

Heather Ridge Metropolitan District
Financial Statements

February 28, 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 February 28, 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 two months 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.

March 15, 2018
Englewood, Colorado

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
Governmental Funds
February 28, 2018

Assets	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Current assets						
Cash in checking	\$ 1,925	\$ -	\$ -	\$ 35,000	\$ -	\$ 36,925
Cash in US Bank	-	-	-	29,169	-	29,169
Cash in COLOTRUST	18,320	741,824	186,590	286,868	-	1,233,602
Cash in COLOTRUST-Roofing	106,948	-	-	-	-	106,948
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	82,100	-	157,062	-	-	239,162
Inventory	-	-	-	16,104	-	16,104
Receivable - GCAT	-	-	-	35,877	-	35,877
Receivable - rent	10,625	-	-	-	-	10,625
	<u>219,918</u>	<u>741,824</u>	<u>343,652</u>	<u>405,468</u>	<u>-</u>	<u>1,710,862</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service	-	-	-	-	343,652	343,652
Amount to be provided for retirement of debt	-	-	-	-	5,851,348	5,851,348
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,341,317</u>	<u>9,341,317</u>
	<u>\$ 219,918</u>	<u>\$ 741,824</u>	<u>\$ 343,652</u>	<u>\$ 405,468</u>	<u>\$ 9,341,317</u>	<u>\$ 11,052,179</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 19,311	\$ -	\$ -	\$ 19,174	\$ -	\$ 38,485
Retainage Payable	-	-	-	-	-	-
Payable to Tournaments	-	-	-	1,500	-	1,500
Payable to Clubs	-	-	-	2,727	-	2,727
Payable to Gift Cards	-	-	-	9,350	-	9,350
Outstanding Premium Cards	-	-	-	35,531	-	35,531
Sales Tax Payable	-	-	-	(1,329)	-	(1,329)
	<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>19,311</u>	<u>-</u>	<u>-</u>	<u>66,953</u>	<u>6,195,000</u>	<u>6,281,264</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund Balance assigned for Roof	-	-	-	-	-	-
Fund balance	200,607	741,824	343,652	338,515	-	1,624,598
	<u>200,607</u>	<u>741,824</u>	<u>343,652</u>	<u>338,515</u>	<u>3,146,317</u>	<u>4,770,915</u>
	<u>\$ 219,918</u>	<u>\$ 741,824</u>	<u>\$ 343,652</u>	<u>\$ 405,468</u>	<u>\$ 9,341,317</u>	<u>\$ 11,052,179</u>

Heather Ridge Metropolitan District
Reconciliation of Cash to Fund Balance
As of 2/28/2018

Total Cash	\$ 127,193	\$ 741,824	\$ 186,590	\$ 351,037
Petty cash	-	-	-	2,450
Accounts receivable taxes	82,100	-	157,062	-
Inventory	-	-	-	16,104
Receivable from GCAT	-	-	-	35,877
Receivable Rent	10,625	-	-	-
Accounts Payable	(19,311)	-	-	(19,174)
Deposits from tournaments	-	-	-	(1,500)
Payable to clubs	-	-	-	(2,727)
Outstanding premium cards	-	-	-	(35,531)
Payable to Gift Cards	-	-	-	(9,350)
Sales tax payable	-	-	-	1,329
Fund balance	<u>\$ 200,607</u>	<u>\$ 741,824</u>	<u>\$ 343,652</u>	<u>\$ 338,515</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 2 Month Ended February 28, 2018
General Fund
See Accountant's Compilation Report

