

*Falcon Trace Community  
Development District*

*Agenda*

*March 21, 2018*

# AGENDA

# *Falcon Trace*

## *Community Development District*

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135 W. Central Blvd., Suite 320, Orlando, FL 32801

Phone: 407-841-5524 - Fax: 407-839-1526

March 14, 2018

Board of Supervisors  
Falcon Trace Community  
Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of Falcon Trace Community Development District will be held Wednesday, March 21, 2018 at 6:00 PM at the Big Hawk Lake Recreation Center, 13600 Big Hawk Lake Drive, Orlando, Florida. Following is the advance agenda for the meeting:

1. Roll Call
2. Public Comment Period
3. Approval of the Minutes of the January 17, 2018 Meeting
4. Review and Acceptance of Fiscal Year 2017 Audit Report
5. Staff Reports
  - A. Attorney
  - B. District Manager's Report
    - i. Approval of Check Register
    - ii. Balance Sheet and Income Statement
    - iii. Field Manager's Report
6. Supervisor's Requests
7. Adjournment

The second order of business of the Board of Supervisors meeting is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items.

The third order of business is the approval of the minutes from the January 17, 2018 meeting. The minutes are enclosed for your review.

The fourth order of business is the review and acceptance of the Fiscal Year 2017 audit report. A copy of the report is enclosed your review.

Section B of the fifth order of business is the District Manager's Report. Section 1 includes the check register being submitted for approval and Section 2 includes the balance sheet and income statement for your review. Section 3 is the Field Manager's Report, which will be presented at the meeting.

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. M. Showe', with a stylized flourish at the end.

Jason M. Showe  
District Manager

CC: Mike Eckert, District Counsel  
Lindsay Whelan, District Counsel  
Darrin Mossing, GMS

Enclosures

# MINUTES

1

MINUTES OF MEETING  
FALCON TRACE  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Falcon Trace Community Development District was held Wednesday, January 17, 2018 at 6:00 p.m. at the Big Hawk Lake Recreational Center, 13600 Hawk Lake Drive, Orlando, Florida.

Present and constituting a quorum were:

Sara Hurst	Chairperson
Carole Miller	Vice Chairperson
Kathy Stark	Assistant Secretary
Sue Marchesi Baron	Assistant Secretary
Felix Kutlik	Assistant Secretary

Also Present were:

Jason Showe	District Manager
Mike Eckert	District Counsel (by phone)
Alan Scheerer	Field Operations
David Tuel	Head Pool Attendant

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Showe called the meeting to order at 6:00 p.m. and called the roll.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the October 18, 2017 meeting**

On MOTION by Ms. Stark seconded by Ms. Miller with all in favor the minutes of the October 18, 2017 meeting were approved as presented.
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**FOURTH ORDER OF BUSINESS****Ratification of Agreement with Grau & Associates to Perform Auditing Services for Fiscal Year 2017**

Mr. Showe stated next is ratification of agreement with Grau & Associates to perform auditing services for Fiscal Year 2017. At your October meeting, you selected Grau & Associates as the number one ranked firm and we executed an agreement in accordance with their bid and we would like the board to ratify that action.

On MOTION by Ms. Hurst seconded by Ms. Miller with all in favor the engagement letter with Grau & Associates to perform the Fiscal Year 2017 audit was ratified.

**FIFTH ORDER OF BUSINESS****Consideration of Second Amendment to Sharks & Minnows Contract**

Mr. Showe stated next is consideration of the second amendment to the Sharks & Minnows contract. District Counsel drafted this amendment to their contract and this is the last extension under our current agreement. We have the same discounts for residents as we had in the past.

On MOTION by Ms. Stark seconded by Ms. Miller with all in favor the second amendment to the agreement with Sharks & Minnows was approved.

**SIXTH ORDER OF BUSINESS****Staff Reports****A. Attorney**

There being none, the next item followed.

**B. Manager****i. Approval of Check Register**

Mr. Showe stated the first item is approval of the check register for checks 3636 through 3662 in the amount of \$353,655.98. The large checks are for transfers from the General Fund to the Debt Service Fund.

On MOTION by Ms. Miller seconded by Ms. Hurst with all in favor the check register from October 11, 2017 through January 9, 2018 in the total amount of \$353,655.98 was approved.

**ii. Balance Sheet and Income Statement**

A copy of the balance sheet and income statement was included in the agenda package.

**iii. Field Manager's Report**

Mr. Scheerer stated we have had some issues with the pool contractor. I touched based with him and he missed two days last week so we asked him to adjust his invoice for the month accordingly. Staff is monitoring through the key card system whether he is coming or not. We are going to continue to do that and in the interim I have contacted Robert's Pool Service and asked them to provide a quote. In the event we need to make a change we can do that as long as it doesn't exceed the current contract price. We combined the two SafeTouch systems, we had one by itself here and one by the waterslide and we should see about a \$40 savings. We are also starting our winter maintenance projects.

**SEVENTH ORDER OF BUSINESS**

**Supervisor's Requests**

There being none, the next item followed.

**EIGHTH ORDER OF BUSINESS**

**Next Meeting Date**

Mr. Showe stated the next meeting is scheduled for March 31, 2018 at 6:00 p.m. in the same location.



On MOTION by Ms. Hurst seconded by Ms. Miller with all in favor the meeting adjourned at 6:05 p.m.

