

**Heather Ridge Metropolitan District
Financial Statements**

February 28, 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 February 28, 2014 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental and Enterprise Funds for the two months 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.

March 12, 2014

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

February 28, 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	\$ 46,001	\$ -	\$ -	\$ -		\$ 46,001
Cash in US Bank	-	-	-	19,643		19,643
Cash in COLOTRUST	39,575	2,962	-	250,928	-	293,465
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	27,623	-	119,126	-	-	146,749
Cash - Trustee	-	-	201,658	6,626	-	208,284
Funding in Transit	-	-	-	-	-	-
Golf Cart Deposit	-	-	-	-	-	-
Prepaid Expense	72	-	-	4,784	-	4,856
Inventory	-	-	-	6,834	-	6,834
Receivable - Members	-	-	-	-	-	-
Receivable - GCAT	-	-	-	17,575	-	17,575
Receivable - rent	5,348	-	-	-	-	5,348
	<u>118,619</u>	<u>2,962</u>	<u>320,784</u>	<u>308,840</u>	<u>-</u>	<u>751,205</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service	-	-	-	-	320,784	320,784
Amount to be provided for retirement of debt	-	-	-	-	5,026,716	5,026,716
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,493,817</u>	<u>8,493,817</u>
	<u>\$ 118,619</u>	<u>\$ 2,962</u>	<u>\$ 320,784</u>	<u>\$ 308,840</u>	<u>\$ 8,493,817</u>	<u>\$ 9,245,022</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 8,534	\$ -	\$ -	\$ 10,083	\$ -	\$ 18,617
Payable to Tournaments	-	-	-	1,100	-	1,100
Payable to HRCC	-	-	-	-	-	-
Payable to Clubs	-	-	-	323	-	323
Outstanding Premium Cards	-	-	-	46,376	-	46,376
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>8,534</u>	<u>-</u>	<u>-</u>	<u>57,882</u>	<u>5,347,500</u>	<u>5,413,916</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	110,085	2,962	320,784	250,958	-	684,789
	<u>110,085</u>	<u>2,962</u>	<u>320,784</u>	<u>250,958</u>	<u>3,146,317</u>	<u>3,831,106</u>
	<u>\$ 118,619</u>	<u>\$ 2,962</u>	<u>\$ 320,784</u>	<u>\$ 308,840</u>	<u>\$ 8,493,817</u>	<u>\$ 9,245,022</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, 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	\$ 27,553	\$ 30,864	\$ (60,066)	\$ 47,530	\$ 50,416
Specific ownership taxes	5,456	484	1,098	(4,358)	767	1,810
Misc Income	2,000	-	625	(1,375)	78	78
Rent - Restaurant	60,000	5,348	10,908	(49,092)	5,250	10,500
Interest income	5,214	25	52	(5,162)	19	43
	<u>163,600</u>	<u>33,410</u>	<u>43,547</u>	<u>(120,053)</u>	<u>53,644</u>	<u>62,847</u>
Expenditures						
Accounting	17,000	1,195	3,331	13,669	954	2,332
Audit	8,000	-	-	8,000	-	-
Legal	20,000	554	2,434	17,566	670	4,061
Insurance	10,000	-	8,689	1,311	-	7,313
Community Communication	35,000	2,334	4,669	30,331	2,434	7,322
Charitable Community Relations	-	-	-	-	-	-
Social function	1,000	-	1,151	(151)	-	1,068
Consultant Fees/Mgmt Fees	12,000	1,000	2,000	10,000	1,000	2,000
Pest Control	500	-	-	500	-	-
Miscellaneous	1,000	-	20	980	-	10
Building-2nd Floor/Repairs/Main	20,000	1,600	2,395	17,605	1,525	1,525
Building - Utilities/Electric	40,000	2,162	4,389	35,611	2,218	4,478
Building - Utilities/Gas	14,000	2,165	4,113	9,887	1,298	2,822
Building - Utilities/Water/Sewer	20,000	869	1,867	18,133	845	1,669
Utilities/Telephone	2,750	330	660	2,090	347	657
Security	1,200	72	144	1,056	72	144
Meals & Entertainment	700	150	175	525	46	71
Licenses/Permits/Fees	1,000	-	-	1,000	100	100
Office Supplies/Expense	500	-	-	500	20	36
Treasurer's Fees	1,364	413	463	901	713	756
Professional Fees	-	-	-	-	-	-
Training/Education	500	-	-	500	-	-
Janitorial Supplies	500	-	-	500	-	-
Trash Removal	6,500	-	980	5,520	-	878
Mileage/Travel/Lodging	1,000	-	-	1,000	-	-
Election	-	54	54	(54)	-	-
Contingency	14,957	-	-	14,957	-	-
Emergency reserve	6,339	-	-	6,339	-	-
	<u>235,810</u>	<u>12,898</u>	<u>37,534</u>	<u>198,276</u>	<u>12,242</u>	<u>37,242</u>
Excess (deficiency) of revenues over expenditures	(72,210)	20,512	6,013	78,223	41,402	25,605
Fund balance - beginning	<u>72,210</u>	<u>89,573</u>	<u>104,072</u>	<u>31,862</u>	<u>59,226</u>	<u>75,023</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 110,085</u>	<u>\$ 110,085</u>	<u>\$ 110,085</u>	<u>\$ 100,628</u>	<u>\$ 100,628</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, 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)	1	1
	<u>10</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>1</u>	<u>1</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	1	1
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>\$ 40,624</u>	<u>\$ 40,624</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, 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	\$ 118,822	\$ 133,101	\$ (259,034)	\$ 128,117	\$ 135,896
