

Heather Ridge Metropolitan District
Financial Statements

January 31, 2019

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, 2019, 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 15, 2019
Englewood, Colorado

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
Governmental Funds
January 31, 2019

	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Assets						
Current assets						
Cash in checking	\$ 1,239	\$ -	\$ -	\$ 8,000	\$ -	\$ 9,239
Cash in US Bank	-	-	-	26,820	-	26,820
Cash in COLOTRUST	2,671	428,536	225,029	313,485	-	969,721
Cash in COLOTRUST-Roofing	109,160	-	-	-	-	109,160
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	3,456	-	6,629	-	-	10,085
Inventory	-	-	-	26,781	-	26,781
Receivable - GCAT	-	-	-	42,929	-	42,929
Receivable - rent	7,825	-	-	-	-	7,825
	<u>124,351</u>	<u>428,536</u>	<u>231,658</u>	<u>420,465</u>	<u>-</u>	<u>1,205,010</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service	-	-	-	-	231,658	231,658
Amount to be provided for retirement of debt	-	-	-	-	5,773,342	5,773,342
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,151,317</u>	<u>9,151,317</u>
	<u>\$ 124,351</u>	<u>\$ 428,536</u>	<u>\$ 231,658</u>	<u>\$ 420,465</u>	<u>\$ 9,151,317</u>	<u>\$ 10,356,327</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 17,667	\$ -	\$ -	\$ 11,195	\$ -	\$ 28,862
Retainage Payable	-	-	-	-	-	-
Payable to Tournaments	-	-	-	-	-	-
Payable to Clubs	-	-	-	3,833	-	3,833
Payable to Gift Cards	-	-	-	9,365	-	9,365
Outstanding Premium Cards	-	-	-	25,560	-	25,560
Sales Tax Payable	-	-	-	(3,836)	-	(3,836)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	6,005,000	6,005,000
Total Liabilities	<u>17,667</u>	<u>-</u>	<u>-</u>	<u>46,117</u>	<u>6,005,000</u>	<u>6,068,784</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund Balance assigned for Roof	-	-	-	-	-	-
Fund balance	106,684	428,536	231,658	374,348	-	1,141,226
	<u>106,684</u>	<u>428,536</u>	<u>231,658</u>	<u>374,348</u>	<u>3,146,317</u>	<u>4,287,543</u>
	<u>\$ 124,351</u>	<u>\$ 428,536</u>	<u>\$ 231,658</u>	<u>\$ 420,465</u>	<u>\$ 9,151,317</u>	<u>\$ 10,356,327</u>

Heather Ridge Metropolitan District
Reconciliation of Cash to Fund Balance
As of 1/31/2019

Total Cash	\$ 113,070	\$ 428,536	\$ 225,029	\$ 348,305
Petty cash	-	-	-	2,450
Accounts receivable taxes	3,456	-	6,629	-
Inventory	-	-	-	26,781
Receivable from GCAT	-	-	-	42,929
Receivable Rent	7,825	-	-	-
Accounts Payable	(17,667)	-	-	(11,195)
Deposits from tournaments	-	-	-	-
Payable to clubs	-	-	-	(3,833)
Outstanding premium cards	-	-	-	(25,560)
Payable to Gift Cards	-	-	-	(9,365)
Sales tax payable	-	-	-	3,836
Fund balance	<u>\$ 106,684</u>	<u>\$ 428,536</u>	<u>\$ 231,658</u>	<u>\$ 374,348</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, 2019
General Fund
See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Prior Year</u>	
					<u>Current Month</u>	<u>Year to Date</u>
Revenues						
Property taxes	\$ 219,318	\$ 2,109	\$ 2,109	\$ (217,209)	\$ 2,865	\$ 2,865
Specific ownership taxes	16,774	1,375	1,375	(15,399)	1,400	1,400
Misc Income	2,000	-	-	(2,000)	-	-
Rent Income	120,000	7,825	7,825	(112,175)	10,625	10,625
Interest income	2,057	1,261	1,261	(796)	674	674
	<u>360,149</u>	<u>12,570</u>	<u>12,570</u>	<u>(347,579)</u>	<u>15,564</u>	<u>15,564</u>
Expenditures						
Accounting	17,000	-	-	17,000	-	-
Audit	8,000	-	-	8,000	-	-
Legal	40,000	4,348	4,348	35,652	1,145	1,145
Insurance	10,000	8,634	8,634	1,366	8,573	8,573
Community Communication	40,000	4,641	4,641	35,359	5,496	5,496
Social function	4,000	-	-	4,000	-	-
Consultant Fees/Mgmt Fees	30,000	2,685	2,685	27,315	2,593	2,593
Professional Fees	-	-	-	-	2,674	2,674
Pest Control	1,200	86	86	1,114	82	82
Miscellaneous	500	12	12	488	47	47
Building Repairs/Interior	25,000	1,844	1,844	23,156	1,327	1,327
Building Repairs/Exterior	25,000	-	-	25,000	-	-
Building - Utilities/Electric	38,000	2,736	2,736	35,264	2,226	2,226
Building - Utilities/Gas	15,000	2,693	2,693	12,307	1,819	1,819
Building - Utilities/Water/Sewer	25,000	1,166	1,166	23,834	1,316	1,316
Utilities/Telephone	12,000	1,449	1,449	10,551	654	654
Landscaping	20,000	1,908	1,908	18,092	528	528
Security	2,500	75	75	2,425	72	72
Meals & Entertainment	1,000	-	-	1,000	-	-
Computer/Internet	1,000	-	-	1,000	-	-
Dues & Subscriptions	300	-	-	300	-	-
Licenses/Permits/Fees	200	-	-	200	-	-
Office Supplies/Expense	500	-	-	500	-	-
Advertising	500	-	-	500	-	-
Treasurer's Fees	3,290	32	32	3,258	43	43
Training/Education	500	-	-	500	-	-
Employee Relations	500	-	-	500	-	-
Janitorial Supplies	500	-	-	500	-	-
Trash Removal	7,000	800	800	6,200	519	519
Mileage/Travel/Lodging	2,000	229	229	1,771	229	229
Election	1,000	-	-	1,000	702	702
Contingency	188,587	-	-	188,587	-	-
Emergency reserve	9,765	-	-	9,765	-	-
	<u>529,842</u>	<u>33,338</u>	<u>33,338</u>	<u>496,504</u>	<u>30,045</u>	<u>30,045</u>
Excess (deficiency) of revenues over expenditures	(169,693)	(20,768)	(20,768)	148,925	(14,481)	(14,481)
Fund balance - beginning	169,693	127,452	127,452	(42,241)	142,968	142,968
Fund balance - ending	<u>\$ -</u>	<u>\$ 106,684</u>	<u>\$ 106,684</u>	<u>\$ 106,684</u>	<u>\$ 128,487</u>	<u>\$ 128,487</u>