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Secretary/Assistant Secretary

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Chairman/Vice Chairman

## **SECTION IV**

**FALCON TRACE  
COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2017**

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA**

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# Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail • Suite 350  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
[www.graucpa.com](http://www.graucpa.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Falcon Trace Community Development District  
Orange County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Falcon Trace Community Development District, Orange County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2017, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

We have also issued our report dated February 23, 2018, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

February 23, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Falcon Trace Community Development District, Orange County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities at the close of the fiscal year ended September 30, 2017 resulting in a net position balance of \$191,852.
- The change in the District's total net position in comparison with the prior fiscal year was \$349,860, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2017, the District's governmental funds reported combined ending fund balances of \$700,963, an increase of \$68,009 in comparison with the prior fiscal year. A portion of fund balance is restricted for debt service and capital projects, non-spendable for prepaid items, assigned to capital reserves, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows exceeded liabilities at the close of the fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION SEPTEMBER 30,			
	2017	2016	
Current and other assets	\$ 707,160	\$ 640,152	
Capital assets, net of depreciation	623,896	682,552	
Total assets	1,331,056	1,322,704	
Deferred outflows of resources	43,650	59,522	
Current liabilities	27,854	35,234	
Long-term liabilities	1,155,000	1,505,000	
Total liabilities	1,182,854	1,540,234	
Net position			
Net investment in capital assets	(461,035)	(736,507)	
Restricted	215,639	201,774	
Unrestricted	437,248	376,725	
Total net position	\$ 191,852	\$ (158,008)	

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation expense.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR END SEPTEMBER 30,		
	2017	2016
Revenues:		
Program revenues		
Charges for services	\$ 789,128	\$ 787,932
Operating grants and contributions	530	774
Capital grants and contributions	166	153
General revenues	2,713	3,752
Total revenues	<u>792,537</u>	<u>792,611</u>
Expenses:		
General government	97,164	101,834
Maintenance and operations	268,732	295,322
Interest	76,781	91,709
Total expenses	<u>442,677</u>	<u>488,865</u>
Change in net position	<u>349,860</u>	<u>303,746</u>
Net position - beginning	<u>(158,008)</u>	<u>(461,754)</u>
Net position - ending	<u>\$ 191,852</u>	<u>\$ (158,008)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2017 was \$442,677. The costs of the District's activities were primarily funded by program revenues. The District also received funds from investment earnings and miscellaneous revenues which are also included in program revenues. The majority of the change in expenses results from the decrease in maintenance costs.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendment that increases the aggregate budgeted appropriations must be approved by the Board of Supervisors. Any budget amendments Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2017, the District had \$1,747,669 invested in capital assets for its governmental activities. In the government-wide financial statements, depreciation of \$1,123,773 has been taken, which resulted in a net book value of \$623,896. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2017, the District had \$1,155,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Falcon Trace Community Development District's Finance Department at 135 West Central Blvd., Suite 320, Orlando, Florida 32801.

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 363,827
Investments	57,638
Prepays and other assets	21,980
Restricted assets:	
Investments	263,715
Capital assets:	
Depreciable, net	623,896
Total assets	<u>1,331,056</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding (debit)	43,650
Total deferred outflows of resources	<u>43,650</u>
 <b>LIABILITIES</b>	
Accounts payable	6,197
Accrued interest payable	21,657
Non-current liabilities:	
Due within one year	370,000
Due in more than one year	785,000
Total liabilities	<u>1,182,854</u>
 <b>NET POSITION</b>	
Net investment in capital assets	(461,035)
Restricted for debt service	215,639
Unrestricted	437,248
Total net position	<u>\$ 191,852</u>

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
Primary government:					<u>Governmental Activities</u>
Governmental activities:					
General government	\$ 97,164	\$ 97,164	\$ -	\$ -	\$ -
Maintenance and operations	268,732	267,761	-	166	(805)
Interest on long-term debt	76,781	424,203	530	-	347,952
Total governmental activities	442,677	789,128	530	166	347,147
General revenues:					
Unrestricted investment earnings					88
Miscellaneous					2,625
Total general revenues					2,713
Change in net position					349,860
Net position - beginning					(158,008)
Net position - ending					\$ 191,852

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017**

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
<b>ASSETS</b>				
Cash	\$ 113,747	\$ -	\$ 250,080	\$ 363,827
Investments	57,638	237,296	26,419	321,353
Prepays and other assets	21,980	-	-	21,980
<b>Total assets</b>	<b>\$ 193,365</b>	<b>\$ 237,296</b>	<b>\$ 276,499</b>	<b>\$ 707,160</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 6,197	\$ -	\$ -	\$ 6,197
<b>Total liabilities</b>	<b>6,197</b>	<b>-</b>	<b>-</b>	<b>6,197</b>
Fund balances:				
Nonspendable:				
Prepaid items	21,980	-	-	21,980
Restricted for:				
Debt service	-	237,296	-	237,296
Capital projects	-	-	26,419	26,419
Assigned:				
Capital reserves	-	-	250,080	250,080
Unassigned	165,188	-	-	165,188
<b>Total fund balances</b>	<b>187,168</b>	<b>237,296</b>	<b>276,499</b>	<b>700,963</b>
<b>Total liabilities and fund balances</b>	<b>\$ 193,365</b>	<b>\$ 237,296</b>	<b>\$ 276,499</b>	<b>\$ 707,160</b>

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

Fund balance - governmental funds \$ 700,963

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	1,747,669	
Accumulated depreciation	<u>(1,123,773)</u>	623,896

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Deferred amount on refunding	206,338	
Amortization of deferred amount	(162,688)	
Accrued interest payable	(21,657)	
Bonds payable	<u>(1,155,000)</u>	<u>(1,133,007)</u>
Net position of governmental activities		<u>\$ 191,852</u>

