

FALCON HIGHLANDS METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2022

FALCON HIGHLANDS METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Conservation Trust</u>	<u>Enterprise</u>	<u>Total</u>
ASSETS					
Cash - 1st Bank	\$ 54,803	\$ -	\$ -	\$ 215,296	\$ 270,099
C - Safe	1,664,280	556,231	8,059	489,823	2,718,393
Capitalized Interest - Series 2007 Subordinate	-	10,653	-	-	10,653
Bond Fund - Series 2022	-	15,634	-	-	15,634
COI Fund - Series 2022	-	92,709	-	-	92,709
Revenue Fund - Series 2022	-	1,538	-	-	1,538
Accounts receivable	9,510	-	-	17,609	27,119
Receivable from County Treasurer	9,433	-	-	-	9,433
Property tax receivable	147,932	783,660	-	-	931,592
Prepaid insurance	10,268	-	-	15,403	25,671
Prepaid expense	62	-	-	3,691	3,753
Accumulated depreciation	-	-	-	(3,233,156)	(3,233,156)
Water rights	-	-	-	402,786	402,786
Equipment and systems	-	-	-	6,228,030	6,228,030
Vehicles	-	-	-	40,659	40,659
TOTAL ASSETS	<u>\$ 1,896,288</u>	<u>\$ 1,460,425</u>	<u>\$ 8,059</u>	<u>\$ 4,180,141</u>	<u>\$ 7,544,913</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable	\$ 13,851	\$ -	\$ -	\$ 44,815	\$ 58,666
Tap Review Fee Escrow	-	-	-	61,000	61,000
Total Liabilities	<u>13,851</u>	<u>-</u>	<u>-</u>	<u>105,815</u>	<u>119,666</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax	147,932	783,660	-	-	931,592
Total Deferred Inflows of Resources	<u>147,932</u>	<u>783,660</u>	<u>-</u>	<u>-</u>	<u>931,592</u>
FUND BALANCES					
Total Fund Balances	<u>1,734,505</u>	<u>676,765</u>	<u>8,059</u>	<u>4,074,326</u>	<u>6,493,655</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,896,288</u>	<u>\$ 1,460,425</u>	<u>\$ 8,059</u>	<u>\$ 4,180,141</u>	<u>\$ 7,544,913</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report.

**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 188,186	\$ 185,080	\$ (3,106)
Specific ownership taxes	110,942	115,354	4,412
Interest income	1,400	29,327	27,927
Maintenance fees	131,000	132,578	1,578
Other revenue	1,000	550	(450)
TOTAL REVENUES	<u>432,528</u>	<u>462,889</u>	<u>30,361</u>
EXPENDITURES			
Accounting	40,000	22,922	17,078
Auditing	8,700	8,500	200
County Treasurer's fee	2,823	2,823	-
Directors' fees	2,100	2,600	(500)
Insurance and bonds	11,000	9,127	1,873
District management	52,000	52,162	(162)
Legal services	47,000	28,941	18,059
Miscellaneous	5,000	146	4,854
Payroll - wages and taxes	161	199	(38)
Election expense	2,000	2,260	(260)
Repairs and maintenance	10,000	-	10,000
Professional Services	5,000	-	5,000
Landscape maintenance	9,000	7,869	1,131
General improvements	12,000	-	12,000
Utilities	30,000	14,393	15,607
Operating expense	500	-	500
Equipment expense	10,000	-	10,000
Trail maintenance	10,000	-	10,000
Storm drainage	25,000	-	25,000
Park improvements	10,000	-	10,000
Contingency	26,716	-	26,716
TOTAL EXPENDITURES	<u>319,000</u>	<u>151,942</u>	<u>167,058</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	113,528	310,947	197,419
OTHER FINANCING SOURCES (USES)			
Transfers to other fund	(46,600)	(62,000)	(15,400)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(46,600)</u>	<u>(62,000)</u>	<u>(15,400)</u>
NET CHANGE IN FUND BALANCES	66,928	248,947	182,019
FUND BALANCES - BEGINNING	<u>1,454,629</u>	<u>1,485,558</u>	<u>30,929</u>
FUND BALANCES - ENDING	<u>\$ 1,521,557</u>	<u>\$ 1,734,505</u>	<u>\$ 212,948</u>

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**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022**

CONSERVATION TRUST FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Conservation Trust proceeds	\$ 6,500	\$ 7,674	\$ 1,174
Interest income	5	84	79
TOTAL REVENUES	<u>6,505</u>	<u>7,758</u>	<u>1,253</u>
EXPENDITURES			
Repairs and maintenance	<u>7,060</u>	-	<u>7,060</u>
TOTAL EXPENDITURES	<u>7,060</u>	-	<u>7,060</u>
NET CHANGE IN FUND BALANCES	(555)	7,758	8,313
FUND BALANCES - BEGINNING	<u>555</u>	<u>301</u>	<u>(254)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 8,059</u>	<u>\$ 8,059</u>

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FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

