



City of Morgan Hill

**Community Facilities District No. 2014-1
(Fisher Creek)**

Fiscal Year 2015/16 Annual Report

September 2015

Main Office

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516 Fax: 951.296.1998

Regional Office

870 Market Street, Suite 1223
San Francisco, CA 94102
Toll free: 800.434.8349 Fax: 415.391.8439

TABLE OF CONTENTS

DISTRICT ANALYSIS 1

FINANCIAL STATUS 2

APPENDICES

FINAL BUDGET FOR FISCAL YEAR 2015/16

FINAL BILLING DETAIL REPORT FOR FISCAL YEAR 2015/16

DISTRICT ANALYSIS

DISTRICT

In 2014, the City of Morgan Hill (the "City") formed Community Facilities District No. 2014-1 (Fisher Creek) (the "District") to fund all or a portion of the costs of the maintenance and monitoring required by the San Francisco Bay Regional Water Quality Control Board for the realignment of Fisher Creek within or adjacent to the District. The special tax will be levied as long as necessary to fund the cost of maintenance, monitoring and reporting of the Fisher Creek Realignment project; pay for administrative expenses; pay for any amounts required to establish or replenish repair and contingency funds, capital improvement funds, or reserve funds; pay for reasonably anticipated delinquent special taxes; less a credit for funds available to reduce the annual special tax levy.

LEVY

For Fiscal Year 2015/16, 108 developed residential parcels were levied a total of \$40,601.52.

As defined in the Rate and Method of Apportionment (the "RMA"), the residential parcels were levied at the Expected Special Tax Rate, which is \$375.94 per residential lot. Annually, the Expected Special Tax Rate and Maximum Special Tax Rate increase by 3.0%. Public property, open space and parcels designated as public or utility easements are exempt from the special tax.

FUNDS

With the Fiscal Year 2015/16 levy collection, approximately \$29,000 will be deposited into the District Services Fund. The District Services Fund was established according to the formation documents of the District to fund the authorized improvements and services. Each year, a portion of the special tax revenues will be deposited into the District Services Fund.

Since there are no bonds associated with the District, there is no requirement for a reserve fund. However, the formation documents allow for the collection of a District Reserve and Administrative Costs Fund. For Fiscal Year 2015/16, approximately \$11,500 is expected to be deposited in the District Reserve and Administrative Costs Fund. Annually, a portion of the special tax revenues should be deposited into the District Reserve and Administrative Costs Fund to pay for administrative expenses and to maintain a reserve balance in the event additional funds are needed to cover the cost of improvements and services to be maintained by the District.

At this time, since this is the first year the District is levied, there are insufficient funds to cover more than six months worth of estimated administrative expenses. However, once the City receives its initial apportionment of funds from County property tax collections, there should be sufficient monies to fund District improvements and services, administrative expenses, and reserves.

DELINQUENCIES

NBS will monitor delinquencies within the District after the December 10, 2015 and April 10, 2016 installments become due and provide the City with a delinquency report. At that time, NBS will discuss any delinquencies with the City and recommend any actions that should be taken.

NBS

Reena Arvizu, Financial Analyst
Greg Davidson, Client Services Director

SENATE BILL 165

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act. This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 50075.3 or Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 or Section 53410.”

The requirements of the Act apply to the Operating Fund for the following District:

City of Morgan Hill
Community Facilities District No. 2014-1 (Fisher Creek)
Formed September 17, 2014

Purpose of Special Tax

The District was formed to fund all or a portion of the costs of the maintenance and monitoring required by the San Francisco Bay Regional Water Quality Control Board for the realignment of Fisher Creek within or adjacent to the District. The special tax funds the cost of maintenance, monitoring and reporting of the Fisher Creek Realignment project; pay for administrative expenses; pay for any amounts required to establish or replenish repair and contingency funds, capital improvement funds, or reserve funds; pay for reasonable anticipated delinquent special taxes; and credit for funds available to reduce the annual special tax levy.

Collections & Expenditures

Fund	Total Amount Collected (1)	06/30/2015 Balance	Amount Expended	Service Status
District Services Fund	\$0.00	\$0.00	\$0.00	Ongoing
District Reserve and Administrative Costs Fund	0.00	0.00	0.00	Ongoing

(1) Total amount collected, as of June 30, 2015. Fiscal Year 2015/16 is the first levy.

FINANCIAL STATUS

District Funds

District Services Fund 6/30/2015 Balance	District Reserve and Administrative Costs Fund 6/30/2015 Balance	Administrative Expenses ⁽¹⁾	Surplus/ (Deficit)
\$0.00	\$0.00	(\$2,400.00)	(\$2,400.00)

(1) Estimated administrative expenses through December 2015.

