

Heather Ridge Metropolitan District
Financial Statements

January 31, 2018

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Heather Ridge Metropolitan District

Management is responsible for the accompanying financial statements of each major fund of Heather Ridge Metropolitan District, as of and for the period ended January 31, 2018, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Governmental Funds, Enterprise Fund and account groups for the one month then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement 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. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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 16, 2018
Englewood, Colorado

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
Governmental Funds
January 31, 2018

	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Assets						
Current assets						
Cash in checking	\$ 3,541	\$ -	\$ -	\$ 30,000	\$ -	\$ 33,541
Cash in US Bank	-	-	-	56,425	-	56,425
Cash in COLOTRUST	20,593	740,888	178,389	279,847	-	1,219,717
Cash in COLOTRUST-Roofing	106,816	-	-	-	-	106,816
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	4,228	-	8,138	-	-	12,366
Inventory	-	-	-	16,207	-	16,207
Receivable - GCAT	-	-	-	30,109	-	30,109
Receivable - rent	10,625	-	-	-	-	10,625
	<u>145,803</u>	<u>740,888</u>	<u>186,527</u>	<u>415,038</u>	<u>-</u>	<u>1,488,256</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service	-	-	-	-	186,527	186,527
Amount to be provided for retirement of debt	-	-	-	-	6,008,473	6,008,473
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,341,317</u>	<u>9,341,317</u>
	<u>\$ 145,803</u>	<u>\$ 740,888</u>	<u>\$ 186,527</u>	<u>\$ 415,038</u>	<u>\$ 9,341,317</u>	<u>\$ 10,829,573</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 17,316	\$ -	\$ -	\$ 12,591	\$ -	\$ 29,907
Retainage Payable	-	-	-	-	-	-
Payable to Tournaments	-	-	-	-	-	-
Payable to Clubs	-	-	-	2,989	-	2,989
Payable to Gift Cards	-	-	-	9,370	-	9,370
Outstanding Premium Cards	-	-	-	35,332	-	35,332
Sales Tax Payable	-	-	-	(1,326)	-	(1,326)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	6,195,000	6,195,000
Total Liabilities	<u>17,316</u>	<u>-</u>	<u>-</u>	<u>58,956</u>	<u>6,195,000</u>	<u>6,271,272</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund Balance assigned for Roof	-	-	-	-	-	-
Fund balance	128,487	740,888	186,527	356,082	-	1,411,984
	<u>128,487</u>	<u>740,888</u>	<u>186,527</u>	<u>356,082</u>	<u>3,146,317</u>	<u>4,558,301</u>
	<u>\$ 145,803</u>	<u>\$ 740,888</u>	<u>\$ 186,527</u>	<u>\$ 415,038</u>	<u>\$ 9,341,317</u>	<u>\$ 10,829,573</u>

Heather Ridge Metropolitan District
Reconciliation of Cash to Fund Balance
As of 1/31/2018

