

**Heather Ridge Metropolitan District
Financial Statements**

December 31, 2009

Board of Directors
Heather Ridge Metropolitan District

We have compiled the accompanying Balance Sheet - Governmental Funds and Enterprise Funds and Account Groups of Heather Ridge Metropolitan District as of December 31, 2009 and the related statements of Revenues, Expenditures and Changes in Fund Balance - Governmental and Enterprise Funds, Budget and Actual (Budget Basis) for the twelve months then ended, in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Since the Board of Directors does not require complete financial statements to manage the affairs of the District on a monthly basis, determination has been made not to include the Statement of Net Assets, the Statement of Activities, Cash Flow where applicable, the Management Discussion and Analysis and the disclosure footnotes to the statements, which are required by generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to be used by readers who are not familiar with the District's financial affairs or informed about such matters that would be disclosed in complete financial statements.

Simmons & Wheeler, P.C.

January 14, 2010

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
December 31, 2009

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Debt Service Fund</u>	<u>Enterprise Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets						
Current assets						
Cash in checking	\$ 70,165	\$ -	\$ -	\$ -	\$ -	\$ 70,165
Cash in COLOTRUST	3,491	-	-	-	-	3,491
Accounts receivable - taxes	79	-	-	-	-	79
Cash - Trustee	-	1,475,973	187,343	231,030	-	1,894,346
Golf Cart Deposit	-	-	-	3,600	-	3,600
Prepaid Expense	2,715	-	-	47,786	-	50,501
Receivable - Members	-	-	-	10,429	-	10,429
Receivable - Trade Accts	-	-	-	2,253	-	2,253
Receivable - Rent	-	-	-	5,750	-	5,750
Due from other funds	-	-	-	91,289	-	91,289
	<u>76,450</u>	<u>1,475,973</u>	<u>187,343</u>	<u>392,137</u>	<u>-</u>	<u>2,131,903</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fund	-	-	-	-	187,343	187,343
Amount to be provided for retirement of debt	-	-	-	-	5,007,657	5,007,657
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,317</u>	<u>8,341,317</u>
	<u>\$ 76,450</u>	<u>\$ 1,475,973</u>	<u>\$ 187,343</u>	<u>\$ 392,137</u>	<u>\$ 8,341,317</u>	<u>\$ 10,473,220</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 47,682	\$ -	\$ -	\$ -	\$ -	\$ 47,682
Deferred taxes	-	-	-	-	-	-
Payable to HRCC	-	-	-	5,051	-	5,051
Due to other funds	27,644	63,645	-	-	-	91,289
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	5,195,000	5,195,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,195,000</u>	<u>5,195,000</u>
Total Liabilities	<u>75,326</u>	<u>63,645</u>	<u>-</u>	<u>5,051</u>	<u>5,195,000</u>	<u>5,339,022</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	1,124	1,412,328	187,343	387,086	-	1,987,881
	<u>1,124</u>	<u>1,412,328</u>	<u>187,343</u>	<u>387,086</u>	<u>3,146,317</u>	<u>5,134,198</u>
	<u>\$ 76,450</u>	<u>\$ 1,475,973</u>	<u>\$ 187,343</u>	<u>\$ 392,137</u>	<u>\$ 8,341,317</u>	<u>\$ 10,473,220</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 12 Months Ended December 31, 2009
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 19,798	\$ 19,750	\$ (48)
Specific ownership taxes	1,584	1,289	(295)
Interest income	150	69	(81)
	<u>21,532</u>	<u>21,108</u>	<u>(424)</u>
Expenditures			
Audit/Accounting	2,000	5,523	(3,523)
Miscellaneous	100	95	5
Insurance	2,000	615	1,385
Legal	9,000	24,094	(15,094)
Treasurer's Fees	297	297	-
Election	10,000	-	10,000