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, 2019
 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	10,000	1,003	1,003	(8,997)	968	968
	<u>10,000</u>	<u>1,003</u>	<u>1,003</u>	<u>(8,997)</u>	<u>968</u>	<u>968</u>
Expenditures						
Capital Improvements	-	-	-	-	-	-
Planning & Engineering	-	-	-	-	-	-
Cart Path Improvements	473,920	-	-	473,920	-	-
Miscellaneous	-	-	-	-	-	-
	<u>473,920</u>	<u>-</u>	<u>-</u>	<u>473,920</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(463,920)	1,003	1,003	464,923	968	968
Fund balance - beginning	<u>463,920</u>	<u>427,533</u>	<u>427,533</u>	<u>(36,387)</u>	<u>739,920</u>	<u>739,920</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 428,536</u>	<u>\$ 428,536</u>	<u>\$ 428,536</u>	<u>\$ 740,888</u>	<u>\$ 740,888</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, 2019
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	\$ 419,564	\$ 4,045	\$ 4,045	\$ (415,519)	\$ 5,518	\$ 5,518
Specific ownership taxes	32,090	2,631	2,631	(29,459)	2,678	2,678
Interest income	500	128	128	(372)	90	90
	<u>452,154</u>	<u>6,804</u>	<u>6,804</u>	<u>(445,350)</u>	<u>8,286</u>	<u>8,286</u>
Expenditures						
Bond Principal '16	195,000	-	-	195,000	-	-
Bond Interest '16	202,700	-	-	202,700	-	-
Trustee Fees	5,000	-	-	5,000	-	-
Legal Expenses	-	-	-	-	-	-
Treasurer Fees	6,293	61	61	6,232	83	83
Contingency	5,038	-	-	5,038	-	-
	<u>414,031</u>	<u>61</u>	<u>61</u>	<u>413,970</u>	<u>83</u>	<u>83</u>
Excess (deficiency) of revenues over expenditures	38,123	6,743	6,743	(31,380)	8,203	8,203
Fund balance - beginning	<u>250,207</u>	<u>224,915</u>	<u>224,915</u>	<u>(25,292)</u>	<u>178,324</u>	<u>178,324</u>
Fund balance - ending	<u>\$ 288,330</u>	<u>\$ 231,658</u>	<u>\$ 231,658</u>	<u>\$ (56,672)</u>	<u>\$ 186,527</u>	<u>\$ 186,527</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, 2019
Enterprise Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Prior Year</u>	
					Current <u>Month</u>	Year to <u>Date</u>
Revenues						
Golf Course Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Golf Packages	20,000	9,000	9,000	(11,000)	18,500	18,500
Cart Packages	-	-	-	-	-	-
Men's Club Redeemed	(400)	-	-	400	(600)	(600)
Premium Cards Redeemed	(8,000)	(345)	(345)	7,655	400	400
Tournaments	-	-	-	-	-	-
Cart Fees	225,000	2,612	2,612	(222,388)	3,808	3,808
Green Fees	600,000	6,379	6,379	(593,621)	9,312	9,312
Range ball fees	45,000	442	442	(44,558)	794	794
Club Rentals	-	-	-	-	-	-
Merchandise	30,500	150	150	(30,350)	400	400
Miscellaneous Income	7,000	15	15	(6,985)	31	31
Interest income	-	-	-	-	-	-
	<u>919,100</u>	<u>18,253</u>	<u>18,253</u>	<u>(900,847)</u>	<u>32,645</u>	<u>32,645</u>
Expenditures						
Golf Course operations	341,545	25,842	25,842	315,703	23,472	23,472
Administration Expenses	92,538	6,336	6,336	86,202	6,600	6,600
Grounds expense	424,691	24,084	24,084	400,607	21,561	21,561