Total Cash	\$ 130,950	\$ 740,888	\$ 178,389	\$ 366,272
Petty cash	-	-	-	2,450
Accounts receivable taxes	4,228	-	8,138	-
Inventory	-	-	-	16,207
Receivable from GCAT	-	-	-	30,109
Receivable Rent	10,625	-	-	-
Accounts Payable	(17,316)	-	-	(12,591)
Deposits from tournaments	-	-	-	-
Payable to clubs	-	-	-	(2,989)
Outstanding premium cards	-	-	-	(35,332)
Payable to Gift Cards	-	-	-	(9,370)
Sales tax payable	-	-	-	1,326
Fund balance	<u>\$ 128,487</u>	<u>\$ 740,888</u>	<u>\$ 186,527</u>	<u>\$ 356,082</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, 2018
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	\$ 220,268	\$ 2,865	\$ 2,865	\$ (217,403)	\$ 1,590	\$ 1,590
Specific ownership taxes	15,433	1,400	1,400	(14,033)	1,271	1,271
Misc Income	2,000	-	-	(2,000)	-	-
Rent Income	120,000	10,625	10,625	(109,375)	10,000	10,000
Interest income	2,057	674	674	(1,383)	341	341
	<u>359,758</u>	<u>15,564</u>	<u>15,564</u>	<u>(344,194)</u>	<u>13,202</u>	<u>13,202</u>
Expenditures						
Accounting	17,000	-	-	17,000	2,278	2,278
Audit	8,000	-	-	8,000	-	-
Legal	45,000	1,145	1,145	43,855	3,623	3,623
Insurance	10,000	8,573	8,573	1,427	9,939	9,939
Community Communication	35,000	5,496	5,496	29,504	2,642	2,642
Social function	1,000	-	-	1,000	-	-
Consultant Fees/Mgmt Fees	30,000	2,593	2,593	27,407	2,593	2,593
Professional Fees	-	2,674	2,674	(2,674)	-	-
Pest Control	1,200	82	82	1,118	-	-
Miscellaneous	500	47	47	453	110	110
Building-2nd Floor/Repairs/Main	-	1,327	1,327	(1,327)	-	-
Building Repairs	-	-	-	-	-	-
Building - Utilities/Electric	38,000	2,226	2,226	35,774	2,298	2,298
Building - Utilities/Gas	15,000	1,819	1,819	13,181	1,987	1,987
Building - Utilities/Water/Sewer	25,000	1,316	1,316	23,684	1,296	1,296
Utilities/Telephone	12,000	654	654	11,346	438	438
Landscaping	10,000	528	528	9,472	1,345	1,345
Security	2,500	72	72	2,428	72	72
Meals & Entertainment	1,000	-	-	1,000	-	-
Computer/Internet	1,000	-	-	1,000	15	15
Dues & Subscriptions	300	-	-	300	-	-
Licenses/Permits/Fees	200	-	-	200	-	-
Office Supplies/Expense	500	-	-	500	-	-
Advertising	500	-	-	500	-	-
Treasurer's Fees	3,304	43	43	3,261	24	24
Training/Education	500	-	-	500	-	-
Employee Relations	500	-	-	500	-	-
Janitorial Supplies	500	-	-	500	-	-
Trash Removal	7,000	519	519	6,481	320	320
Mileage/Travel/Lodging	2,000	229	229	1,771	-	-
Election	1,000	702	702	298	-	-
Contingency	220,982	-	-	220,982	-	-
Emergency reserve	7,875	-	-	7,875	-	-
	<u>497,361</u>	<u>30,045</u>	<u>30,045</u>	<u>467,316</u>	<u>28,980</u>	<u>28,980</u>
Excess (deficiency) of revenues over expenditures	(137,603)	(14,481)	(14,481)	123,122	(15,778)	(15,778)
Fund balance - beginning	137,603	142,968	142,968	5,365	117,668	117,668
Fund balance - ending	\$ -	\$ 128,487	\$ 128,487	\$ 128,487	\$ 101,890	\$ 101,890