	Annual Budget	Actual	Year to Date	Variance	Prior Year	
				Favorable (Unfavorable)	Current Month	Year to Date
Revenues						
Property taxes	\$ 220,268	\$ 81,973	\$ 84,838	\$ (135,430)	\$ 58,680	\$ 60,270
Specific ownership taxes	15,433	1,358	2,758	(12,675)	1,031	2,302
Misc Income	2,000	-	-	(2,000)	-	-
Rent Income	120,000	10,625	21,250	(98,750)	10,000	20,000
Interest income	2,057	653	1,327	(730)	293	634
	<u>359,758</u>	<u>94,609</u>	<u>110,173</u>	<u>(249,585)</u>	<u>70,004</u>	<u>83,206</u>
Expenditures						
Accounting	17,000	1,715	1,715	15,285	982	3,260
Audit	8,000	-	-	8,000	-	-
Legal	45,000	2,298	3,443	41,557	2,104	5,727
Insurance	10,000	1,005	9,578	422	-	9,939
Community Communication	35,000	1,143	6,639	28,361	2,538	5,180
Social function	1,000	819	819	181	-	-
Consultant Fees/Mgmt Fees	30,000	2,592	5,185	24,815	2,592	5,185
Professional Fees	-	-	2,674	(2,674)	-	-
Pest Control	1,200	83	165	1,035	330	330
Miscellaneous	500	-	47	453	-	110
Building-2nd Floor/Repairs/Main	-	1,345	2,672	(2,672)	-	-
Building Repairs	-	-	-	-	3,497	3,497
Building - Utilities/Electric	38,000	2,093	4,319	33,681	2,030	4,328
Building - Utilities/Gas	15,000	1,533	3,352	11,648	1,646	3,633
Building - Utilities/Water/Sewer	25,000	1,348	2,664	22,336	1,272	2,568
Utilities/Telephone	12,000	176	830	11,170	432	870
Landscaping	10,000	3,278	3,806	6,194	475	1,820
Security	2,500	74	146	2,354	72	144
Meals & Entertainment	1,000	429	429	571	798	798
Computer/Internet	1,000	-	-	1,000	-	15
Dues & Subscriptions	300	-	-	300	285	285
Licenses/Permits/Fees	200	-	-	200	100	100
Office Supplies/Expense	500	-	-	500	-	-
Advertising	500	-	-	500	-	-
Treasurer's Fees	3,304	1,230	1,273	2,031	880	904
Training/Education	500	-	-	500	-	-
Employee Relations	500	-	-	500	220	220
Janitorial Supplies	500	-	-	500	-	-
Trash Removal	7,000	525	1,044	5,956	641	961
Mileage/Travel/Lodging	2,000	200	429	1,571	139	139
Election	1,000	603	1,305	(305)	-	-
Contingency	220,982	-	-	220,982	-	-
Emergency reserve	7,875	-	-	7,875	-	-
	<u>497,361</u>	<u>22,489</u>	<u>52,534</u>	<u>444,827</u>	<u>21,033</u>	<u>50,013</u>
Excess (deficiency) of revenues over expenditures	(137,603)	72,120	57,639	195,242	48,971	33,193
Fund balance - beginning	137,603	128,487	142,968	5,365	101,890	117,668
Fund balance - ending	\$ -	\$ 200,607	\$ 200,607	\$ 200,607	\$ 150,861	\$ 150,861

Heather Ridge Metropolitan District
 Budget and Actual
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Budget and Actual
 For the 2 Month Ended February 28, 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	-	936	1,904	1,904	813	1,743
	<u>-</u>	<u>936</u>	<u>1,904</u>	<u>1,904</u>	<u>813</u>	<u>1,743</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)	936	1,904	742,461	813	1,743
Fund balance - beginning	<u>740,557</u>	<u>740,888</u>	<u>739,920</u>	<u>(637)</u>	<u>1,142,634</u>	<u>1,141,704</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 741,824</u>	<u>\$ 741,824</u>	<u>\$ 741,824</u>	<u>\$ 1,143,447</u>	<u>\$ 1,143,447</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 2 Month Ended February 28, 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	\$ 156,817	\$ 162,335	\$ (259,047)	\$ 158,180	\$ 162,466
Specific ownership taxes	29,523	2,598	5,276	(24,247)	2,779	6,204
Transfer from Capital Projects F	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Premium on Bonds	-	-	-	-	-	-
Interest income	500	62	152	(348)	35	74
	<u>451,405</u>	<u>159,477</u>	<u>167,763</u>	<u>(283,642)</u>	<u>160,994</u>	<u>168,744</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	2,352	2,435	3,886	2,373	2,437
Contingency	5,000	-	-	5,000	-	-
	<u>416,621</u>	<u>2,352</u>	<u>2,435</u>	<u>414,186</u>	<u>2,373</u>	<u>2,437</u>
Excess (deficiency) of revenues over expenditures	34,784	157,125	165,328	130,544	158,621	166,307
Fund balance - beginning	184,879	186,527	178,324	(6,555)	87,732	80,046
Fund balance - ending	\$ 219,663	\$ 343,652	\$ 343,652	\$ 123,989	\$ 246,353	\$ 246,353

