003</u>	<u>(3,497)</u>	<u>22.29%</u>
Total revenue	<u>4,510</u>	<u>1,003</u>	<u>(3,507)</u>	<u>22.24%</u>
EXPENDITURES				
Contingency	<u>8,743</u>	<u>-</u>	<u>8,743</u>	<u>0.00%</u>
Total expenditures	<u>8,743</u>	<u>-</u>	<u>8,743</u>	<u>0.00%</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES				
	(4,233)	1,003	5,236	22.24%
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	(4,233)	1,003	5,236	(23.69)%
FUND BALANCE - BEGINNING				
	<u>4,233</u>	<u>4,027</u>	<u>(206)</u>	<u>95.13%</u>
FUND BALANCE - ENDING				
	<u>\$ -</u>	<u>\$ 5,030</u>	<u>\$ 5,030</u>	<u>0.00%</u>

**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE FIVE MONTHS ENDED MAY 31, 2016 AND 2015**

ENTERPRISE FUND

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
OPERATING REVENUES			
Water usage fees	\$ 62,619	\$ 63,506	\$ (887)
Water treatment fees	48,351	47,943	408
Administrative fees	34,191	33,935	256
Penalties	2,330	2,630	(300)
Water meters	-	790	(790)
Inspection fees	-	90	(90)
O&M reserve fee	-	500	(500)
Total operating revenues	<u>147,491</u>	<u>149,394</u>	<u>(1,903)</u>
OPERATING EXPENSES			
Accounting	17,077	19,318	2,241
Depreciation	94,327	99,952	5,625
District management	16,919	11,754	(5,165)
Utility billing	12,864	14,901	2,037
Dues and subscriptions	275	1,388	1,113
Engineering expense	20,506	29,134	8,628
Insurance & bonds	13,271	11,538	(1,733)
Legal	23,129	13,096	(10,033)
Security	2,364	2,488	124
Small tools and supplies	-	598	598
Payroll - wages and taxes	20,554	19,578	(976)
Supplies - Treatment facility	2,850	4,882	2,032
Repairs and maintenance	996	2,457	1,461
Operating expense	1,795	4,759	2,964
Telephone	1,145	970	(175)
Fuel	239	576	337
Utilities	18,705	14,945	(3,760)
Utility locates	163	144	(19)
John Deere - CY interest	-	7	7
Miscellaneous expenses	-	75	75
Allocation of lease expense	-	(1,687)	(1,687)
Total operating expenditures	<u>247,179</u>	<u>250,873</u>	<u>3,694</u>
OPERATING INCOME (LOSS)	(99,688)	(101,479)	1,791
NON-OPERATING REVENUES AND (EXPENSES)			
Water tap fees	-	12,250	(12,250)
Sewer tap fees	-	13,050	(13,050)
Miscellaneous income	348	-	348
Woodmen Hills sewer tap fees	-	(11,000)	11,000
Total other revenues and expenses	<u>348</u>	<u>14,300</u>	<u>(13,952)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENSE	(99,340)	(87,179)	(12,161)

**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE FIVE MONTHS ENDED MAY 31, 2016 AND 2015**

ENTERPRISE FUND

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	-	(12,250)	12,250
Total other financing sources (uses)	-	(12,250)	12,250
NET INCOME (LOSS)	(99,340)	(99,429)	89
BEGINNING NET POSITION	4,401,217	4,500,621	(99,404)
ENDING NET POSITION	<u>\$ 4,301,877</u>	<u>\$ 4,401,192</u>	<u>\$ (99,315)</u>

DRAFT

SUPPLEMENTARY INFORMATION

DRAFT

**FALCON HIGHLANDS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2016**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>	<u>% of Budget</u>
REVENUES				
Property taxes	\$ 550,961	\$ 395,664	\$(155,297)	71.81%
Interest income	<u>1,500</u>	<u>165</u>	<u>(1,335)</u>	<u>11.00%</u>
Total revenue	<u>552,461</u>	<u>395,829</u>	<u>(156,632)</u>	<u>71.65%</u>
EXPENDITURES				
County Treasurer's fees	8,264	5,935	2,329	71.82%
Bond interest	532,606	-	532,606	0.00%
Bond principal	150,000	-	150,000	0.00%
Paying agent/trustee fees	<u>16,500</u>	<u>-</u>	<u>16,500</u>	<u>0.00%</u>
Total expenditures	<u>707,370</u>	<u>5,935</u>	<u>701,435</u>	<u>0.84%</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES				
	(154,909)	389,894	544,803	72.49%
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	(154,909)	389,894	544,803	(251.69)%
FUND BALANCE - BEGINNING				
	<u>936,650</u>	<u>1,011,720</u>	<u>75,070</u>	<u>108.01%</u>
FUND BALANCE - ENDING				
	<u>\$ 781,741</u>	<u>\$ 1,401,614</u>	<u>\$ 619,873</u>	<u>179.29%</u>