Heather Ridge Metropolitan District
 Budget and Actual
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Budget and Actual
 For the 1 Month Ended January 31, 2018
 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on Bonds	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Interest income	-	968	968	968	930	930
	<u>-</u>	<u>968</u>	<u>968</u>	<u>968</u>	<u>930</u>	<u>930</u>
Expenditures						
Capital Improvements	-	-	-	-	-	-
Planning & Engineering	-	-	-	-	-	-
Irrigation	740,557	-	-	740,557	-	-
Miscellaneous	-	-	-	-	-	-
	<u>740,557</u>	<u>-</u>	<u>-</u>	<u>740,557</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(740,557)	968	968	741,525	930	930
Fund balance - beginning	<u>740,557</u>	<u>739,920</u>	<u>739,920</u>	<u>(637)</u>	<u>1,141,704</u>	<u>1,141,704</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 740,888</u>	<u>\$ 740,888</u>	<u>\$ 740,888</u>	<u>\$ 1,142,634</u>	<u>\$ 1,142,634</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, 2018
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	\$ 421,382	\$ 5,518	\$ 5,518	\$ (415,864)	\$ 4,286	\$ 4,286
Specific ownership taxes	29,523	2,678	2,678	(26,845)	3,425	3,425
Transfer from Capital Projects F	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Premium on Bonds	-	-	-	-	-	-
Interest income	500	90	90	(410)	39	39
	<u>451,405</u>	<u>8,286</u>	<u>8,286</u>	<u>(443,119)</u>	<u>7,750</u>	<u>7,750</u>
Expenditures						
Bond Interest '09	-	-	-	-	-	-
Bond Interest '11	-	-	-	-	-	-
Bond Principal '16	190,000	-	-	190,000	-	-
Bond Interest '16	210,300	-	-	210,300	-	-
Accounting	-	-	-	-	-	-
Issuance Costs	-	-	-	-	-	-
Refunding Escrow	-	-	-	-	-	-
Bond Insurance	-	-	-	-	-	-
Trustee Fees	5,000	-	-	5,000	-	-
Legal Expenses	-	-	-	-	-	-
Treasurer Fees	6,321	83	83	6,238	64	64
Contingency	5,000	-	-	5,000	-	-
	<u>416,621</u>	<u>83</u>	<u>83</u>	<u>416,538</u>	<u>64</u>	<u>64</u>
Excess (deficiency) of revenues over expenditures	34,784	8,203	8,203	(26,581)	7,686	7,686
Fund balance - beginning	<u>184,879</u>	<u>178,324</u>	<u>178,324</u>	<u>(6,555)</u>	<u>80,046</u>	<u>80,046</u>
Fund balance - ending	<u>\$ 219,663</u>	<u>\$ 186,527</u>	<u>\$ 186,527</u>	<u>\$ (33,136)</u>	<u>\$ 87,732</u>	<u>\$ 87,732</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, 2018
Enterprise Fund

See Accountant's Compilation Report

	Annual Budget	Current Month	Year to Date	Variance	Prior Year	
				Favorable (Unfavorable)	Current Month	Year to Date
Revenues						
Golf Course Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Golf Packages	40,000	18,500	18,500	(21,500)	19,300	19,300
Cart Packages	-	-	-	-	-	-
Junior Golf Packages	-	-	-	-	-	-
Men's Club Redeemed	(400)	(600)	(600)	(200)	-	-
Premium Cards Redeemed	(12,000)	400	400	12,400	(1,000)	(1,000)
Tournaments	-	-	-	-	-	-
Cart Fees	148,960	3,808	3,808	(145,152)	1,013	1,013
Green Fees	450,000	9,312	9,312	(440,688)	3,520	3,520
Range ball fees	30,800	794	794	(30,006)	215	215
Club Rentals	-	-	-	-	-	-
Merchandise	30,500	400	400	(30,100)	92	92
Miscellaneous Income	4,200	31	31	(4,169)	16	16
Interest income	-	-	-	-	-	-
	<u>692,060</u>	<u>32,645</u>	<u>32,645</u>	<u>(659,415)</u>	<u>23,156</u>	<u>23,156</u>
Expenditures						
Golf Course operations	226,495	23,472	23,472	203,023	20,979	20,979
Administration Expenses	90,600	6,600	6,600	84,000	7,613	7,613
Grounds expense	306,500	21,561	21,561	284,939	52,509	52,509
	<u>623,595</u>	<u>51,633</u>	<u>51,633</u>	<u>571,962</u>	<u>81,101</u>	<u>81,101</u>
Excess (deficiency) of revenues over expenditures	68,465	(18,988)	(18,988)	(87,453)	(57,945)	(57,945)
Fund balance - beginning	<u>412,109</u>	<u>375,070</u>	<u>375,070</u>	<u>(37,039)</u>	<u>382,836</u>	<u>382,836</u>
Fund balance - ending	<u>\$ 480,574</u>	<u>\$ 356,082</u>	<u>\$ 356,082</u>	<u>\$ (124,492)</u>	<u>\$ 324,891</u>	<u>\$ 324,891</u>

