

**Heather Ridge Metropolitan District
Financial Statements**

February 28, 2010

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 February 28, 2010 and the related statements of Revenues, Expenditures and Changes in Fund Balance - Governmental and Enterprise Funds, Budget and Actual (Budget Basis) for the two 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.

March 18, 2010

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
February 28, 2010

See Accountant's Compilation Report

	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Assets						
Current assets						
Cash in checking	\$ 24,156	\$ -	\$ -	\$ -	\$ -	\$ 24,156
Cash in US Bank	-	-	-	2,975	-	2,975
Cash in COLOTRUST	16,128	-	-	-	-	16,128
Petty Cash	-	-	-	1,920	-	1,920
Accounts receivable - taxes	35,193	-	94,861	-	-	130,054
Cash - Trustee	-	1,400,716	187,374	206,110	-	1,794,200
Golf Cart Deposit	-	-	-	3,600	-	3,600
Prepaid Expense	-	-	-	5,720	-	5,720
Receivable - Members	-	-	-	22,652	-	22,652
Receivable - Trade Accts	-	-	-	2,800	-	2,800
Receivable - Rent	-	-	-	-	-	-
Due from other funds	-	-	9,157	66,463	-	75,620
	<u>75,477</u>	<u>1,400,716</u>	<u>291,392</u>	<u>312,240</u>	<u>-</u>	<u>2,079,825</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fund	-	-	-	-	291,392	291,392
Amount to be provided for retirement of debt	-	-	-	-	4,903,608	4,903,608
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,317</u>	<u>8,341,317</u>
	<u>\$ 75,477</u>	<u>\$ 1,400,716</u>	<u>\$ 291,392</u>	<u>\$ 312,240</u>	<u>\$ 8,341,317</u>	<u>\$ 10,421,142</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 9,023	\$ 15,943	\$ -	\$ 8,101	\$ -	\$ 33,067
Deferred taxes	-	-	-	-	-	-
Payable to HRCC	-	-	-	5,613	-	5,613
Due to other funds	50,905	24,716	-	-	-	75,621
	<u>59,928</u>	<u>40,659</u>	<u>-</u>	<u>13,714</u>	<u>5,195,000</u>	<u>5,309,301</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	5,195,000	5,195,000
	<u>59,928</u>	<u>40,659</u>	<u>-</u>	<u>13,714</u>	<u>5,195,000</u>	<u>5,309,301</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	15,549	1,360,057	291,392	298,526	-	1,965,524
	<u>15,549</u>	<u>1,360,057</u>	<u>291,392</u>	<u>298,526</u>	<u>3,146,317</u>	<u>5,111,841</u>
	<u>\$ 75,477</u>	<u>\$ 1,400,716</u>	<u>\$ 291,392</u>	<u>\$ 312,240</u>	<u>\$ 8,341,317</u>	<u>\$ 10,421,142</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 2010
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 119,542	\$ 37,804	\$ (81,738)
Specific ownership taxes	9,563	1,353	(8,210)
Interest income	150	3	(147)
	<u>129,255</u>	<u>39,160</u>	<u>(90,095)</u>
Expenditures			
Audit/Accounting	15,000	2,232	12,768
Miscellaneous	100	311	(211)
Insurance	2,000	2,141	(141)
Legal	35,000	19,485	15,515
Treasurer's Fees	1,793	567	1,226
Election	1,000	-	1,000
Water Consultant Fee	-	-	-
Contingency	72,715	-	72,715
Emergency reserve	1,647	-	1,647
	<u>129,255</u>	<u>24,736</u>	<u>104,519</u>
Excess (deficiency) of revenues over expenditures	-	14,424	14,424
Fund balance - beginning	<u>-</u>	<u>1,125</u>	<u>1,125</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 15,549</u>	<u>\$ 15,549</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 2010
