

**Heather Ridge Metropolitan District
Financial Statements**

January 31, 2014

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Heather Ridge Metropolitan District

We have compiled the accompanying Combined Balance Sheet – Governmental Funds, Enterprise Funds and Account Groups of the Heather Ridge Metropolitan District as of January 31, 2014 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental and Enterprise Funds for the one month then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, we do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the Statements of Net Position, Statement of Activities, Statement of Cash Flow, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. 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.

We are not independent with respect to Heather Ridge Metropolitan District because we performed certain accounting services that impaired our independence.

Simmons & Wheeler, P.C.

February 18, 2014

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
Governmental Funds

January 31, 2014

	<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	\$ 4,534	\$ -	\$ -	\$ 70,000		\$ 74,534
Cash in US Bank	-	-	-	25,400		25,400
Cash in COLOTRUST	89,093	2,962	-	180,801	-	272,856
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	3,875	-	16,712	-	-	20,587
Cash - Trustee	-	-	184,942	23,338	-	208,280
Funding in Transit	-	-	-	-	-	-
Golf Cart Deposit	-	-	-	-	-	-
Prepaid Expense	72	-	-	4,536	-	4,608
Inventory	-	-	-	6,876	-	6,876
Receivable - Members	-	-	-	-	-	-
Receivable - GCAT	-	-	-	16,176	-	16,176
Receivable - rent	5,560	-	-	-	-	5,560
	<u>103,134</u>	<u>2,962</u>	<u>201,654</u>	<u>329,577</u>	<u>-</u>	<u>637,327</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service	-	-	-	-	201,654	201,654
Amount to be provided for retirement of debt	-	-	-	-	5,145,846	5,145,846
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,493,817</u>	<u>8,493,817</u>
	<u>\$ 103,134</u>	<u>\$ 2,962</u>	<u>\$ 201,654</u>	<u>\$ 329,577</u>	<u>\$ 8,493,817</u>	<u>\$ 9,131,144</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 13,561	\$ -	\$ -	\$ 12,627	\$ -	\$ 26,188
Payable to Tournaments	-	-	-	1,100	-	1,100
Payable to HRCC	-	-	-	-	-	-
Payable to Clubs*	-	-	-	323	-	323
Outstanding Premium Cards	-	-	-	45,723	-	45,723
Sales Tax Payable	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	5,347,500	5,347,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,347,500</u>	<u>5,347,500</u>
Total Liabilities	<u>13,561</u>	<u>-</u>	<u>-</u>	<u>59,773</u>	<u>5,347,500</u>	<u>5,420,834</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	89,573	2,962	201,654	269,804	-	563,993
	<u>89,573</u>	<u>2,962</u>	<u>201,654</u>	<u>269,804</u>	<u>3,146,317</u>	<u>3,710,310</u>
	<u>\$ 103,134</u>	<u>\$ 2,962</u>	<u>\$ 201,654</u>	<u>\$ 329,577</u>	<u>\$ 8,493,817</u>	<u>\$ 9,131,144</u>

