

FALCON HIGHLANDS METROPOLITAN DISTRICT
FINANCIAL STATEMENTS

JANUARY 31, 2016

**FALCON HIGHLANDS METROPOLITAN DISTRICT
BALANCE SHEET - ALL FUND TYPES AND SCHEDULE OF
CAPITAL ASSETS AND LONG-TERM DEBT
JANUARY 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>		<u>Debt</u>
ASSETS						
Cash	\$ 409,809	\$ -	\$ 4,027	\$ 313,025	\$ 726,861	\$ -
Cash - Series 2004 Bonds	-	1,001,559	-	-	1,001,559	-
Cash - Series 2007 Bonds	-	10,161	-	-	10,161	-
Accounts receivable	13,267	-	-	31,930	45,197	-
Due from County	6,102	2,057	-	-	8,159	-
Capital assets, net	-	-	-	4,031,410	4,031,410	1,351,545
TOTAL ASSETS	<u>\$ 429,178</u>	<u>\$ 1,013,777</u>	<u>\$ 4,027</u>	<u>\$ 4,376,365</u>	<u>\$ 5,823,347</u>	<u>\$ 1,351,545</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 12,332	\$ 8,000	\$ -	\$ 43,774	\$ 64,106	\$ -
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	-	-	-	-	-	5,097,075
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>12,332</u>	<u>8,000</u>	<u>-</u>	<u>43,774</u>	<u>64,106</u>	<u>\$ 25,825,401</u>
FUND BALANCES						
Fund balance	<u>416,846</u>	<u>1,005,777</u>	<u>4,027</u>	<u>4,332,591</u>	<u>5,759,241</u>	
TOTA: LIABILITIES AND FUND BALANCES	<u>\$ 429,178</u>	<u>\$ 1,013,777</u>	<u>\$ 4,027</u>	<u>\$ 4,376,365</u>	<u>\$ 5,823,347</u>	

FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ONE MONTH ENDED JANUARY 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	\$ 348	\$ (91,479)	0.38%
Specific ownership taxes	70,707	5,760	(64,947)	8.15%
Maintenance fees	130,500	10,958	(119,542)	8.40%
Interest income	700	137	(563)	19.57%
Total revenue	<u>293,734</u>	<u>17,203</u>	<u>(276,531)</u>	<u>5.86%</u>
EXPENDITURES				
Accounting	30,000	2,311	27,689	7.70%
Audit	8,500	-	8,500	0.00%
County Treasurer's fees	1,377	5	1,372	0.36%
District management	25,000	2,929	22,071	11.72%
Election expense	2,000	-	2,000	0.00%
Engineering expense	5,000	-	5,000	0.00%
Insurance & bonds	5,800	6,040	(240)	104.14%
Landscape maintenance	3,000	-	3,000	0.00%
Legal	30,000	2,993	27,007	9.98%
Payroll - wages and taxes	26,000	1,869	24,131	7.19%
Repairs and maintenance	9,000	-	9,000	0.00%
Park Equipment	20,000	-	20,000	0.00%
Equipment expense	10,000	-	10,000	0.00%
Fuel	2,000	25	1,975	1.25%
Utilities	12,750	2,999	9,751	23.52%
Miscellaneous expenses	2,000	679	1,321	33.95%
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	130	1,467	8.14%
John Deere - CY interest	134	14	120	10.45%
Total expenditures	<u>260,000</u>	<u>19,994</u>	<u>240,006</u>	<u>7.69%</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	33,734	(2,791)	(36,525)	
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	(2,791)	(36,525)	
FUND BALANCE - BEGINNING	<u>405,958</u>	<u>419,638</u>	<u>13,680</u>	<u>103.37%</u>
FUND BALANCE - ENDING	<u>\$ 439,692</u>	<u>\$ 416,847</u>	<u>\$ (22,845)</u>	<u>94.80%</u>

**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ONE MONTH ENDED JANUARY 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>-</u>	<u>(4,500)</u>	<u>0.00%</u>
Total revenue	<u>4,510</u>	<u>-</u>	<u>(4,510)</u>	<u>0.00%</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)	-	4,233	0.00%
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)	-	4,233	0.00%
FUND BALANCE - BEGINNING				
	<u>4,233</u>	<u>4,027</u>	<u>(206)</u>	<u>95.13%</u>
FUND BALANCE - ENDING				
	<u>\$ -</u>	<u>\$ 4,027</u>	<u>\$ 4,027</u>	<u>0.00%</u>