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 2 Month Ended February 28, 2018
Enterprise Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable (Unfavorable)	<u>Prior Year</u>	
					Current <u>Month</u>	Year to <u>Date</u>
Revenues						
Golf Course Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Golf Packages	40,000	7,800	26,300	(13,700)	11,400	30,700
Men's Club Redeemed	(400)	(211)	(811)	(411)	-	-
Premium Cards Redeemed	(12,000)	61	461	12,461	(950)	(1,950)
Tournaments	-	-	-	-	-	-
Cart Fees	148,960	2,352	6,160	(142,800)	5,978	6,991
Green Fees	450,000	23,133	32,445	(417,555)	37,850	41,370
Range ball fees	30,800	594	1,388	(29,412)	1,344	1,559
Club Rentals	-	-	-	-	-	-
Merchandise	30,500	451	851	(29,649)	1,488	1,580
Miscellaneous Income	4,200	327	358	(3,842)	(28)	(12)
Interest income	-	-	-	-	-	-
	<u>692,060</u>	<u>34,507</u>	<u>67,152</u>	<u>(624,908)</u>	<u>57,082</u>	<u>80,238</u>
Expenditures						
Golf Course operations	226,495	26,126	49,598	176,897	18,306	39,285
Administration Expenses	90,600	6,862	13,462	77,138	7,119	14,732
Grounds expense	306,500	19,086	40,647	265,853	15,641	68,150
	<u>623,595</u>	<u>52,074</u>	<u>103,707</u>	<u>519,888</u>	<u>41,066</u>	<u>122,167</u>
Excess (deficiency) of revenues over expenditures	68,465	(17,567)	(36,555)	(105,020)	16,016	(41,929)
Fund balance - beginning	<u>412,109</u>	<u>356,082</u>	<u>375,070</u>	<u>(37,039)</u>	<u>324,891</u>	<u>382,836</u>
Fund balance - ending	<u>\$ 480,574</u>	<u>\$ 338,515</u>	<u>\$ 338,515</u>	<u>\$ (142,059)</u>	<u>\$ 340,907</u>	<u>\$ 340,907</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 2 Month Ended February 28, 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	\$ 7,170	\$ 7,468	\$ 16,532	\$ 648	\$ 1,476
Equipment lease	-	-	-	-	-	-
District Consultants	-	-	-	-	-	-
F&B Expenses promo	-	-	-	-	-	-
Tournament commissions	-	-	-	-	-	-
Tournament Expense	-	-	-	-	-	-
Wages and benefits	9,500	4,323	8,685	815	5,386	7,246
Business licenses and permits	-	-	-	-	-	-
Advertising	1,300	827	1,177	123	-	-
Bank Service charges	-	-	-	-	2,704	2,785
Credit Card Fees	15,000	603	977	14,023	-	-
Meals and entertainment	700	150	150	550	133	133
Charitable community relations	-	-	-	-	-	-
Club Rental Expense	400	-	-	400	-	-
Computer and internet expenses	3,000	-	-	3,000	-	-
Driving range supplies	21,000	3,902	3,902	17,098	100	100
Dues and subscriptions	300	-	-	300	-	110
Employee relations	600	15	15	585	91	91
Equipment facility rental	-	-	-	-	-	-
GHIN expense	750	200	200	550	200	200
Golf Club Repairs	-	-	-	-	(500)	454
Golf Cart Lease	55,000	4,875	9,450	45,550	4,575	9,219
Golf Lessons	700	-	-	700	-	-
Golf Cart Repairs	8,000	324	324	7,676	-	-
Janitorial expense	2,500	-	-	2,500	172	172
Laundry/Cleaning expense	-	-	-	-	-	-
Licenses/Permits/Fees	245	-	-	245	245	245
Insurance	8,000	-	8,626	(626)	-	7,078
Office Supplies/Expenses	1,500	14	198	1,302	178	191
Operating Supplies	12,000	-	1,015	10,985	441	1,901
Golf Supplies	-	-	-	-	-	-
Pest control	100	-	-	100	-	-
Postage and Delivery	100	-	-	100	-	-
Printing Stationary	-	-	-	-	-	-
Repairs/Maintenance	4,000	358	597	3,403	161	358
Training education	-	-	-	-	-	-
Trash removal	1,500	-	130	1,370	160	240
Utilities -electric	17,500	1,034	2,129	15,371	824	1,893
Utilities -gas	11,000	550	1,188	9,812	589	1,263
Utilities - water	6,000	336	664	5,336	318	641
Utilities telephone	6,000	367	543	5,457	432	870
Security	1,000	78	160	840	82	164
Custodial Supplies	-	-	-	-	-	-
District Management	12,000	1,000	2,000	10,000	1,000	2,000
Miscellaneous expense	2,800	-	-	2,800	-	-
Building Maintenance	-	-	-	-	367	455
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 226,495	\$ 26,126	\$ 49,598	\$ 176,897	\$ 18,306	\$ 39,285