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, 2018
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	\$ 24,000	\$ 298	\$ 298	\$ 23,702	\$ 828	\$ 828
Equipment lease	-	-	-	-	-	-
District Consultants	-	-	-	-	-	-
F&B Expenses promo	-	-	-	-	-	-
Tournament commissions	-	-	-	-	-	-
Tournament Expense	-	-	-	-	-	-
Wages and benefits	9,500	4,362	4,362	5,138	1,860	1,860
Business licenses and permits	-	-	-	-	-	-
Advertising	1,300	350	350	950	-	-
Bank Service charges	-	-	-	-	81	81
Credit Card Fees	15,000	374	374	14,626	-	-
Meals and entertainment	700	-	-	700	-	-
Charitable community relations	-	-	-	-	-	-
Club Rental Expense	400	-	-	400	-	-
Computer and internet expenses	3,000	-	-	3,000	-	-
Driving range supplies	21,000	-	-	21,000	-	-
Dues and subscriptions	300	-	-	300	110	110
Employee relations	600	-	-	600	-	-
Equipment facility rental	-	-	-	-	-	-
GHIN expense	750	-	-	750	-	-
Golf Club Repairs	-	-	-	-	954	954
Golf Cart Lease	55,000	4,575	4,575	50,425	4,644	4,644
Golf Lessons	700	-	-	700	-	-
Golf Cart Repairs	8,000	-	-	8,000	-	-
Janitorial expense	2,500	-	-	2,500	-	-
Laundry/Cleaning expense	-	-	-	-	-	-
Licenses/Permits/Fees	245	-	-	245	-	-
Insurance	8,000	8,626	8,626	(626)	7,078	7,078
Office Supplies/Expenses	1,500	184	184	1,316	13	13
Operating Supplies	12,000	1,015	1,015	10,985	1,460	1,460
Golf Supplies	-	-	-	-	-	-
Pest control	100	-	-	100	-	-
Postage and Delivery	100	-	-	100	-	-
Printing Stationary	-	-	-	-	-	-
Repairs/Maintenance	4,000	239	239	3,761	197	197
Training education	-	-	-	-	-	-
Trash removal	1,500	130	130	1,370	80	80
Utilities -electric	17,500	1,095	1,095	16,405	1,069	1,069
Utilities -gas	11,000	638	638	10,362	674	674
Utilities - water	6,000	328	328	5,672	323	323
Utilities telephone	6,000	176	176	5,824	438	438
Security	1,000	82	82	918	82	82
Custodial Supplies	-	-	-	-	-	-
District Management	12,000	1,000	1,000	11,000	1,000	1,000
Miscellaneous expense	2,800	-	-	2,800	-	-
Building Maintenance	-	-	-	-	88	88
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 226,495	\$ 23,472	\$ 23,472	\$ 203,023	\$ 20,979	\$ 20,979