*waiting on final month end numbers from GCAT

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 1 Month Ended January 31, 2014
General Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Year to Date	Variance Favorable (Unfavorable)	Prior Year	
					Current Month	Year to Date
Revenues						
Property taxes	\$ 90,930	\$ 3,311	\$ 3,311	\$ (87,619)	\$ 2,886	\$ 2,886
Specific ownership taxes	5,456	614	614	(4,842)	1,043	1,043
Misc Income	2,000	625	625	(1,375)	-	-
Rent - Restaurant	60,000	5,560	5,560	(54,440)	5,250	5,250
Interest income	5,214	27	27	(5,187)	24	24
	<u>163,600</u>	<u>10,137</u>	<u>10,137</u>	<u>(153,463)</u>	<u>9,203</u>	<u>9,203</u>
Expenditures						
Accounting	17,000	2,136	2,136	14,864	1,378	1,378
Audit	8,000	-	-	8,000	-	-
Legal	20,000	1,880	1,880	18,120	3,391	3,391
Insurance	10,000	8,689	8,689	1,311	7,313	7,313
Community Communication	35,000	2,335	2,335	32,665	4,888	4,888
Charitable Community Relations	-	-	-	-	-	-
Social function	1,000	1,151	1,151	(151)	1,068	1,068
Consultant Fees/Mgmt Fees	12,000	1,000	1,000	11,000	1,000	1,000
Pest Control	500	-	-	500	-	-
Miscellaneous	1,000	20	20	980	10	10
Building-2nd Floor/Repairs/Main	20,000	795	795	19,205	-	-
Building Improvements	-	-	-	-	-	-
Building - Utilities/Electric	40,000	2,227	2,227	37,773	2,260	2,260
Building - Utilities/Gas	14,000	1,948	1,948	12,052	1,524	1,524
Building - Utilities/Water/Sewer	20,000	998	998	19,002	824	824
Utilities/Telephone	2,750	330	330	2,420	310	310
Security	1,200	72	72	1,128	72	72
Meals & Entertainment	700	25	25	675	25	25
Licenses/Permits/Fees	1,000	-	-	1,000	-	-
Office Supplies/Expense	500	-	-	500	16	16
Advertising	-	-	-	-	-	-
Treasurer's Fees	1,364	50	50	1,314	43	43
Professional Fees	-	-	-	-	-	-
Training/Education	500	-	-	500	-	-
Janitorial Supplies	500	-	-	500	-	-
Trash Removal	6,500	980	980	5,520	878	878
Mileage/Travel/Lodging	1,000	-	-	1,000	-	-
Election	-	-	-	-	-	-
Contingency	14,957	-	-	14,957	-	-
Emergency reserve	6,339	-	-	6,339	-	-
	<u>235,810</u>	<u>24,636</u>	<u>24,636</u>	<u>211,174</u>	<u>25,000</u>	<u>25,000</u>
Excess (deficiency) of revenues over expenditures	(72,210)	(14,499)	(14,499)	57,711	(15,797)	(15,797)
Fund balance - beginning	<u>72,210</u>	<u>104,072</u>	<u>104,072</u>	<u>31,862</u>	<u>75,023</u>	<u>75,023</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 89,573</u>	<u>\$ 89,573</u>	<u>\$ 89,573</u>	<u>\$ 59,226</u>	<u>\$ 59,226</u>

Heather Ridge Metropolitan District
Budget and Actual
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds

For the 1 Month Ended January 31, 2014
Capital Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Year to Date	Variance Favorable (Unfavorable)	Prior Year	
					Current Month	Year to Date
Revenues						
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income	-	-	-	-	-	0
Interest income	10	-	-	(10)	-	-
	<u>10</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>-</u>
Expenditures						
Cost of Issuance	-	-	-	-	-	-
Capital Improvements	30,640	-	-	30,640	-	-
Planning & Engineering	-	-	-	-	-	-
Permits	-	-	-	-	-	-
Wells	-	-	-	-	-	-
Maintenance Building Roof	-	-	-	-	-	-
Clubhouse Outside Lighting	-	-	-	-	-	-
Software System	-	-	-	-	-	-
Golf Equipment	-	-	-	-	-	-
Perimeter Fence	-	-	-	-	-	-
Range Netting	-	-	-	-	-	-
Website Development	-	-	-	-	-	-
Improvements	-	-	-	-	-	-
Irrigation	-	-	-	-	-	-
Irrigation Contract 2011 Bond	-	-	-	-	-	-
Cart Path Improvements	-	-	-	-	-	-
Security	-	-	-	-	-	-
Signs/Monuments	-	-	-	-	-	-
Heating & Air	-	-	-	-	-	-
Clubhouse Improvements	-	-	-	-	-	-
Accounting	-	-	-	-	-	-
Legal	-	-	-	-	-	-
Smoking Patio	-	-	-	-	-	-
Restaurant Improvements	-	-	-	-	-	-
Parking Lot Improvements	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
	<u>30,640</u>	<u>-</u>	<u>-</u>	<u>30,640</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(30,630)	-	-	30,630	-	-
Fund balance - beginning	<u>30,630</u>	<u>2,962</u>	<u>2,962</u>	<u>(27,668)</u>	<u>40,623</u>	<u>40,623</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,962</u>	<u>\$ 2,962</u>	<u>\$ 2,962</u>	<u>\$ 40,623</u>	<u>\$ 40,623</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 1 Month Ended January 31, 2014
Debt Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Year to Date	Variance Favorable (Unfavorable)	Prior Year	
					Current Month	Year to Date
Revenues						
Property taxes	\$ 392,135	\$ 14,279	\$ 14,279	\$ (377,856)	\$ 7,779	\$ 7,779
Specific ownership taxes	26,861	2,647	2,647	(24,214)	2,813	2,813
Interest income	400	6	6	(394)	8	8
	<u>419,396</u>	<u>16,932</u>	<u>16,932</u>	<u>(402,464)</u>	<u>10,600</u>	<u>10,600</u>
Expenditures						
Bond Principal '09	170,000	-	-	170,000	-	-
Bond Principal '11	199,735	49,934	49,934	149,801	-	-
Bond Interest '09	17,000	-	-	17,000	51,708	51,708
Bond Interest '11	29,435	7,359	7,359	22,076	7,532	7,532
Trustee Fees	2,500	-	-	2,500	-	-
Treasurer Fees	5,882	214	214	5,668	117	117
Contingency	-	-	-	-	-	-
	<u>424,552</u>	<u>57,507</u>	<u>57,507</u>	<u>367,045</u>	<u>59,357</u>	<u>59,357</u>
Excess (deficiency) of revenues over expenditures	(5,156)	(40,575)	(40,575)	(35,419)	(48,757)	(48,757)
Fund balance - beginning	<u>220,788</u>	<u>242,229</u>	<u>242,229</u>	<u>21,441</u>	<u>233,548</u>	<u>233,548</u>
Fund balance - ending	<u>\$ 215,632</u>	<u>\$ 201,654</u>	<u>\$ 201,654</u>	<u>\$ (13,978)</u>	<u>\$ 184,791</u>	<u>\$ 184,791</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 1 Month Ended January 31, 2014
Enterprise Fund