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 2 Month Ended February 28, 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	\$ 500	\$ 500	\$ 9,500	\$ 526	\$ 1,215
Legal	6,000	-	1,313	4,687	113	113
Consulting fees	-	-	-	-	-	-
Wages and Benefits	74,000	6,357	11,638	62,362	6,475	13,399
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	5	11	89	5	5
Total Administrative expenses	\$ 90,600	\$ 6,862	\$ 13,462	\$ 77,138	\$ 7,119	\$ 14,732
Grounds						
Golf course amenities	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ -	\$ -
Wages and benefits	175,000	14,352	26,423	148,577	12,572	25,226
Gas oil lube	10,000	-	-	10,000	-	-
Dues and subscriptions	-	-	575	(575)	-	570
Employee relations	-	-	-	-	-	-
Advertising	100	-	-	100	-	-
Utility - electric	50,000	1,065	2,154	47,846	1,258	2,612
Utility - gas	2,000	151	315	1,685	157	343
Utility - water/sewer	1,300	98	242	1,058	101	191
Utility - telephone	1,400	143	214	1,186	132	271
Trash Removal	3,500	436	641	2,859	205	1,007
Education/seminars	-	-	35	(35)	-	-
Computer/Internet	-	-	-	-	-	-
Operating Supplies	200	-	-	200	184	184
Chemicals	4,000	-	-	4,000	-	-
Equipment repairs/maintenance	15,000	397	397	14,603	385	5,843
Equipment rental	-	-	-	-	-	-
Fertilizer	10,000	-	-	10,000	-	-
Golf course supplies	1,500	122	133	1,367	-	-
Ground improvements	2,000	-	-	2,000	-	30,875
Cart Paths, Sand Traps, Trees	-	-	4,730	(4,730)	-	-
Seed, Sod	-	-	-	-	-	-
Landscaping	10,000	-	-	10,000	-	-
Licenses/Permits/Fees	300	-	-	300	-	-
Irrigation repairs	2,000	-	1,942	58	-	-
Amenities	2,000	1,277	1,277	723	-	-
Sand, soil, gravel	2,500	-	-	2,500	-	-
Sanitation rental	3,600	450	900	2,700	573	880
Professional Fees	-	-	-	-	-	-
Repairs/Maint/Shop	600	519	519	81	-	-
Security	900	76	150	750	74	148
Small tools and equipment	7,000	-	-	7,000	-	-
Tires/batteries	100	-	-	100	-	-
Training/Education	-	-	-	-	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 306,500	\$ 19,086	\$ 40,647	\$ 265,853	\$ 15,641	\$ 68,150

Actual \$ (000)

2018 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event	SNOW	Weather											
Golf Rounds	548	373											921
No Play Days - Weather	16	12											28
Play Days	15	16											31
Avg \$ Rev per Round / Star	59.57	92.51											72.91
Avg \$ Profit per Round / Star	(34.65)	(47.10)											(39.69)
Revenue - Golf	32.6	34.5											67.2
Expenses													
Golf Course Operations	23.5	26.1											49.6
Administration	6.6	6.9											13.5
Grounds Operations	21.6	19.1											40.6
Total Expenses	51.6	52.1											103.7
P&L Excess / (Deficiency)	(19.0)	(17.6)											(36.6)

Key Expense Areas:

Payroll

Grounds Operations	12.1	14.4											26.4
Golf Course Operations	4.4	4.3											8.7
Administration	5.3	6.4											11.6
Total Payroll	21.7	25.0											46.7
% Payroll to Revenue	67%	73%											70%
% Payroll to Expenses	42%	48%											45%

Utilities

Golf Ops & Pro Shop	2.2	2.3											4.5
Grounds	1.5	1.5											2.9
Clubhouse Top Floor	6.0	5.2											11.2

Utilities/Gen Fund Prtn	6.0	5.2											11.2
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Clubhouse Maintenance/Improvements (Gen Fund):

1st Bldg Repair/Maintenance	0.2	0.5											0.8
2nd Bldg Repair/Maintenance	1.3	1.3											2.7

Capital Expenditures

													To Date
Grounds / Golf	0.0	0.0											2,623
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											3,214

District Fund Accounts

*\$75k Roof Ins Proceeds in GF

General Fund	30	30											
* Gen Fund (8/15 Roof Ins Procd)	98	171											
Capital Fund	741	742											
Debit Service Fund	187	344											
Enterprise Fund	356	339											

TOTAL ALL FUNDS 1,412 1,625

Total Funds less Dbt Svc	485	539											
Must always be > \$100													

Bond Balance	6,195	6,195											
HR Foundation Bank	12.4	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)