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
<b>REVENUES</b>				
Assessments	\$ 364,925	\$ 424,203	\$ -	\$ 789,128
Interest	88	530	166	784
Miscellaneous revenue	2,625	-	-	2,625
Total revenues	367,638	424,733	166	792,537
<b>EXPENDITURES</b>				
Current:				
General government	97,164	-	-	97,164
Maintenance and operations	199,869	-	-	199,869
Debt service:				
Principal	-	350,000	-	350,000
Interest	-	67,288	-	67,288
Capital outlay	-	-	10,207	10,207
Total expenditures	297,033	417,288	10,207	724,528
Excess (deficiency) of revenues over (under) expenditures	70,605	7,445	(10,041)	68,009
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	(14,382)	41	14,341	-
Total other financing sources (uses)	(14,382)	41	14,341	-
Net change in fund balances	56,223	7,486	4,300	68,009
Fund balances - beginning	130,945	229,810	272,199	632,954
Fund balances - ending	\$ 187,168	\$ 237,296	\$ 276,499	\$ 700,963

See notes to the financial statements

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Net change in fund balances - total governmental funds	\$ 68,009
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation on capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities.	(58,656)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	350,000
Amortization of deferred charges is not recognized in the governmental fund financial statements, but is reported as an expenses in the statement of activities.	(15,872)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	<u>6,379</u>
Change in net position of governmental activities	<u><u>\$ 349,860</u></u>

See notes to the financial statements



**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Falcon Trace Community Development District ("District") was established on April 8, 1998 by the Orange County Board of County Commissioners, Ordinance 98-10 as amended by Ordinance 98-30, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development and to levy and assess non-ad valorem assessments for the financing and maintenance of improvements.

The District is governed by the Board of Supervisors ("Board") which is composed of five members. The Supervisors are elected on an at large basis by the qualified electors residing within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Operating-type special assessments for maintenance and debt service are treated as charges for services; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

### **Assessments**

Assessments are non-ad valorem assessments on benefited property within the District. Operations and maintenance assessments are based upon the adopted budget and levied annually at a public hearing of the District. Debt service assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection under Florida Statutes. Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the debt service assessments on their property subject to various provisions in the Bond documents.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

### **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

### **Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

### **Capital Projects Fund**

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District and for the accumulation of funds for capital reserves.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

## **Assets, Liabilities and Net Position or Equity**

### **Restricted Assets**

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Deposits and Investments (Continued)

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

#### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure – recreational facilities	30
Equipment – recreational facilities	10

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

#### Refundings of Debt

For current refundings and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the refunding, \$15,872 was recognized as a component of interest expense in the current fiscal year.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

#### Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s). For example, the District would record deferred outflows of resources on the statement of net position related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s). For example, when an asset is recorded in the governmental fund financial statements, but the revenue is unavailable, the District reports a deferred inflow of resources on the balance sheet until such times as the revenue becomes available.

#### Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **Fund Equity/Net Position (Continued)**

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## **NOTE 3 – BUDGETARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

## **NOTE 4 – DEPOSITS**

### **Deposits**

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

## NOTE 4 – DEPOSITS (Continued)

### Investments

The District's investments were held as follows at September 30, 2017:

	Amortized Cost	Credit Risk	Maturities
US Bank Mmkt 5 - Ct	<u>\$ 321,353</u>	N/A	N/A

*Credit risk* – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration risk* – The District places no limit on the amount the District may invest in any one issuer.

*Interest rate risk* – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

*Fair Value Measurement* – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

## NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2017 were as follows:

Fund	Transfer in	Transfer Out
General	\$ -	\$ 14,382
Debt service	41	-
Capital projects	14,341	-
Total	<u>\$ 14,382</u>	<u>\$ 14,382</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the general fund to a capital reserve account were made to fund future capital projects within the District.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, being depreciated				
Infrastructure - recreational facilities	\$ 1,741,669	\$ -	\$ -	\$ 1,741,669
Equipment - recreational facilities	6,000	-	-	6,000
Total capital assets, being depreciated	1,747,669	-	-	1,747,669
Less accumulated depreciation for:				
Infrastructure - recreational facilities	1,060,317	58,056	-	1,118,373
Equipment - recreational facilities	4,800	600	-	5,400
Total accumulated depreciation	1,065,117	58,656	-	1,123,773
Total capital assets, being depreciated, net	682,552	(58,656)	-	623,896
Governmental activities capital assets, net	\$ 682,552	\$ (58,656)	\$ -	\$ 623,896

In the current fiscal year, depreciation was charged to the maintenance and operations function/program.

## NOTE 7 – LONG-TERM LIABILITIES

On July 1, 2007, the District issued \$4,085,000 of Special Assessment Refunding Bonds. The Series 2007 Bonds were applied together with other legally available funds to refund the Series 1999 Special Assessment Bonds. The Series 2007 Bonds bear interest at rates from 4.00% to 4.50%. Interest is paid semiannually on each May 1 and November 1, commencing November 1, 2007. Principal on the 2007 Bonds is paid serially and commences on May 1, 2008. The Bonds mature at various dates through May 1, 2020.

The Series 2007 Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part at any time on or after May 1, 2017 at a redemption price as set forth in the Bond Indenture. In addition, the Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement which was satisfied through the purchase of a surety bond and has certain other restrictions and requirements relating principally to the use of proceeds to redeem the Series 2007 Bonds and the procedures to be followed by the District on assessments to property owners. In addition, the District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Bond Indenture as of September 30, 2017.