Water Consultant Fee	-	455	(455)
Contingency	9,768	-	9,768
Emergency reserve	702	-	702
	<u>33,867</u>	<u>31,079</u>	<u>2,788</u>
Excess (deficiency) of revenues over expenditures	(12,335)	(9,971)	2,364
Fund balance - beginning	<u>12,335</u>	<u>11,095</u>	<u>(1,240)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,124</u>	<u>\$ 1,124</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 12 Months Ended December 31, 2009
Capital Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Line of Credit Proceeds	\$ 100,000	\$ 100,000	\$ -
Bond Proceeds	5,195,000	5,195,000	-
Interest income	-	-	-
	<hr/>	<hr/>	<hr/>
	5,295,000	5,295,000	-
Expenditures			
Cost of Issuance	175,000	183,825	(8,825)
Capital Improvements	25,000	-	25,000
Planning & Engineering	-	548	(548)
Maintenance Building Roof	-	20,836	(20,836)
Clubhouse Outside Lighting	-	2,700	(2,700)
Software System	-	4,995	(4,995)
Golf Equipment	-	4,487	(4,487)
Perimeter Fence	-	10,250	(10,250)
Closing Costs	-	660	(660)
Website Development	-	2,000	(2,000)
Logo Design	-	500	(500)
Repay Line of Credit	101,000	104,778	(3,778)
Purchase of Golf Course	3,100,000	3,100,000	-
Transfer to Debt Service Fund	190,638	187,343	3,295
Transfer to Enterprise Fund	259,750	259,750	-
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	3,851,388	3,882,672	(31,284)
Excess (deficiency) of revenues over expenditures	1,443,612	1,412,328	(31,284)
Fund balance - beginning	<hr/>	<hr/>	<hr/>
Fund balance - ending	\$ <u>1,443,612</u>	\$ <u>1,412,328</u>	\$ <u>(31,284)</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 12 Months Ended December 31, 2009
Debt Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ -	\$ -	\$ -
Specific ownership taxes	-	-	-
Transfer from Capital Projects Fund	190,638	187,343	(3,295)
Interest income	-	-	-
	<hr/>	<hr/>	<hr/>
	190,638	187,343	(3,295)
Expenditures			
Bond Principal	-	-	-
Bond Interest	-	-	-
Trustee Fees	-	-	-
Treasurer Fees	-	-	-
Contingency	-	-	-
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	-	-	-
Excess (deficiency) of revenues over expenditures	190,638	187,343	(3,295)
Fund balance - beginning	<hr/>	<hr/>	<hr/>
	-	-	-
Fund balance - ending	<u>\$ 190,638</u>	<u>\$ 187,343</u>	<u>\$ (3,295)</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 12 Months Ended December 31, 2009
Enterprise Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Golf Course Revenue	\$ 70,000	\$ -	\$ (70,000)
Golf Packages	-	148,079	(148,079)
Cart Packages	-	37,800	(37,800)
Locker Fees Packages	-	360	(360)
Storage Fees Packages	-	120	(120)
Cart Fees	-	270	(270)
Green Fees	-	312	(312)
Golf Balls, Etc.	-	25	(25)
Rent - Restaurant	-	5,750	(5,750)
Transfer From Capital Projects	259,750	259,750	-
Interest income	-	-	-
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	329,750	452,466	(262,716)
Expenditures			
Golf Course Expenses	70,000	-	70,000
Golf Cart Lease	-	3,720	(3,720)
Golf Pro	-	3,500	(3,500)
Repairs/Maintenance	-	5,304	(5,304)
Golf Cart Repairs	-	167	(167)
Security	-	222	(222)
Credit Card Fees	-	99	(99)
Accounting	-	1,176	(1,176)
District Management	-	25,000	(25,000)
District Consultants	-	3,000	(3,000)
Insurance	-	668	(668)
Legal	-	15,446	(15,446)
Office Supplies/Expenses	-	2,351	(2,351)
Utilities	-	3,243	(3,243)
Miscellaneous	-	1,484	(1,484)
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	70,000	65,380	4,620
Excess (deficiency) of revenues over expenditures	259,750	387,086	(258,096)
Fund balance - beginning	<hr/>	<hr/>	<hr/>
	-	-	-
Fund balance - ending	<u>\$ 259,750</u>	<u>\$ 387,086</u>	<u>\$ (258,096)</u>