**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE ONE MONTH ENDED JANUARY 31, 2016 AND 2015**

ENTERPRISE FUND

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
OPERATING REVENUES			
Water usage fees	\$ 10,809	\$ 10,434	\$ 375
Water treatment fees	9,684	9,572	112
Administrative fees	6,843	6,778	65
Penalties	530	590	(60)
Total operating revenues	<u>27,866</u>	<u>27,374</u>	<u>492</u>
OPERATING EXPENSES			
Accounting	4,236	3,497	(739)
Depreciation	17,178	19,990	2,812
District management	3,808	2,752	(1,056)
Utility billing	2,270	2,333	63
Dues and subscriptions	275	1,388	1,113
Engineering expense	8,945	8,104	(841)
Insurance & bonds	12,496	11,531	(965)
Legal	3,692	2,429	(1,263)
Security	473	446	(27)
Payroll - wages and taxes	4,097	4,192	95
Supplies - Treatment facility	-	960	960
Operating expense	112	175	63
Telephone	217	228	11
Fuel	38	114	76
Utilities	2,062	4,031	1,969
Utility locates	7	-	(7)
John Deere - CY interest	-	5	5
Miscellaneous expenses	-	14	14
Allocation of lease expense	-	(844)	(844)
Total operating expenditures	<u>59,906</u>	<u>61,345</u>	<u>1,439</u>
OPERATING INCOME (LOSS)	(32,040)	(33,971)	1,931
NON-OPERATING REVENUES AND (EXPENSES)			
Miscellaneous income	348	-	348
Total other revenues and expenses	<u>348</u>	<u>-</u>	<u>348</u>
EXCESS OF REVENUE OVER (UNDER) EXPENSE	(31,692)	(33,971)	2,279
OTHER FINANCING SOURCES (USES)			
NET INCOME (LOSS)	(31,692)	(33,971)	2,279
BEGINNING NET POSITION	<u>4,364,284</u>	<u>4,500,623</u>	<u>(136,339)</u>
ENDING NET POSITION	<u><u>\$ 4,332,592</u></u>	<u><u>\$ 4,466,652</u></u>	<u><u>\$ (134,060)</u></u>

SUPPLEMENTARY INFORMATION

**FALCON HIGHLANDS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE ONE MONTH ENDED JANUARY 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	\$ 2,088	\$(548,873)	0.38%
Interest income	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>	<u>0.00%</u>
Total revenue	<u>552,461</u>	<u>2,088</u>	<u>(550,373)</u>	<u>0.38%</u>
EXPENDITURES				
County Treasurer's fees	8,264	31	8,233	0.38%
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>31</u>	<u>707,339</u>	<u>0.00%</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES				
	(154,909)	2,057	156,966	0.38%
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)	2,057	156,966	(1.33)%
FUND BALANCE - BEGINNING				
	<u>936,650</u>	<u>1,003,720</u>	<u>67,070</u>	<u>107.16%</u>
FUND BALANCE - ENDING				
	<u>\$ 781,741</u>	<u>\$ 1,005,777</u>	<u>\$ 224,036</u>	<u>128.66%</u>

**FALCON HIGHLANDS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE- BUDGET AND ACTUAL
FOR THE ONE MONTH ENDED JANUARY 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	\$ 10,809	\$(249,191)	4.16%
Water treatment fees	115,500	9,684	(105,816)	8.38%
Administrative fees	81,500	6,843	(74,657)	8.40%
Penalties	6,000	530	(5,470)	8.83%
Miscellaneous income	-	348	348	0.00%
Total revenue	<u>463,000</u>	<u>28,214</u>	<u>(434,786)</u>	<u>6.09%</u>
EXPENDITURES				
Accounting	55,000	4,236	50,764	7.70%
District management	32,500	3,808	28,692	11.72%
Utility billing	40,000	2,270	37,730	5.67%
Dues and subscriptions	1,400	275	1,125	19.64%
Engineering expense	90,000	8,945	81,055	9.94%
Insurance & bonds	12,000	12,496	(496)	104.13%
Legal	37,000	3,692	33,308	9.98%
Security	6,000	473	5,527	7.88%
Small tools and supplies	1,500	-	1,500	0.00%
Permits - fees	700	-	700	0.00%
Payroll - wages and taxes	57,000	4,097	52,903	7.19%
Supplies - Treatment facility	28,000	-	28,000	0.00%
Repairs and maintenance	25,000	-	25,000	0.00%
Operating expense	12,000	112	11,888	0.93%
Telephone	3,000	217	2,783	7.23%
Equipment expense	500	-	500	0.00%
Fuel	3,000	38	2,962	1.27%
Utilities	60,000	2,062	57,938	3.44%
Utility locates	1,000	7	993	0.70%
Miscellaneous expenses	1,000	-	1,000	0.00%
Contingency	4,400	-	4,400	0.00%
Capital Outlay	100,000	-	100,000	0.00%
Total expenditures	<u>571,000</u>	<u>42,728</u>	<u>528,272</u>	<u>7.48%</u>
EXCESS OF REVENUE OVER				
(UNDER) EXPENDITURES	(108,000)	(14,514)	93,486	13.44%
BEGINNING FUNDS AVAILABLE	<u>263,560</u>	<u>315,695</u>	<u>52,135</u>	<u>119.78%</u>
O&M reserve fee	37,500	22,750	14,750	8,000.00%
Unassigned funds available	<u>226,060</u>	<u>292,945</u>	<u>37,385</u>	<u>129.59</u>
TOTAL ENDING FUNDS AVAILABLE	<u>\$ 155,560</u>	<u>\$ 301,181</u>	<u>\$ 145,621</u>	<u>193.61%</u>