Changes in long-term liability activity for the fiscal year ended September 30, 2017 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2007	\$ 1,505,000	\$ -	\$ 350,000	\$ 1,155,000	\$ 370,000
	\$ 1,505,000	\$ -	\$ 350,000	\$ 1,155,000	\$ 370,000

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

At September 30, 2017, the scheduled debt service requirements on the long-term debt were as follows:

Governmental Activities			
Year ending September 30:	Principal	Interest	Total
2018	\$ 370,000	\$ 51,975	\$ 421,975
2019	385,000	35,325	420,325
2020	400,000	18,000	418,000
Total	<u>\$ 1,155,000</u>	<u>\$ 105,300</u>	<u>\$ 1,260,300</u>

**NOTE 8 – MANAGEMENT COMPANY**

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

**NOTE 9 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.



**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Assessments	\$ 355,855	\$ 364,925	\$ 9,070
Interest	-	88	88
Miscellaneous revenue	1,000	2,625	1,625
Total revenues	356,855	367,638	10,783
<b>EXPENDITURES</b>			
Current:			
General government	113,726	97,164	16,562
Maintenance and operations	228,747	199,869	28,878
Total expenditures	342,473	297,033	45,440
Excess (deficiency) of revenues over (under) expenditures	14,382	70,605	56,223
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	(14,382)	(14,382)	-
Total other financing sources (uses)	(14,382)	(14,382)	-
Net change in fund balances	<u>\$ -</u>	56,223	<u>\$ 56,223</u>
Fund balance - beginning		<u>130,945</u>	
Fund balance - ending		<u>\$ 187,168</u>	

See notes to required supplementary information

**FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT  
ORANGE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is in the aggregate. Any budget amendment that increases the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
Falcon Trace Community Development District  
Orange County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Falcon Trace Community Development District, Orange County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated February 23, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 23, 2018



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail • Suite 350  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
www.graucpa.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Falcon Trace Community Development District  
Orange County, Florida

We have examined Falcon Trace Community Development District, Orange County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2017. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2017.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Falcon Trace Community Development District, Orange County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

February 23, 2018



**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Falcon Trace Community Development District  
Orange County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Falcon Trace Community Development District, Orange County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated February 23, 2018.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 23, 2018, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Falcon Trace Community Development District, Orange County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Falcon Trace Community Development District, Orange County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

February 23, 2018

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2016.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2017.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2017.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2017 financial audit report.

6. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2017. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## SECTION V





# Falcon Trace

## Community Development District

### Check Register Summary

January 04, 2018 to March 13, 2018

Fund	Date	Check No.'s		Amount
General Fund	1/4/18	3663-3665	\$	470.50
	1/10/18	3666	\$	6,006.16
	1/11/18	3667	\$	2,255.60
	1/16/18	3668	\$	18,761.62
	1/25/18	3669	\$	130.80
	1/26/18	3670	\$	2,100.66
	2/2/18	3671-3675	\$	725.35
	2/6/18	3676	\$	6,054.55
	2/16/18	3677-3679	\$	3,271.70
	2/21/18	3680	\$	44,413.89
	3/2/18	3681-3685	\$	6,546.45
	3/5/18	3686	\$	6,358.26
	3/7/18	3687	\$	2,116.40
	3/8/18	3688-3689	\$	3,850.00
			\$	103,061.94
Payroll	<u>January 2018</u>			
	Carole Miller	50284	\$	184.70
	Felix Kutlik	50285	\$	183.87
	Kathy Stark	50286	\$	184.70
	Sara Hurst	50287	\$	184.70
	Susan Baron	50288	\$	184.70
			\$	922.67
			\$	103,984.61

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YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 3/13/18  
FALCON TRACE CDD -GENERAL FUND  
BANK A FALCON TRACE CDD

PAGE 1

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
1/04/18	00079	12/20/17 9351	201712 320-53800-47000	MTHLY LAKE MAINT - DEC17	*	300.00	
				AQUATIC WEED MANAGEMENT, INC.			300.00 003663
1/04/18	00015	12/20/17 97537	201711 310-51300-31500	MON.PROPLEGIS/RULES PROCD	*	140.50	
				HOPPING GREEN & SAMS			140.50 003664
1/04/18	00022	12/18/17 315296	201801 320-53800-47400	TANK RENTAL FEE - JAN18	*	30.00	
				SPIES POOL, LLC			30.00 003665
1/10/18	00027	1/02/18 443	201801 310-51300-34000	MANAGEMENT FEES JAN18	*	4,176.00	
		1/02/18 443	201801 310-51300-35100	INFO TECHNOLOGY JAN18	*	120.83	
		1/02/18 443	201801 310-51300-31400	DISSEMINATION FEES JAN18	*	83.33	
		1/02/18 443	201801 310-51300-51000	OFFICE SUPPLIES	*	.15	
		1/02/18 443	201801 310-51300-42000	POSTAGE	*	2.35	
		1/02/18 443	201801 310-51300-42500	COPIES	*	3.00	
		1/02/18 443	201801 310-51300-49100	EMAIL	*	55.50	
		1/02/18 444	201801 320-53800-12000	FIELD MANAGEMENT JAN18	*	1,565.00	
				GOVERNMENTAL MANAGEMENT SERVICES			6,006.16 003666
1/11/18	00071	1/02/18 723461	201801 320-53800-47500	MTHLY POOL LANDSCP JAN18	*	2,255.60	
				REW LANDSCAPE CORP			2,255.60 003667
1/16/18	00054	1/12/18 01122018	201801 300-20700-10000	FY18 DEBT ASSESSMENTS	*	18,761.62	
				FALCON TRACE CDD C/O US BANK			18,761.62 003668
1/25/18	00090	1/15/18 8443225	201801 320-53800-34500	PLATINUM MONITORING PCKGE	*	49.95	
		1/15/18 8443225	201801 300-13100-10100	SECURITY MONITORING-FEB18	*	80.85	
				SAFE TOUCH SECURITY SYSTEMS			130.80 003669
1/26/18	00027	1/25/18 445	201801 320-53800-12200	POOL ATTENDANTS - JAN18	*	2,100.66	
				GOVERNMENTAL MANAGEMENT SERVICES			2,100.66 003670