**FALCON HIGHLANDS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE- BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2016**

ENTERPRISE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>	<u>% of Budget</u>
REVENUES				
Water usage fees	\$ 260,000	\$ 62,619	\$(197,381)	24.08%
Water treatment fees	115,500	48,351	(67,149)	41.86%
Administrative fees	81,500	34,191	(47,309)	41.95%
Penalties	6,000	2,330	(3,670)	38.83%
Miscellaneous income	-	348	348	0.00%
Total revenue	<u>463,000</u>	<u>147,839</u>	<u>(315,161)</u>	<u>31.93%</u>
EXPENDITURES				
Accounting	55,000	17,077	37,923	31.05%
District management	32,500	16,919	15,581	52.06%
Utility billing	40,000	12,864	27,136	32.16%
Dues and subscriptions	1,400	275	1,125	19.64%
Engineering expense	90,000	20,506	69,494	22.78%
Insurance & bonds	12,000	13,271	(1,271)	110.59%
Legal	37,000	23,129	13,871	62.51%
Security	6,000	2,364	3,636	39.40%
Small tools and supplies	1,500	-	1,500	0.00%
Permits - fees	700	-	700	0.00%
Payroll - wages and taxes	57,000	20,554	36,446	36.06%
Supplies - Treatment facility	28,000	2,850	25,150	10.18%
Repairs and maintenance	25,000	996	24,004	3.98%
Operating expense	12,000	1,795	10,205	14.96%
Telephone	3,000	1,145	1,855	38.17%
Equipment expense	500	-	500	0.00%
Fuel	3,000	239	2,761	7.97%
Utilities	60,000	18,705	41,295	31.18%
Utility locates	1,000	163	837	16.30%
Miscellaneous expenses	1,000	-	1,000	0.00%
Contingency	4,400	-	4,400	0.00%
Capital Outlay	100,000	4,200	95,800	4.20%
Total expenditures	<u>571,000</u>	<u>157,052</u>	<u>413,948</u>	<u>27.50%</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(108,000)	(9,213)	98,787	8.53%
BEGINNING FUNDS AVAILABLE	<u>263,560</u>	<u>315,235</u>	<u>51,675</u>	<u>119.61%</u>
O&M reserve fee	37,500	22,750	14,750	8,000.00%
Unassigned funds available	<u>226,060</u>	<u>292,485</u>	<u>36,925</u>	<u>129.38</u>
TOTAL ENDING FUNDS AVAILABLE	<u>\$ 155,560</u>	<u>\$ 306,022</u>	<u>\$ 150,462</u>	<u>196.72%</u>

FALCON HIGHLANDS METROPOLITAN DISTRICT
Schedule of Cash Position
May 31, 2016
Updated as of July 5, 2016