	<u>Year to Date Actual</u>	<u>Prior Year to Date Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Facility fees	\$ 68,264	\$ 29,126	\$ 39,138
Interest income	6,422	74	6,348
Other revenue	31,818	89	31,729
Water treatment fees	117,231	116,508	723
Administrative fees	84,007	82,870	1,137
Water usage fees	238,526	236,068	2,458
Penalties	3,690	3,820	(130)
Meter fees	2,001	1,461	540
Water tap fees	70,000	80,000	(10,000)
O&M fees	1,219	813	406
Inspection fees	135	90	45
Total operating revenues	<u>623,313</u>	<u>550,919</u>	<u>72,394</u>
OPERATING EXPENDITURES			
Accounting	28,721	20,670	(8,051)
Dues and membership	845	1,149	304
Insurance and bonds	13,691	14,157	466
District management	67,069	55,818	(11,251)
Legal services	37,946	78,771	40,825
Miscellaneous	1,000	999	(1)
Security	6,369	5,668	(701)
Repairs and maintenance	12,775	4,100	(8,675)
Professional Services	36,962	37,101	139
Utilities	81,986	93,614	11,628
Operating expense	22,732	18,429	(4,303)
Supplies - treatment facility	12,750	12,121	(629)
Utility billing	54,014	40,986	(13,028)
Telephone	886	888	2
Utility locates	3,874	644	(3,230)
Woodman Hills contract	44,371	48,012	3,641
Capital outlay	-	1,023	1,023
Depreciation expense	<u>156,947</u>	<u>141,955</u>	<u>(14,992)</u>
Total operating expenses	<u>582,938</u>	<u>576,105</u>	<u>(6,833)</u>
Operating income (loss)	40,375	(25,186)	65,561
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	62,000	56,500	5,500
Total non-operating revenues (expenses)	<u>62,000</u>	<u>56,500</u>	<u>5,500</u>
CHANGE IN NET POSITION	102,375	31,314	71,061
TOTAL NET POSITION - BEGINNING	<u>3,971,953</u>	<u>3,940,639</u>	<u>31,314</u>
TOTAL NET POSITION - ENDING	<u>\$ 4,074,328</u>	<u>\$ 3,971,953</u>	<u>\$ 102,375</u>

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SUPPLEMENTARY INFORMATION

**FALCON HIGHLANDS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022**

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	\$ 921,233	\$ 906,028	\$ (15,205)
Interest income	16,000	14,661	(1,339)
Other revenue	72,767	25,000	(47,767)
Bond proceeds	5,990,000	5,880,000	(110,000)
TOTAL REVENUES	7,000,000	6,825,689	(174,311)
EXPENDITURES			
County Treasurer's fee	13,821	13,821	-
Paying agent fees	28,750	28,750	-
Refunded bond escrow	5,880,000	5,880,000	-
Bond interest - Series 2004	224,175	224,175	-
Bond interest - Series 2022	49,817	49,817	-
Bond principal - Series 2022	170,000	170,000	-
Miscellaneous	27,400	27,400	-
Bond issue costs	483,900	483,900	-
Contingency	122,137	-	122,137
TOTAL EXPENDITURES	7,000,000	6,877,863	122,137
NET CHANGE IN FUND BALANCES	-	(52,174)	(52,174)
FUND BALANCES - BEGINNING	614,142	728,939	114,797
FUND BALANCES - ENDING	\$ 614,142	\$ 676,765	\$ 62,623

**FALCON HIGHLANDS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND AVAILABLE - BUDGET AND ACTUAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022**

ENTERPRISE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUE			
Facility fees	\$ -	\$ 68,264	\$ 68,264
Interest income	1,500	6,422	4,922
Other revenue	5,000	31,818	26,818
Water treatment fees	117,000	117,231	231
Administrative fees	81,500	84,007	2,507
Water usage fees	260,000	238,526	(21,474)
Penalties	2,500	3,690	1,190
Meter fees	-	2,001	2,001
Water tap fees	-	70,000	70,000
O&M fees	-	1,219	1,219
Inspection fees	-	135	135
Bond issuance	2,730,000	-	(2,730,000)
TOTAL REVENUE	<u>3,197,500</u>	<u>623,313</u>	<u>(2,574,187)</u>
EXPENDITURES			
Accounting	50,000	28,721	21,279
Dues and membership	1,500	845	655
Insurance and bonds	16,500	13,691	2,809
District management	67,000	67,069	(69)
Legal services	62,000	37,946	24,054
Miscellaneous	2,500	1,000	1,500
Security	7,500	6,369	1,131
Repairs and maintenance	25,000	12,775	12,225
Professional Services	50,000	36,962	13,038
SCADA system inspection	2,500	-	2,500
Utilities	100,000	81,986	18,014
Operating expense	10,000	22,732	(12,732)
Supplies - treatment facility	10,000	12,750	(2,750)
Utility billing	40,000	54,014	(14,014)
Telephone	1,500	886	614
Utility locates	1,000	3,874	(2,874)
Equipment expense	500	-	500
Woodman Hills contract	50,000	44,371	5,629
Bond issue costs	229,600	-	229,600
Permits - fees	1,000	-	1,000
Capital outlay	75,000	-	75,000
Small tools and supplies	1,500	-	1,500
Contingency	5,000	-	5,000
TOTAL EXPENDITURES	<u>809,600</u>	<u>425,991</u>	<u>383,609</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	2,387,900	197,322	(2,190,578)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	46,600	62,000	15,400
TOTAL OTHER FINANCING SOURCES (USES)	<u>46,600</u>	<u>62,000</u>	<u>15,400</u>
NET CHANGE IN FUNDS AVAILABLE	2,434,500	259,322	(2,175,178)
FUNDS AVAILABLE - BEGINNING	<u>364,117</u>	<u>382,689</u>	<u>18,572</u>
FUNDS AVAILABLE - ENDING	<u>\$ 2,798,617</u>	<u>\$ 642,011</u>	<u>\$ (2,156,606)</u>

This supplementary information should be read only in connection with the accompanying accountant's compilation report.