FALC FALCON TRACE BPEREGRINO

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\*\*\* CHECK NOS. 003663-003689

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 3/13/18  
FALCON TRACE CDD -GENERAL FUND  
BANK A FALCON TRACE CDD

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CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
2/02/18	00079	1/31/18 9452	201801 320-53800-47000	MTHLY LAKE MAINT - JAN18	*	300.00	
				AQUATIC WEED MANAGEMENT, INC.			300.00 003671
2/02/18	00089	1/24/18 21391	201801 320-53800-47600	BACKFLOW TESTS	*	150.00	
				AARON'S BACKFLOW SERVICES, INC.			150.00 003672
2/02/18	00071	1/29/18 723640	201801 320-53800-47500	IRRIGATION RPRS 1/22/18	*	135.85	
				REW LANDSCAPE CORP			135.85 003673
2/02/18	00015	1/25/18 98205	201712 310-51300-31500	MONITOR LEGISLATION DEC17	*	109.50	
				HOPPING GREEN & SAMS			109.50 003674
2/02/18	00022	1/18/18 316308	201802 320-53800-47400	TANK RENTAL FEE - FEB18	*	30.00	
				SPIES POOL, LLC			30.00 003675
2/06/18	00027	2/01/18 446	201802 310-51300-34000	MANAGEMENT FEES FEB18	*	4,176.00	
		2/01/18 446	201802 310-51300-35100	INFO TECHNOLOGY FEB18	*	120.83	
		2/01/18 446	201802 310-51300-31400	DISSEMINATION FEE FEB18	*	83.33	
		2/01/18 446	201802 310-51300-51000	OFFICE SUPPLIES	*	19.15	
		2/01/18 446	201802 310-51300-42000	POSTAGE	*	30.69	
		2/01/18 446	201802 310-51300-42500	COPIES	*	59.55	
		2/01/18 447	201802 320-53800-12000	FIELD MANAGEMENT FEB18	*	1,565.00	
				GOVERNMENTAL MANAGEMENT SERVICES			6,054.55 003676
2/16/18	00019	2/06/18 3494392	201801 310-51300-48000	NOTICE OF MEETING 1/17/18	*	207.50	
				ORLANDO SENTINEL			207.50 003677
2/16/18	00071	2/01/18 723659	201802 320-53800-47500	MTHLY POOL LANDSCAP FEB18	*	2,255.60	
				REW LANDSCAPE CORP			2,255.60 003678
2/16/18	00022	12/26/17 315748	201712 320-53800-47400	5SUFURIC/2BICARB/STKS/YEL	*	569.60	

FALC FALCON TRACE BPEREGRINO

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		12/28/17 315869	201712 320-53800-47400		*	239.00	
		140 BULK BLEACH					
				SPIES POOL, LLC			808.60 003679
2/21/18 00054		2/15/18 02152018	201802 300-20700-10000		*	44,413.89	
		FY18 DEBT ASMNT - DS 2007					
				FALCON TRACE CDD C/O US BANK			44,413.89 003680
3/02/18 00079		2/28/18 9530	201802 320-53800-47000		*	300.00	
		MTHLY LAKE MAINT - FEB18					
				AQUATIC WEED MANAGEMENT, INC.			300.00 003681
3/02/18 00015		2/21/18 98635	201801 310-51300-31500		*	1,515.00	
		MONTHLY MEETING JAN18					
		2/21/18 98636	201801 310-51300-31500		*	311.00	
		SWIM SCHOOL LIC/MON LEGIS					
				HOPPING GREEN & SAMS			1,826.00 003682
3/02/18 00022		2/18/18 317390	201803 320-53800-47400		*	30.00	
		TANK RENTAL FEE - MAR18					
		2/19/18 317380	201802 320-53800-47400		*	274.75	
		5 SULFURIC ACID					
		2/21/18 317596	201802 320-53800-47400		*	483.80	
		CYAN/STICKS/BICARB/YELLOW					
		2/21/18 317617	201802 320-53800-47400		*	503.00	
		300 BULK BLEACH					
				SPIES POOL, LLC			1,291.55 003683
3/02/18 00090		2/12/18 8466303	201803 320-53800-34500		*	83.90	
		SECURITY MONITORING MAR18					
				SAFE TOUCH SECURITY SYSTEMS			83.90 003684
3/02/18 00094		11/25/17 70159	201711 320-53800-47400		*	1,015.00	
		MTHLY POOL SERVICE-NOV17					
		12/25/17 70160	201712 320-53800-47400		*	1,015.00	
		MTHLY POOL SERVICE-DEC17					
		1/25/18 70161	201801 320-53800-47400		*	1,015.00	
		MTHLY POOL SERVICE-JAN18					
				THREE GUYS POOL SERVICE & REPAIR			3,045.00 003685
3/05/18 00027		3/01/18 449	201803 310-51300-34000		*	4,176.00	
		MANAGEMENT FEES MAR18					
		3/01/18 449	201803 310-51300-35100		*	120.83	
		INFO TECHNOLOGY MAR18					
		3/01/18 449	201803 310-51300-31400		*	83.33	
		DISSEMINATION FEE MAR18					