Specific ownership taxes	26,861	2,086	4,733	(22,128)	2,065	4,878
Interest income	400	5	11	(389)	7	15
	<u>419,396</u>	<u>120,913</u>	<u>137,845</u>	<u>(281,551)</u>	<u>130,189</u>	<u>140,789</u>
Expenditures						
Bond Principal '09	170,000	-	-	170,000	-	-
Bond Interest '09	199,735	-	49,934	149,801	-	-
Bond Principal '11	17,000	-	-	17,000	-	51,708
Bond Interest '11	29,435	-	7,359	22,076	-	7,532
Trustee Fees	2,500	-	-	2,500	-	-
Treasurer Fees	5,882	1,783	1,997	3,885	1,921	2,038
Contingency	-	-	-	-	-	-
	<u>424,552</u>	<u>1,783</u>	<u>59,290</u>	<u>365,262</u>	<u>1,921</u>	<u>61,278</u>
Excess (deficiency) of revenues over expenditures	(5,156)	119,130	78,555	83,711	128,268	79,511
Fund balance - beginning	<u>220,788</u>	<u>201,654</u>	<u>242,229</u>	<u>21,441</u>	<u>184,791</u>	<u>233,548</u>
Fund balance - ending	<u>\$ 215,632</u>	<u>\$ 320,784</u>	<u>\$ 320,784</u>	<u>\$ 105,152</u>	<u>\$ 313,059</u>	<u>\$ 313,059</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 2 Months Ended February 28, 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	4,000	40,300	(19,700)	4,000	50,225
Cart Packages	15,000	1,400	10,660	(4,340)	1,400	11,352
Junior Golf Packages	250	-	-	(250)	-	-
Premium Cards	125,000	-	-	(125,000)	3,250	11,895
Premium Cards Redeemed	-	847	1,816	1,816	-	-
Tournaments	85,000	-	-	(85,000)	-	-
Cart Fees	124,000	2,068	3,759	(120,241)	1,496	3,622
Green Fees	432,500	17,062	19,762	(412,738)	13,503	18,789
Range ball fees	26,500	600	792	(25,708)	357	718
Club Rentals	1,000	-	-	(1,000)	-	-
Merchandise	26,500	358	519	(25,981)	203	416
Miscellaneous Income	1,000	1,779	1,779	779	18	118
Adjustment for Deferred Pkgs	-	-	-	-	-	-
Interest income	100	-	-	(100)	-	-
	<u>896,850</u>	<u>28,114</u>	<u>79,387</u>	<u>(817,463)</u>	<u>24,227</u>	<u>97,135</u>
Expenditures						
Golf Course operations	252,860	13,352	35,622	217,238	17,441	36,776
Administration Expenses	88,500	8,584	17,488	71,012	7,056	11,885
Grounds expense	307,100	25,024	37,086	270,014	15,945	34,953
	<u>648,460</u>	<u>46,960</u>	<u>90,196</u>	<u>558,264</u>	<u>40,442</u>	<u>83,614</u>
Excess (deficiency) of revenues over expenditures	248,390	(18,846)	(10,809)	(259,199)	(16,215)	13,521
Fund balance - beginning	<u>298,358</u>	<u>269,804</u>	<u>261,767</u>	<u>(36,591)</u>	<u>182,124</u>	<u>152,388</u>
Fund balance - ending	<u>\$ 546,748</u>	<u>\$ 250,958</u>	<u>\$ 250,958</u>	<u>\$ (295,790)</u>	<u>\$ 165,909</u>	<u>\$ 165,909</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 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	\$ 268	\$ 562	\$ 24,438	\$ 3,395	\$ 3,728
Equipment lease	-	-	-	-	-	-
District Consultants	-	-	-	-	-	-
F&B Expenses promo	-	-	-	-	-	-
Tournament commissions	-	-	-	-	-	-
Tournament Expense	500	-	-	500	-	-
Wages and benefits	70,380	1,912	3,126	67,254	3,206	4,003
Business licenses and permits	-	-	-	-	-	-
Advertising	230	161	383	(153)	230	230
Bank Service charges	-	-	-	-	-	-
Credit Card Fees	14,131	745	1,013	13,118	1,320	1,511
Meals and entertainment	-	-	-	-	-	-
Charitable community relations	-	-	-	-	-	-
Club Rental Expense	-	-	-	-	-	-
Computer and internet expenses	5,500	708	2,310	3,190	550	1,151
Driving range supplies	1,000	-	-	1,000	-	-
Dues and subscriptions	200	210	310	(110)	200	200
Employee clothing expenses	-	-	-	-	-	-
Employee relations	-	-	-	-	-	-
Equipment facility rental	-	-	-	-	-	-
GHIN expense	-	-	-	-	-	-
Golf Club Repairs	-	-	-	-	-	-
Golf Cart Lease	58,310	4,380	9,256	49,054	4,380	8,760
Golf Lessons	815	-	-	815	-	-
Golf Cart Repairs	4,000	45	1,032	2,968	121	159
Janitorial expense	4,000	-	-	4,000	54	54
Laundry/Cleaning expense	-	-	-	-	-	-
Licenses/Permits/Fees	-	-	-	-	-	-
Insurance	7,879	-	7,845	34	-	7,879
Office Supplies/Expenses	250	-	-	250	113	150
Operating Supplies	10,000	340	340	9,660	-	690
Golf Supplies	-	-	-	-	-	-
Pest control	-	-	-	-	-	-
Postage and Delivery	15	-	-	15	-	-
Printing Stationary	50	-	-	50	-	-
Repairs/Maintenance	2,000	340	420	1,580	395	791
Training education	-	100	100	(100)	-	-
Trash removal	2,000	-	245	1,755	-	219
Travel/mileage/lodging	-	-	-	-	-	-
Utilities - alarm	-	-	-	-	-	-
Utilities -electric	14,000	1,394	2,913	11,087	968	2,063
Utilities -gas	9,100	1,048	2,126	6,974	871	1,883
Utilities - water	6,800	289	622	6,178	281	556
Utilities telephone	3,700	330	848	2,852	275	585
Security	1,000	82	164	836	82	164
District Management	12,000	1,000	2,000	10,000	1,000	2,000
Miscellaneous expense	-	-	7	(7)	-	-
Building Maintenance	-	-	-	-	-	-
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 252,860	\$ 13,352	\$ 35,622	\$ 217,238	\$ 17,441	\$ 36,776