Special Tax Spread

Property Classification	Total Amount Levied for 2015/16 ⁽¹⁾	Maximum Special Tax for 2015/16	Percentage of Maximum
Developed Residential (Single Family)	\$40,602.60	\$83,430.00	48.7%

(1) Parcels were levied at the Expected Special Tax rate.

APPENDICES

FINAL BUDGET FOR FISCAL YEAR 2015/16

FINAL BILLING DETAIL REPORT FOR FISCAL YEAR 2015/16

City of Morgan Hill
Community Facilities District No. 2014-1 (Fisher Creek)
Final Budget for Fiscal Year 2015/16

Category/Item	FY 2015/16 ⁽¹⁾	FY 2014/15	Increase / Decrease
District Services Fund	\$29,084.00	N/A	N/A
District Reserve Fund	6,662.57	N/A	N/A
Administrative Expenses	4,856.03	N/A	N/A
Miscellaneous	(1.08)	N/A	N/A
Grand Total⁽²⁾:	\$40,601.52	N/A	N/A
Total Levied Parcels:	108	N/A	N/A

(1) Fiscal Year 2015/16 is the first year for collection of the Special Taxes.

(2) Grand Total will be reduced by County collection fees as the County retains such fees from the apportionment of funds.

City of Morgan Hill
CFD No. 2014-1 (Fisher Creek)
Final Billing Detail Report for the 08/01/2015 Billing

Account ID	Property ID	DB	Levy	Other	Total
764-62-001	764-62-001		\$375.95	(\$0.01)	\$375.94
764-62-002	764-62-002		375.95	(0.01)	375.94
764-62-003	764-62-003		375.95	(0.01)	375.94
764-62-004	764-62-004		375.95	(0.01)	375.94
764-62-005	764-62-005		375.95	(0.01)	375.94
764-62-006	764-62-006		375.95	(0.01)	375.94
764-62-007	764-62-007		375.95	(0.01)	375.94
764-62-008	764-62-008		375.95	(0.01)	375.94
764-62-009	764-62-009		375.95	(0.01)	375.94
764-62-010	764-62-010		375.95	(0.01)	375.94
764-62-011	764-62-011		375.95	(0.01)	375.94
764-62-012	764-62-012		375.95	(0.01)	375.94
764-62-013	764-62-013		375.95	(0.01)	375.94
764-62-014	764-62-014		375.95	(0.01)	375.94
764-62-015	764-62-015		375.95	(0.01)	375.94
764-62-016	764-62-016		375.95	(0.01)	375.94
764-62-017	764-62-017		375.95	(0.01)	375.94
764-62-018	764-62-018		375.95	(0.01)	375.94
764-62-019	764-62-019		375.95	(0.01)	375.94
764-62-020	764-62-020		375.95	(0.01)	375.94
764-62-021	764-62-021		375.95	(0.01)	375.94
764-62-022	764-62-022		375.95	(0.01)	375.94
764-62-023	764-62-023		375.95	(0.01)	375.94
764-62-024	764-62-024		375.95	(0.01)	375.94
764-62-025	764-62-025		375.95	(0.01)	375.94
764-62-026	764-62-026		375.95	(0.01)	375.94
764-62-027	764-62-027		375.95	(0.01)	375.94
764-62-028	764-62-028		375.95	(0.01)	375.94
764-62-029	764-62-029		375.95	(0.01)	375.94
764-62-030	764-62-030		375.95	(0.01)	375.94
764-62-031	764-62-031		375.95	(0.01)	375.94
764-62-032	764-62-032		375.95	(0.01)	375.94
764-62-033	764-62-033		375.95	(0.01)	375.94
764-62-034	764-62-034		375.95	(0.01)	375.94
764-62-035	764-62-035		375.95	(0.01)	375.94
764-62-036	764-62-036		375.95	(0.01)	375.94
764-62-037	764-62-037		375.95	(0.01)	375.94
764-62-038	764-62-038		375.95	(0.01)	375.94
764-62-039	764-62-039		375.95	(0.01)	375.94
764-62-040	764-62-040		375.95	(0.01)	375.94
764-62-041	764-62-041		375.95	(0.01)	375.94
764-62-042	764-62-042		375.95	(0.01)	375.94
764-62-043	764-62-043		375.95	(0.01)	375.94
764-62-044	764-62-044		375.95	(0.01)	375.94
764-62-045	764-62-045		375.95	(0.01)	375.94
764-62-046	764-62-046		375.95	(0.01)	375.94
764-62-047	764-62-047		375.95	(0.01)	375.94
764-62-048	764-62-048		375.95	(0.01)	375.94