FALC FALCON TRACE BPEREGRINO

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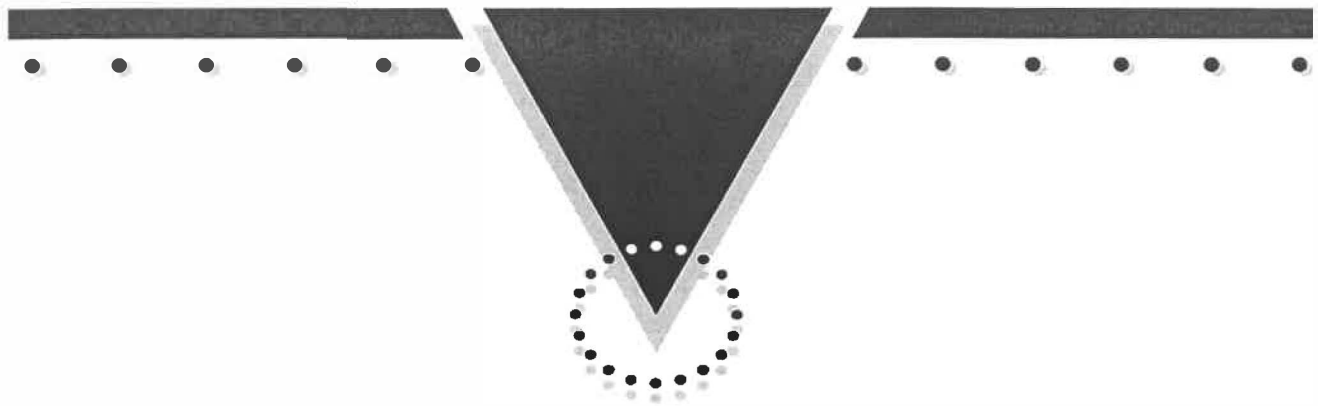
YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 3/13/18  
 FALCON TRACE CDD -GENERAL FUND  
 BANK A FALCON TRACE CDD

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CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		3/01/18 449	201803 310-51300-51000		*	.24	
			OFFICE SUPPLIES				
		3/01/18 449	201803 310-51300-42000		*	3.76	
			POSTAGE				
		3/01/18 449	201803 310-51300-42500		*	.15	
			COPIES				
		3/01/18 450	201803 320-53800-12000		*	1,565.00	
			FIELD MANAGEMENT MAR18				
		3/01/18 450A	201802 320-53800-34500		*	408.95	
			SAFETOUCH ORLANDO				
				GOVERNMENTAL MANAGEMENT SERVICES			6,358.26 003686
3/07/18 00027		2/27/18 448	201802 320-53800-12200		*	2,116.40	
			POOL ATTENDANTS-FEB18				
				GOVERNMENTAL MANAGEMENT SERVICES			2,116.40 003687
3/08/18 00078		3/07/18 03072018	201803 320-53800-47600		*	750.00	
			RENWL PREV MNT DATA PRINT				
				DATA EQUIPMENT, INC.			750.00 003688
3/08/18 00012		3/01/18 100160	201802 310-51300-32200		*	3,100.00	
			FY17 AUDIT-FINAL PAYMENT				
				GRAU AND ASSOCIATES			3,100.00 003689
				TOTAL FOR BANK A		103,061.94	
				TOTAL FOR REGISTER		103,061.94	

FALC FALCON TRACE BPEREGRINO





# Falcon Trace

## Community Development District

Unaudited Financial Reporting  
February 28, 2018





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**FALCON TRACE**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**COMBINED BALANCE SHEET**  
**February 28, 2018**

<i>Assets</i>	<u>Governmental Fund</u>			<u>Totals</u> (memorandum only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>2018</u>
Cash - Wells Fargo	\$350,956	-----	-----	\$350,956
Cash - SunTrust	-----	-----	\$250,132	\$250,132
Investments				
Custody Account	\$57,686	-----	-----	\$57,686
Series 2007				
Revenue Account	-----	\$585,806	-----	\$585,806
Redemption Account	-----	\$2,091	-----	\$2,091
Cost of Issuance	-----	-----	\$26,419	\$26,419
Due from General Fund	-----	-----	-----	\$0
Prepaid Expense	-----	-----	-----	\$0
<b>Total Assets</b>	<b>\$408,642</b>	<b>\$587,897</b>	<b>\$276,550</b>	<b>\$1,273,089</b>
 <i>Liabilities</i>				
Accounts Payable	\$12,058	-----	-----	\$12,058
Due to Debt Service	-----	-----	-----	\$0
 <i>Fund Equity</i>				
Fund Balances				
Unassigned	\$396,584	-----	-----	\$396,584
Restricted for Debt Service	-----	\$587,897	-----	\$587,897
Restricted for Capital Projects	-----	-----	\$276,550	\$276,550
<b>Total Liabilities and Fund Equity</b>	<b>\$408,642</b>	<b>\$587,897</b>	<b>\$276,550</b>	<b>\$1,273,089</b>

**FALCON TRACE**  
**COMMUNITY DEVELOPMENT DISTRICT**

**GENERAL FUND**  
Statement of Revenues and Expenditures  
For Period Ending February 28, 2018

General Fund Budget	Prorated Budget Thru 2/28/18	Actual Thru 2/28/18	Variance
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**Revenues:**