Capital Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Line of Credit Proceeds	\$ -	\$ -	\$ -
Bond Proceeds	-	-	-
Interest income	-	495	495
	<u>-</u>	<u>495</u>	<u>495</u>
Expenditures			
Capital Improvements	1,443,612	-	1,443,612
Planning & Engineering	-	10,403	(10,403)
Maintenance Building Roof	-	-	-
Clubhouse Outside Lighting	-	1,414	(1,414)
Software System	-	2,737	(2,737)
Golf Equipment	-	4,500	(4,500)
Perimeter Fence	-	11,252	(11,252)
Website Development	-	-	-
Logo Design	-	-	-
Heating & Air	-	5,713	(5,713)
Computer Equipment	-	4,163	(4,163)
Golf Landscape Maintenance	-	4,650	(4,650)
Clubhouse Improvements	-	3,026	(3,026)
Computer Equipment	-	446	(446)
Legal	-	116	(116)
Miscellaneous	-	432	(432)
	<u>1,443,612</u>	<u>48,852</u>	<u>1,394,760</u>
Excess (deficiency) of revenues over expenditures	(1,443,612)	(48,357)	1,395,255
Fund balance - beginning	<u>1,443,612</u>	<u>1,408,414</u>	<u>(35,198)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,360,057</u>	<u>\$ 1,360,057</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 2010
Debt Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 322,243	\$ 101,900	\$ (220,343)
Specific ownership taxes	12,890	3,646	(9,244)
Interest income	975	32	(943)
	<u>336,108</u>	<u>105,578</u>	<u>(230,530)</u>
Expenditures			
Bond Principal	90,000	-	90,000
Bond Interest	229,619	-	229,619
Trustee Fees	2,500	-	2,500
Treasurer Fees	4,834	1,529	3,305
Contingency	-	-	-
	<u>326,953</u>	<u>1,529</u>	<u>325,424</u>
Excess (deficiency) of revenues over expenditures	9,155	104,049	94,894
Fund balance - beginning	<u>190,638</u>	<u>187,343</u>	<u>(3,295)</u>
Fund balance - ending	<u>\$ 199,793</u>	<u>\$ 291,392</u>	<u>\$ 91,599</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 2010
Enterprise Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Golf Course Revenue	\$ 951,000	\$ -	\$ (951,000)
Golf Packages	-	31,024	(31,024)
Cart Packages	-	2,000	(2,000)
Locker Fees Packages	-	-	-
Storage Fees Packages	-	-	-
Cart Fees	-	-	-
Green Fees	-	3,635	(3,635)
Golf Balls, Etc.	-	63	(63)
Rent - Restaurant	-	11,500	(11,500)
Interest income	-	79	79
	<u>951,000</u>	<u>48,301</u>	<u>(999,143)</u>
Expenditures			
Golf Course Expenses	859,000	-	859,000
Golf Cart Lease	-	7,440	(7,440)
Golf Pro	-	7,000	(7,000)
Repairs/Maintenance	-	3,507	(3,507)
Fuel Charges	-	1,760	(1,760)
Golf Cart Repairs	-	329	(329)
Security	-	666	(666)
Credit Card Fees	-	4,344	(4,344)
Accounting	-	3,095	(3,095)
Payment to INC.	-	75,000	(75,000)
District Consultants	-	5,000	(5,000)
Insurance	-	7,697	(7,697)
Legal	-	4,505	(4,505)
Office Supplies/Expenses	-	4,821	(4,821)
Advertising	-	1,213	(1,213)
Custodial Supplies	-	952	(952)
Utilities	-	13,523	(13,523)
Miscellaneous	41,000	1,122	39,878
	<u>900,000</u>	<u>141,974</u>	<u>758,026</u>
Excess (deficiency) of revenues over expenditures	51,000	(93,673)	(241,117)
Fund balance - beginning	<u>259,750</u>	<u>392,199</u>	<u>132,449</u>
Fund balance - ending	<u>\$ 310,750</u>	<u>\$ 298,526</u>	<u>\$ (108,668)</u>