City of Morgan Hill
CFD No. 2014-1 (Fisher Creek)
Final Billing Detail Report for the 08/01/2015 Billing

Account ID	Property ID	DB	Levy	Other	Total
764-62-049	764-62-049		375.95	(0.01)	375.94
764-62-050	764-62-050		375.95	(0.01)	375.94
764-62-051	764-62-051		375.95	(0.01)	375.94
764-62-052	764-62-052		375.95	(0.01)	375.94
764-62-053	764-62-053		375.95	(0.01)	375.94
764-62-054	764-62-054		375.95	(0.01)	375.94
764-62-055	764-62-055		375.95	(0.01)	375.94
764-62-056	764-62-056		375.95	(0.01)	375.94
764-62-057	764-62-057		375.95	(0.01)	375.94
764-62-058	764-62-058		375.95	(0.01)	375.94
764-62-059	764-62-059		0.00	0.00	0.00
764-62-060	764-62-060		0.00	0.00	0.00
764-62-061	764-62-061		0.00	0.00	0.00
764-63-001	764-63-001		375.95	(0.01)	375.94
764-63-002	764-63-002		375.95	(0.01)	375.94
764-63-003	764-63-003		375.95	(0.01)	375.94
764-63-004	764-63-004		375.95	(0.01)	375.94
764-63-005	764-63-005		375.95	(0.01)	375.94
764-63-006	764-63-006		375.95	(0.01)	375.94
764-63-007	764-63-007		375.95	(0.01)	375.94
764-63-008	764-63-008		375.95	(0.01)	375.94
764-63-009	764-63-009		375.95	(0.01)	375.94
764-63-010	764-63-010		375.95	(0.01)	375.94
764-63-011	764-63-011		375.95	(0.01)	375.94
764-63-012	764-63-012		375.95	(0.01)	375.94
764-63-013	764-63-013		375.95	(0.01)	375.94
764-63-014	764-63-014		375.95	(0.01)	375.94
764-63-015	764-63-015		375.95	(0.01)	375.94
764-63-016	764-63-016		375.95	(0.01)	375.94
764-63-017	764-63-017		375.95	(0.01)	375.94
764-63-018	764-63-018		375.95	(0.01)	375.94
764-63-019	764-63-019		375.95	(0.01)	375.94
764-63-020	764-63-020		375.95	(0.01)	375.94
764-63-021	764-63-021		375.95	(0.01)	375.94
764-63-022	764-63-022		375.95	(0.01)	375.94
764-63-023	764-63-023		375.95	(0.01)	375.94
764-63-024	764-63-024		375.95	(0.01)	375.94
764-63-025	764-63-025		375.95	(0.01)	375.94
764-63-026	764-63-026		375.95	(0.01)	375.94
764-63-027	764-63-027		375.95	(0.01)	375.94
764-63-028	764-63-028		375.95	(0.01)	375.94
764-63-029	764-63-029		375.95	(0.01)	375.94
764-63-030	764-63-030		375.95	(0.01)	375.94
764-63-031	764-63-031		375.95	(0.01)	375.94
764-63-032	764-63-032		375.95	(0.01)	375.94
764-63-033	764-63-033		375.95	(0.01)	375.94
764-63-034	764-63-034		375.95	(0.01)	375.94
764-63-035	764-63-035		375.95	(0.01)	375.94

City of Morgan Hill
CFD No. 2014-1 (Fisher Creek)
Final Billing Detail Report for the 08/01/2015 Billing

Account ID	Property ID	DB	Levy	Other	Total
764-63-036	764-63-036		375.95	(0.01)	375.94
764-63-037	764-63-037		375.95	(0.01)	375.94
764-63-038	764-63-038		375.95	(0.01)	375.94
764-63-039	764-63-039		375.95	(0.01)	375.94
764-63-040	764-63-040		375.95	(0.01)	375.94
764-63-041	764-63-041		375.95	(0.01)	375.94
764-63-042	764-63-042		375.95	(0.01)	375.94
764-63-043	764-63-043		375.95	(0.01)	375.94
764-63-044	764-63-044		375.95	(0.01)	375.94
764-63-045	764-63-045		375.95	(0.01)	375.94
764-63-046	764-63-046		375.95	(0.01)	375.94
764-63-047	764-63-047		375.95	(0.01)	375.94
764-63-048	764-63-048		375.95	(0.01)	375.94
764-63-049	764-63-049		375.95	(0.01)	375.94
764-63-050	764-63-050		375.95	(0.01)	375.94
764-63-051	764-63-051		0.00	0.00	0.00
764-63-052	764-63-052		0.00	0.00	0.00
113 Accounts			\$40,602.60	(\$1.08)	\$40,601.52