Maintenance Assessments	\$355,855	\$323,747	\$323,747	\$0
Miscellaneous Income	\$1,000	\$417	\$605	\$188
Interest	\$0	\$0	\$48	\$48
<b>Total Revenues</b>	<b>\$356,855</b>	<b>\$324,163</b>	<b>\$324,400</b>	<b>\$237</b>

**Expenditures:**

**Administrative:**

Supervisors Fees	\$8,000	\$3,333	\$2,000	\$1,333
FICA Expense	\$612	\$255	\$153	\$102
Engineer	\$5,000	\$2,083	\$0	\$2,083
Dissemination	\$1,000	\$417	\$417	\$0
Assessment Roll	\$5,000	\$5,000	\$5,000	\$0
Arbitrage Rebate	\$600	\$0	\$0	\$0
Attorney Fees	\$15,000	\$6,250	\$3,762	\$2,488
Annual Audit	\$3,400	\$3,100	\$3,100	\$0
Trustee Fees	\$4,400	\$0	\$0	\$0
Management Fees	\$50,112	\$20,880	\$20,880	\$0
Information Technology	\$1,450	\$604	\$604	\$0
Telephone	\$100	\$42	\$0	\$42
Postage	\$1,000	\$417	\$58	\$358
Printing and Binding	\$1,500	\$625	\$113	\$512
Insurance	\$11,200	\$11,200	\$10,654	\$546
Legal Advertising	\$2,500	\$1,042	\$208	\$834
Contingency	\$1,200	\$500	\$385	\$115
Property Appraiser	\$1,000	\$1,000	\$902	\$98
Office Supplies	\$800	\$333	\$41	\$292
Dues, Licenses, Subscriptions	\$175	\$175	\$175	\$0
<b>Total Administrative</b>	<b>\$114,049</b>	<b>\$57,256</b>	<b>\$48,452</b>	<b>\$8,804</b>

**Maintenance:**

Field Management	\$18,780	\$7,825	\$7,825	\$0
Property Insurance	\$6,870	\$6,870	\$6,245	\$625
Pool Staff Payroll	\$76,000	\$31,667	\$14,253	\$17,414
Security	\$1,070	\$446	\$863	(\$417)
Telephone Expense	\$2,000	\$833	\$753	\$80
Electric	\$18,900	\$7,875	\$6,601	\$1,274
Irrigation/Water	\$13,500	\$5,625	\$3,406	\$2,219
Lake Maintenance	\$8,600	\$3,583	\$2,100	\$1,483
Pest Control	\$650	\$271	\$0	\$271
Pool Maintenance	\$32,000	\$13,333	\$8,789	\$4,545
Grounds Maintenance	\$33,000	\$13,750	\$11,721	\$2,029
General Facility Maintenance	\$10,000	\$4,167	\$2,027	\$2,140
Refuse Service	\$4,080	\$1,700	\$1,598	\$102
Field Contingency	\$5,000	\$2,083	\$350	\$1,733
Transfer Out	\$12,356	\$0	\$0	\$0
<b>Total Maintenance</b>	<b>\$242,806</b>	<b>\$100,028</b>	<b>\$66,532</b>	<b>\$33,497</b>

<b>Total Expenditures</b>	<b>\$356,855</b>	<b>\$157,284</b>	<b>\$114,984</b>	<b>\$42,300</b>
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<b>Excess Revenues (Expenditures)</b>	<b>\$0</b>	<b>\$209,416</b>	
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<b>Fund Balance - Beginning</b>	<b>\$0</b>	<b>\$187,168</b>	
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<b>Fund Balance - Ending</b>	<b>\$0</b>	<b>\$396,584</b>	
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# FALCON TRACE COMMUNITY DEVELOPMENT DISTRICT

## DEBT SERVICE 2007 Statement of Revenues & Expenditures For Period Ending February 28, 2018

	Adopted Budget	Prorated Budget Thru 2/28/18	Actual Thru 2/28/18	Variance
<b><u>Revenues:</u></b>				
Assessments - On Roll	\$413,660	\$376,336	\$376,336	\$0
Interest	\$300	\$125	\$231	\$106
<b>Total Revenues</b>	<b>\$413,960</b>	<b>\$376,461</b>	<b>\$376,567</b>	<b>\$106</b>
<b><u>Expenditures:</u></b>				
Interest Expense 11/01	\$25,988	\$25,988	\$25,988	\$0
Principal Expense 05/01	\$370,000	\$0	\$0	\$0
Interest Expense 05/01	\$25,988	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>\$421,975</b>	<b>\$25,988</b>	<b>\$25,988</b>	<b>\$0</b>
<b><u>Other Sources (Uses)</u></b>				
Transfer In (Out)	\$0	\$0	\$22	\$22
<b>Excess Revenues (Expenditures)</b>	<b>(\$8,015)</b>		<b>\$350,601</b>	
<b>Fund Balance - Beginning</b>	<b>\$237,261</b>		<b>\$237,296</b>	
<b>Fund Balance - Ending</b>	<b>\$229,247</b>		<b>\$587,897</b>	