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 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	\$ 753	\$ 2,567	\$ 6,933	\$ 417	\$ 1,233
Legal	2,000	-	-	2,000	-	-
Consulting fees	-	-	-	-	-	-
Wages and Benefits	76,000	7,802	14,867	61,133	6,614	10,601
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	29	54	446	25	51
Total Administrative expenses	\$ 88,500	\$ 8,584	\$ 17,488	\$ 71,012	\$ 7,056	\$ 11,885
Grounds						
Golf course amenities	\$ 500	\$ -	\$ -	\$ 500	\$ -	\$ -
Wages and benefits	198,414	9,887	20,047	178,367	12,872	25,369
Fuel Charges	10,000	631	631	9,369	-	-
Dues and subscriptions	-	-	-	-	-	-
Employee relations	-	-	-	-	-	-
Utility - electric	50,000	278	1,519	48,481	777	1,584
Utility - gas	1,900	202	392	1,508	237	503
Utility - water/sewer	1,500	81	167	1,333	103	183
Utility - telephone	1,400	117	233	1,167	115	232
Trash Removal	1,700	450	450	1,250	-	395
Education/seminars	-	-	-	-	-	-
Chemicals	3,000	-	-	3,000	-	-
Equipment repairs/maintenance	7,500	5,040	5,040	2,460	428	1,608
Equipment rental	-	-	-	-	-	-
Fertilizer	15,000	-	-	15,000	-	-
Golf course supplies	1,000	-	-	1,000	-	-
Ground improvements	2,000	-	-	2,000	-	-
Landscaping	1,300	8,000	8,000	(6,700)	600	4,150
Licenses/Permits/Fees	-	-	-	-	148	148
Irrigation repairs	4,559	264	264	4,295	51	93
Amenities	-	-	-	-	-	-
Sand, soil, gravel	3,500	-	-	3,500	-	-
Sanitation rental	2,500	-	195	2,305	540	540
Professional Fees	-	-	-	-	-	-
Repairs/Maint/Shop	827	-	-	827	-	-
Security	500	74	148	352	74	148
Small tools and equipment	-	-	-	-	-	-
Tires/batteries	-	-	-	-	-	-
Training/Education	-	-	-	-	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 307,100	\$ 25,024	\$ 37,086	\$ 270,014	\$ 15,945	\$ 34,953