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Enterprise Fund</u>	<u>Conservation Trust Fund</u>	<u>Total</u>
<u>Wells Fargo - Checking</u>					
Balance as of May 31, 2016	\$ 47,962.84	\$ -	\$ 280,264.98	\$ 5,030.14	\$ 333,257.96
<i>Subsequent activities:</i>					
June payroll and taxes	(1,772.06)	-	(4,134.82)	-	(5,906.88)
June payment to IRS	-	-	(2,283.83)	-	(2,283.83)
June service receipts	-	-	46,918.98	-	46,918.98
June CTF deposit	-	-	-	1,604.52	-
June vouchers payable	(30,579.64)	-	(60,875.69)	-	(91,455.33)
July service receipts	-	-	4,548.02	-	4,548.02
Anticipated Balance	<u>15,611.14</u>	<u>-</u>	<u>264,437.64</u>	<u>6,634.66</u>	<u>285,078.92</u>
<u>CSAFE</u>					
Balance as of May 31, 2016	443,762.45	-	48,639.48	-	492,401.93
<i>Subsequent activities:</i>					
06/10/16 - May property/SO taxes	24,008.08	108,469.52	-	-	132,477.60
06/30/16 - Interest income	264.47	-	-	-	264.47
Anticipated Transfer to US Bank	-	(108,469.52)	-	-	(108,469.52)
Anticipated Balance	<u>443,762.45</u>	<u>-</u>	<u>48,639.48</u>	<u>-</u>	<u>516,674.48</u>
<u>US Bank Series 2004 Bond Fund</u>					
Balance as of May 31, 2016	-	380,780.60	-	-	380,780.60
<i>Subsequent activities:</i>					
Anticipated transfer from CSAFE	-	108,469.52	-	-	108,469.52
Anticipated Balance	<u>-</u>	<u>489,250.12</u>	<u>-</u>	<u>-</u>	<u>489,250.12</u>
<u>US Bank Series 2004 Reserve Fund</u>					
Balance as of May 31, 2016	-	900,821.56	-	-	900,821.56
Anticipated Balance	<u>-</u>	<u>900,821.56</u>	<u>-</u>	<u>-</u>	<u>900,821.56</u>
<u>US Bank Series 2004 Construction Fund</u>					
Balance as of May 31, 2016	-	677.31	-	-	677.31
Anticipated Balance	<u>-</u>	<u>677.31</u>	<u>-</u>	<u>-</u>	<u>677.31</u>
<u>US Bank Series 2004 Escrow Fund</u>					
Balance as of May 31, 2016	-	702.31	-	-	702.31
Anticipated Balance	<u>-</u>	<u>702.31</u>	<u>-</u>	<u>-</u>	<u>702.31</u>
<u>US Bank Series 2007 Sub Bond Capitalized Interest</u>					
Balance as of May 31, 2016	-	10,129.85	-	-	10,129.85
Anticipated Balance	<u>-</u>	<u>10,129.85</u>	<u>-</u>	<u>-</u>	<u>10,129.85</u>
<u>US Bank Series 2007 Sub Bond Construction Fund</u>					
Balance as of May 31, 2016	-	32.69	-	-	32.69
Anticipated Balance	<u>-</u>	<u>32.69</u>	<u>-</u>	<u>-</u>	<u>32.69</u>
Anticipated Balances	<u>\$ 459,373.59</u>	<u>\$ 1,401,613.84</u>	<u>\$ 313,077.12</u>	<u>\$ 6,634.66</u>	<u>\$ 2,203,367.24</u>

Yield information (as of 06/30/16):

US Bank MM - 0.02%
CSAFE - 0.55%

FALCON HIGHLANDS METROPOLITAN DISTRICT
Property Taxes Reconciliation
2016

	Current Year							Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
						\$ -				\$ -		
January	\$ 2,436.48	\$ -	\$ 5,759.61	\$ -	\$ (36.55)	-	\$ 8,159.54	0.38%	0.38%	\$ 13,107.96	1.22%	1.22%
February	265,702.06	-	5,670.79	-	(3,985.53)	-	267,387.32	41.34%	41.71%	240,942.53	38.85%	40.07%
March	25,332.30	-	6,221.18	-	(379.98)	-	31,173.50	3.94%	45.66%	28,225.81	3.70%	43.77%
April	39,661.83	-	5,713.45	-	(594.93)	-	44,780.35	6.17%	51.83%	52,143.88	7.69%	51.46%
May	128,474.93	-	5,929.79	-	(1,927.12)	-	132,477.60	19.99%	71.81%	63,452.04	9.53%	60.98%
June							-	0.00%	71.81%	196,930.39	31.47%	92.45%
July							-	0.00%	71.81%	6,066.21	0.01%	92.46%
August							-	0.00%	71.81%	38,812.24	5.18%	97.63%
September							-	0.00%	71.81%	20,316.63	2.28%	99.91%
October							-	0.00%	71.81%	6,775.82	0.06%	99.97%
November							-	0.00%	71.81%	5,319.79	0.00%	99.97%
December							-	0.00%	71.81%	6,120.15	0.00%	99.97%
	\$ 461,607.60	\$ -	\$ 29,294.82	\$ -	\$ (6,924.11)	\$ -	\$ 483,978.31	71.81%	71.81%	\$ 678,213.45	99.97%	99.97%

	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Tax				
General Fund	\$ 91,827	14.29%	\$ 65,944.05	71.81%
Debt Service Fund	550,961	85.71%	395,663.55	71.81%
Total	642,788	100.00%	\$ 461,607.60	71.81%

Specific Ownership Tax

General Fund	70,707	100.00%	\$ 29,294.82	41.43%
Total	70,707	100.00%	\$ 29,294.82	41.43%

Treasurer's Fees

General Fund	1,377	14.29%	\$ 989.16	71.83%
Debt Service Fund	8,264	85.71%	5,934.95	71.82%
Total	\$ 9,641	100.00%	\$ 6,924.11	71.82%