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, 2018
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	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 689	\$ 689
Legal	6,000	1,313	1,313	4,687	-	-
Consulting fees	-	-	-	-	-	-
Wages and Benefits	74,000	5,281	5,281	68,719	6,924	6,924
Office operations	-	-	-	-	-	-
Computer and internet expenses	-	-	-	-	-	-
Repairs/Maintenance	-	-	-	-	-	-
Operating supplies	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Janitorial	-	-	-	-	-	-
Postage and delivery	-	-	-	-	-	-
Printing/Stationery	500	-	-	500	-	-
Professional fees	-	-	-	-	-	-
Security	-	-	-	-	-	-
Training/education	-	-	-	-	-	-
Travel/mileage/lodging	-	-	-	-	-	-
Utilities - Satellite/cable	-	-	-	-	-	-
Miscellaneous	100	6	6	94	-	-
Total Administrative expenses	\$ 90,600	\$ 6,600	\$ 6,600	\$ 84,000	\$ 7,613	\$ 7,613
Grounds						
Golf course amenities	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ -	\$ -
Wages and benefits	175,000	12,071	12,071	162,929	12,654	12,654
Gas oil lube	10,000	-	-	10,000	-	-
Dues and subscriptions	-	575	575	(575)	570	570
Employee relations	-	-	-	-	-	-
Advertising	100	-	-	100	-	-
Utility - electric	50,000	1,089	1,089	48,911	1,354	1,354
Utility - gas	2,000	164	164	1,836	186	186
Utility - water/sewer	1,300	144	144	1,156	90	90
Utility - telephone	1,400	71	71	1,329	139	139
Trash Removal	3,500	205	205	3,295	802	802
Education/seminars	-	35	35	(35)	-	-
Computer/Internet	-	-	-	-	-	-
Operating Supplies	200	-	-	200	-	-
Chemicals	4,000	-	-	4,000	-	-
Equipment repairs/maintenance	15,000	-	-	15,000	5,458	5,458
Equipment rental	-	-	-	-	-	-
Fertilizer	10,000	-	-	10,000	-	-
Golf course supplies	1,500	11	11	1,489	-	-
Ground improvements	2,000	-	-	2,000	30,875	30,875
Cart Paths, Sand Traps, Trees	-	4,730	4,730	(4,730)	-	-
Seed, Sod	-	-	-	-	-	-
Landscaping	10,000	-	-	10,000	-	-
Licenses/Permits/Fees	300	-	-	300	-	-
Irrigation repairs	2,000	1,942	1,942	58	-	-
Amenities	2,000	-	-	2,000	-	-
Sand, soil, gravel	2,500	-	-	2,500	-	-
Sanitation rental	3,600	450	450	3,150	307	307
Professional Fees	-	-	-	-	-	-
Repairs/Maint/Shop	600	-	-	600	-	-
Security	900	74	74	826	74	74
Small tools and equipment	7,000	-	-	7,000	-	-
Tires/batteries	100	-	-	100	-	-
Training/Education	-	-	-	-	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 306,500	\$ 21,561	\$ 21,561	\$ 284,939	\$ 52,509	\$ 52,509

HRMD Golf & Clubhouse P&L 2018 by Month

Income / Expense Statement Summary

YTD Summary

Actual \$ (000)

2018 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event SNOW													
Golf Rounds	548												548
No Play Days - Weather	16												16
Play Days	15												15
Avg \$ Rev per Round / Star	59.57												59.57
Avg \$ Profit per Round / Star	(34.65)												(34.65)
Revenue - Golf	32.6												32.6
Expenses													
Golf Course Operations	23.5												23.5
Administration	6.6												6.6
Grounds Operations	21.6												21.6
Total Expenses	51.6												51.6
P&L Excess / (Deficiency)	(19.0)												(19.0)

Key Expense Areas:

Payroll

Grounds Operations	12.1												12.1
Golf Course Operations	4.4												4.4
Administration	5.3												5.3
Total Payroll	21.7												21.7
% Payroll to Revenue	67%												67%
% Payroll to Expenses	42%												42%

Utilities

Golf Ops & Pro Shop	2.2												2.2
Grounds	1.5												1.5
Clubhouse Top Floor	6.0												6.0
Utilities/Gen Fund Prtn	6.0												6.0

Clubhouse Maintenance/Improvements (Gen Fund):

1st Bldg Repair/Maintenance	0.2												0.2
2nd Bldg Repair/Maintenance	1.3												1.3

Capital Expenditures

		To Date
Grounds / Golf	0.0	2,623
Clubhouse	0.0	359
Golf Course	0.0	125
Restaurant - Noonan's	0.0	106
Total Cap Exp	0.0	3,214

District Fund Accounts

*\$75k Roof Ins Proceeds in GF

General Fund	30
* Gen Fund (8/15 Roof Ins Proci	98
Capital Fund	741
Debit Service Fund	187
Enterprise Fund	356

TOTAL ALL FUNDS 1,412

Total Funds less Dbt Svc
Must always be > \$100 **485**

Bond Balance 6,195
HR Foundation Bank 12.4

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 (2016 GCatHR (Golf Ops) Budget \$899.3k Revenue / \$629.9k Expense)