See Accountant's Compilation Report

	Annual Budget	Current Month	Year to Date	Variance Favorable (Unfavorable)	Prior Year	
					Current Month	Year to Date
Revenues						
Golf Course Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Golf Packages	60,000	36,300	36,300	(23,700)	46,225	46,225
Cart Packages	15,000	9,260	9,260	(5,740)	9,952	9,952
Junior Golf Packages	250	-	-	(250)	-	-
Premium Cards	125,000	-	-	(125,000)	8,645	8,645
Premium Cards Redeemed*	-	969	969	969	-	-
Tournaments	85,000	-	-	(85,000)	-	-
Cart Fees	124,000	1,691	1,691	(122,309)	2,126	2,126
Green Fees	432,500	2,700	2,700	(429,800)	5,286	5,286
Range ball fees	26,500	192	192	(26,308)	361	361
Club Rentals	1,000	-	-	(1,000)	-	-
Merchandise	26,500	161	161	(26,339)	213	213
Miscellaneous Income	1,000	-	-	(1,000)	100	100
Adjustment for Deferred Pkgs	-	-	-	-	-	-
Interest income	100	-	-	(100)	-	-
	<u>896,850</u>	<u>51,273</u>	<u>51,273</u>	<u>(845,577)</u>	<u>72,908</u>	<u>72,908</u>
Expenditures						
Golf Course operations	252,860	22,270	22,270	230,590	31,357	31,357
Administration Expenses	88,500	8,904	8,904	79,596	4,829	4,829
Grounds expense	307,100	12,062	12,062	295,038	19,008	19,008
	<u>648,460</u>	<u>43,236</u>	<u>43,236</u>	<u>605,224</u>	<u>55,194</u>	<u>55,194</u>
Excess (deficiency) of revenues over expenditures	248,390	8,037	8,037	(240,353)	17,714	17,714
Fund balance - beginning	<u>298,358</u>	<u>261,767</u>	<u>261,767</u>	<u>(36,591)</u>	<u>152,388</u>	<u>152,388</u>
Fund balance - ending	<u>\$ 546,748</u>	<u>\$ 269,804</u>	<u>\$ 269,804</u>	<u>\$ (276,944)</u>	<u>\$ 170,102</u>	<u>\$ 170,102</u>