**FALCON TRACE**  
**COMMUNITY DEVELOPMENT DISTRICT**

**CAPITAL PROJECTS FUND**  
Statement of Revenues & Expenditures  
For Period Ending February 28, 2018

	Adopted Budget	Prorated Thru 2/28/18	Actual Thru 2/28/18	Variance
<b><u>Revenues:</u></b>				
Transfer In	\$12,356	\$0	\$0	\$0
Interest	\$150	\$63	\$74	\$11
<b>Total Revenues</b>	<b>\$12,506</b>	<b>\$63</b>	<b>\$74</b>	<b>\$11</b>
<b><u>Expenditures:</u></b>				
Pool Furniture	\$10,000	\$4,167	\$0	\$4,167
Building Renovations	\$25,000	\$10,417	\$0	\$10,417
<b>Total Expenditures</b>	<b>\$35,000</b>	<b>\$14,583</b>	<b>\$0</b>	<b>\$14,583</b>
<b><u>Other Sources (Uses)</u></b>				
Transfer In (Out)	\$0	\$0	(\$22)	(\$22)
<b>Total Other</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$22)</b>	<b>(\$22)</b>
<b>Excess Revenues (Expenditures)</b>	<b>(\$22,494)</b>		<b>\$52</b>	
<b>Fund Balance - Beginning</b>	<b>\$261,504</b>		<b>\$276,499</b>	
<b>Fund Balance - Ending</b>	<b>\$239,010</b>		<b>\$276,550</b>	

**FALCON TRACE  
COMMUNITY DEVELOPMENT DISTRICT**

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
<b>Revenues:</b>													
Maintenance Assessments	\$0	\$32,801	\$236,599	\$16,140	\$38,207	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$323,747
Miscellaneous Income	\$340	\$0	\$50	\$215	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$605
Interest	\$9	\$10	\$9	\$10	\$10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48
<b>Total Revenues</b>	<b>\$349</b>	<b>\$32,811</b>	<b>\$236,658</b>	<b>\$16,365</b>	<b>\$38,217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$324,400</b>
<b>Expenditures:</b>													
<b>Administrative</b>													
Supervisors Fees	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
FICA Expense	\$77	\$0	\$0	\$77	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$153
Engineer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dissemination Agreement	\$83	\$83	\$83	\$83	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$417
Assessment Roll	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Arbitrage Rebate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attorney	\$1,686	\$141	\$110	\$1,826	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,762
Annual Audit	\$0	\$0	\$0	\$0	\$3,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,100
Trustee Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management Fees	\$4,176	\$4,176	\$4,176	\$4,176	\$4,176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,880
Information Technology	\$121	\$121	\$121	\$121	\$121	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$604
Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Postage	\$11	\$11	\$3	\$2	\$31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58
Printing and Binding	\$17	\$34	\$0	\$3	\$60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113
Insurance	\$10,654	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,654
Legal Advertising	\$0	\$0	\$0	\$208	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$208
Contingency	\$48	\$101	\$46	\$112	\$78	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$385
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Appraiser	\$902	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$902
Office Supplies	\$1	\$21	\$0	\$0	\$19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41
Dues, Licenses, Subscriptions	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
<b>Total Administrative</b>	<b>\$23,950</b>	<b>\$4,688</b>	<b>\$4,539</b>	<b>\$7,608</b>	<b>\$7,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,452</b>

**FALCON TRACE  
COMMUNITY DEVELOPMENT DISTRICT**

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
<b><u>Maintenance</u></b>													
Field Management	\$1,565	\$1,565	\$1,565	\$1,565	\$1,565	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,825
Property Insurance	\$6,245	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,245
Pool Staff Payroll	\$6,339	\$3,697	\$0	\$2,101	\$2,116	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,253
Security	\$81	\$81	\$81	\$131	\$490	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$863
Telephone Expense	\$148	\$149	\$152	\$152	\$152	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$753
Electric	\$1,422	\$1,307	\$1,241	\$1,205	\$1,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,601
Irrigation/Water	\$688	\$588	\$506	\$1,180	\$444	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,406
Lake Maintenance	\$900	\$300	\$300	\$300	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,100
Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pool Maintenance	\$2,721	\$1,878	\$1,854	\$1,045	\$1,292	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,789
Grounds Maintenance	\$4,818	\$0	\$2,256	\$2,391	\$2,256	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,721
General Facility Maintenance	\$263	\$1,085	\$160	\$150	\$370	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,027
Refuse Service	\$232	\$339	\$341	\$342	\$344	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,598
Field Contingency	\$0	\$0	\$350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350
Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Maintenance</b>	<b>\$25,423</b>	<b>\$10,988</b>	<b>\$8,805</b>	<b>\$10,561</b>	<b>\$10,755</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$66,532</b>
<b>Total Expenditures</b>	<b>\$49,372</b>	<b>\$15,677</b>	<b>\$13,344</b>	<b>\$18,169</b>	<b>\$18,422</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$114,984</b>
<b>Excess Revenues (Expenditures)</b>	<b>(\$49,023)</b>	<b>\$17,134</b>	<b>\$223,314</b>	<b>(\$1,804)</b>	<b>\$19,795</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$209,416</b>

**FALCON TRACE**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**LONG TERM DEBT REPORT**

<b>SERIES 2007, SPECIAL ASSESSMENT REFUNDING BONDS</b>	
MATURITY DATE:	5/1/2020
RESERVE FUND DEFINITION	MAXIMUM ANNUAL DEBT SERVICE
RESERVE FUND REQUIREMENT	COVERED BY FINANCIAL GUARANTY INSURANCE POLICY
RESERVE FUND BALANCE	\$0
BONDS OUTSTANDING - 9/30/13	\$2,475,000
LESS: PRINCIPAL PAYMENT 5/1/14	(\$310,000)
LESS: PRINCIPAL PAYMENT 5/1/15	(\$325,000)
LESS: PRINCIPAL PAYMENT 5/1/16	(\$335,000)
LESS: PRINCIPAL PAYMENT 5/1/17	(\$350,000)
<b>CURRENT BONDS OUTSTANDING</b>	<b>\$1,155,000</b>



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