2014 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event	SNOW	SNOW											
Golf Rounds / Starts	198	518											716
No Play Days - Weather	25	18											43
Play Days	6	10											16
Avg \$ per Round / Start	258.95	54.27											110.88
Revenue - Golf	51.3	28.1											79.4
Expenses													
Golf Course Operations	22.3	13.4											35.6
Administration	8.9	8.6											17.5
Grounds Operations	12.1	25.0											37.1
Total Expenses	43.2	47.0											90.2
P&L Excess / (Deficiency)	8.0	(18.8)											(10.8)

Key Expense Areas:

Payroll

Grounds Operations	10.2	9.9											20.0
Golf Course Operations	1.2	1.9											3.1
Administration	7.1	7.8											14.9
Total Payroll	18.4	19.6											38.0
% Payroll to Revenue	36%	70%											48%
% Payroll to Expenses	43%	42%											42%

Utilities

Golf Ops & Clubhouse	3.4	3.1											6.5
Grounds	1.6	0.7											2.3
Clubhouse Top Floor	5.5	5.5											11.0
Utilities/Gen Fund Portn	5.5	5.5											11.0

Clubhouse Maintenance/Improvements (Gen Fund):

1st Bldg Repair/Maintenance	0.1	0.3											0.4
2nd Bldg Repair/Maintenance	0.8	1.6											2.4

Capital Expenditures

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

District Fund Accounts

General Fund	90	110											
Capital Fund	3	3											
Debit Service Fund	202	321											
Enterprise Fund	270	251											

TOTAL ALL FUNDS 564 685

Total Funds less Dbt Svc => 362 364

Jan Feb Mar April May June July Aug Sept Oct Nov Dec YTD

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