*waiting on final month end numbers from GCAT

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 1 Month Ended January 31, 2014
Enterprise Fund

See Accountant's Compilation Report

	Annual Budget	Current Month	Year to Date	Variance Favorable (Unfavorable)	Prior Year	
					Current Month	Year to Date
Golf Course operations						
Merchandise	\$ 25,000	\$ 294	\$ 294	\$ 24,706	\$ 333	\$ 333
Equipment lease	-	-	-	-	-	-
District Consultants	-	-	-	-	-	-
F&B Expenses promo	-	-	-	-	-	-
Tournament commissions	-	-	-	-	-	-
Tournament Expense	500	-	-	500	-	-
Wages and benefits	70,380	1,214	1,214	69,166	797	797
Business licenses and permits	-	-	-	-	-	-
Advertising	230	222	222	8	-	-
Advertising - trade acct	-	-	-	-	-	-
Bank Service charges	-	-	-	-	-	-
Credit Card Fees	14,131	268	268	13,863	191	191
Meals and entertainment	-	-	-	-	-	-
Charitable community relations	-	-	-	-	-	-
Club Rental Expense	-	-	-	-	-	-
Computer and internet expenses	5,500	1,602	1,602	3,898	601	601
Driving range supplies	1,000	-	-	1,000	-	-
Dues and subscriptions	200	100	100	100	-	-
Employee clothing expenses	-	-	-	-	-	-
Employee relations	-	-	-	-	-	-
Equipment facility rental	-	-	-	-	-	-
GHIN expense	-	-	-	-	-	-
Golf Club Repairs	-	-	-	-	-	-
Golf Cart Lease	58,310	4,876	4,876	53,434	4,380	4,380
Golf Lessons	815	-	-	815	-	-
Golf Cart Repairs	4,000	987	987	3,013	38	38
Janitorial expense	4,000	-	-	4,000	-	-
Laundry/Cleaning expense	-	-	-	-	-	-
Licenses/Permits/Fees	-	-	-	-	-	-
Insurance	7,879	7,845	7,845	34	7,879	7,879
Office Supplies/Expenses	250	-	-	250	37	37
Operating Supplies	10,000	-	-	10,000	690	690
Golf Supplies	-	-	-	-	-	-
Pest control	-	-	-	-	-	-
Postage and Delivery	15	-	-	15	-	-
Printing Stationary	50	-	-	50	-	-
Repairs/Maintenance	2,000	80	80	1,920	396	396
Training education	-	-	-	-	-	-
Trash removal	2,000	245	245	1,755	219	219
Travel/mileage/lodging	-	-	-	-	-	-
Utilities - alarm	-	-	-	-	-	-
Utilities -electric	14,000	1,519	1,519	12,481	1,095	1,095
Utilities -gas	9,100	1,078	1,078	8,022	1,012	1,012
Utilities - water	6,800	333	333	6,467	275	275
Utilities telephone	3,700	518	518	3,182	310	310
Security	1,000	82	82	918	82	82
District Management	12,000	1,000	1,000	11,000	12,000	12,000
Miscellaneous expense	-	7	7	(7)	1,022	1,022
Building Maintenance	-	-	-	-	-	-
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 252,860	\$ 22,270	\$ 22,270	\$ 230,590	\$ 31,357	\$ 31,357

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 1 Month Ended January 31, 2014
Enterprise Fund

See Accountant's Compilation Report

	Annual Budget	Current Month	Year to Date	Variance Favorable (Unfavorable)	Prior Year	
					Current Month	Year to Date
Administration Expenses						
Accounting	\$ 9,500	\$ 1,814	\$ 1,814	\$ 7,686	\$ 816	\$ 816
Legal	2,000	-	-	2,000	-	-
Consulting fees	-	-	-	-	-	-
Wages and Benefits	76,000	7,065	7,065	68,935	3,987	3,987
Office operations	-	-	-	-	-	-
Computer and internet expenses	-	-	-	-	-	-
Repairs/Maintenance	-	-	-	-	-	-
Operating supplies	-	-	-	-	-	-
Janitorial	-	-	-	-	-	-
Postage and delivery	-	-	-	-	-	-
Printing/Stationery	500	-	-	500	-	-
Professional fees	-	-	-	-	-	-
Security	-	-	-	-	-	-
Training/education	-	-	-	-	-	-
Travel/mileage/lodging	-	-	-	-	-	-
Utilities - Satellite/cable	-	-	-	-	-	-
Miscellaneous	500	25	25	475	26	26
Total Administrative expenses	\$ 88,500	\$ 8,904	\$ 8,904	\$ 79,596	\$ 4,829	\$ 4,829
Grounds						
Golf course amenities	\$ 500	\$ -	\$ -	\$ 500	\$ -	\$ -
Wages and benefits	198,414	10,160	10,160	188,254	12,497	12,497
Fuel Charges	10,000	-	-	10,000	-	-
Dues and subscriptions	-	-	-	-	-	-
Employee relations	-	-	-	-	-	-
Utility - electric	50,000	1,241	1,241	48,759	807	807
Utility - gas	1,900	190	190	1,710	266	266
Utility - water/sewer	1,500	86	86	1,414	80	80
Utility - telephone	1,400	116	116	1,284	117	117
Trash Removal	1,700	-	-	1,700	395	395
Education/seminars	-	-	-	-	-	-
Chemicals	3,000	-	-	3,000	-	-
Equipment repairs/maintenance	7,500	-	-	7,500	1,180	1,180
Equipment rental	-	-	-	-	-	-
Fertilizer	15,000	-	-	15,000	-	-
Golf course supplies	1,000	-	-	1,000	-	-
Ground improvements	2,000	-	-	2,000	-	-
Landscaping	1,300	-	-	1,300	3,550	3,550
Licenses/Permits/Fees	-	-	-	-	-	-
Irrigation repairs	4,559	-	-	4,559	42	42
Amenities	-	-	-	-	-	-
Sand, soil, gravel	3,500	-	-	3,500	-	-
Sanitation rental	2,500	195	195	2,305	-	-
Professional Fees	-	-	-	-	-	-
Repairs/Maint/Shop	827	-	-	827	-	-
Security	500	74	74	426	74	74
Small tools and equipment	-	-	-	-	-	-
Tires/batteries	-	-	-	-	-	-
Training/Education	-	-	-	-	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 307,100	\$ 12,062	\$ 12,062	\$ 295,038	\$ 19,008	\$ 19,008

HRMD Golf & Clubhouse P&L 2014 by Month

Income / Expense Statement Summary

YTD Summary

Actual \$ (000)

2014 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event	SNOW												
Golf Rounds / Starts	198												198
No Play Days - Weather	25												25
Play Days	6												6
Avg \$ per Round / Start	258.95												258.95
Revenue - Golf	51.3												51.3
Expenses													
Golf Course Operations	22.3												22.3
Administration	8.9												8.9
Grounds Operations	12.1												12.1
Total Expenses	43.2												43.2
P&L Excess / (Deficiency)	8.0												8.0

Key Expense Areas:

Payroll

Grounds Operations	10.2												10.2
Golf Course Operations	1.2												1.2
Administration	7.1												7.1
Total Payroll	18.4												18.4
% Payroll to Revenue	36%												36%
% Payroll to Expenses	43%												43%

Utilities

Golf Ops & Clubhouse	3.4												3.4
Grounds	1.6												1.6
Clubhouse Top Floor	5.5												5.5
Utilities/Gen Fund Portn	5.5												5.5

Clubhouse Maintenance/Improvements (Gen Fund):

1st Bldg Repair/Maintenance	0.1												0.1
2nd Bldg Repair/Maintenance	0.8												0.8

Capital Expenditures

		To Date
Grounds / Golf	0.0	1,555
Clubhouse	0.0	359
Golf Course	0.0	125
Restaurant - Noonan's	0.0	106
Total Cap Exp	0.0	2,145

District Fund Accounts

General Fund	90
Capital Fund	3
Debit Service Fund	202
Enterprise Fund	270

TOTAL ALL FUNDS 564**Total Funds less Dbt Svc => 362**

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
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Notes: This report is a summary prepared from Simmons & Wheeler (S&W) monthly HRMD financial reports
It is not prepared by S&W, rather by the HRMD Directors

2014 GCatHR Budget \$896.85k Revenue / \$648.46k Expense