	<u>858,774</u>	<u>56,262</u>	<u>56,262</u>	<u>802,512</u>	<u>51,633</u>	<u>51,633</u>
Excess (deficiency) of revenues over expenditures	60,326	(38,009)	(38,009)	(98,335)	(18,988)	(18,988)
Fund balance - beginning	<u>450,246</u>	<u>412,357</u>	<u>412,357</u>	<u>(37,889)</u>	<u>382,836</u>	<u>382,836</u>
Fund balance - ending	<u>\$ 510,572</u>	<u>\$ 374,348</u>	<u>\$ 374,348</u>	<u>\$ (136,224)</u>	<u>\$ 363,848</u>	<u>\$ 363,848</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, 2019
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	\$ 18,000	\$ 463	\$ 463	\$ 17,537	\$ 298	\$ 298
Equipment lease	-	-	-	-	-	-
District Consultants	-	-	-	-	-	-
F&B Expenses promo	-	-	-	-	-	-
Tournament commissions	-	-	-	-	-	-
Tournament Expense	500	-	-	500	-	-
Wages and benefits	135,000	4,785	4,785	130,215	4,362	4,362
Business licenses and permits	-	-	-	-	-	-
Advertising	1,500	175	175	1,325	350	350
Bank Service charges	-	364	364	(364)	-	-
Credit Card Fees	18,000	-	-	18,000	374	374
Meals and entertainment	800	-	-	800	-	-
Charitable community relations	-	-	-	-	-	-
Club Rental Expense	500	-	-	500	-	-
Computer and internet expenses	2,000	-	-	2,000	-	-
Driving range supplies	4,000	27	27	3,973	-	-
Dues and subscriptions	250	150	150	100	-	-
Employee relations	300	-	-	300	-	-
Equipment facility rental	-	-	-	-	-	-
GHIN expense	800	200	200	600	-	-
Golf Club Repairs	-	-	-	-	-	-
Golf Cart Lease	67,800	4,884	4,884	62,916	4,575	4,575
Golf Lessons	500	-	-	500	-	-
Golf Cart Repairs	2,000	-	-	2,000	-	-
Janitorial expense	2,500	-	-	2,500	-	-
Laundry/Cleaning expense	-	-	-	-	-	-
Licenses/Permits/Fees	245	-	-	245	-	-
Insurance	9,000	9,668	9,668	(668)	8,626	8,626
Office Supplies/Expenses	2,200	150	150	2,050	184	184
Operating Supplies	8,000	-	-	8,000	1,015	1,015
Golf Supplies	-	-	-	-	-	-
Pest control	-	-	-	-	-	-
Postage and Delivery	-	-	-	-	-	-
Printing Stationary	-	-	-	-	-	-
Repairs/Maintenance	5,000	247	247	4,753	239	239
Training education	-	-	-	-	-	-
Trash removal	1,800	-	-	1,800	130	130
Utilities -electric	17,000	1,335	1,335	15,665	1,095	1,095
Utilities -gas	5,000	624	624	4,376	638	638
Utilities - water	6,000	291	291	5,709	328	328
Utilities telephone	5,000	184	184	4,816	176	176
Clubhouse Improvements	-	-	-	-	-	-
Security	12,700	212	212	12,488	82	82
Custodial Supplies	-	-	-	-	-	-
District Management	12,000	1,000	1,000	11,000	1,000	1,000
Travel/Mileage/Lodging	-	33	33	(33)	-	-
Miscellaneous expense	150	-	-	150	-	-
Building Maintenance	3,000	1,050	1,050	1,950	-	-
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 341,545	\$ 25,842	\$ 25,842	\$ 315,703	\$ 23,472	\$ 23,472

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, 2019
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	\$ -	\$ -
Legal	4,000	-	-	4,000	1,313	1,313
Consulting fees	-	-	-	-	-	-
Wages and Benefits	78,338	6,327	6,327	72,011	5,281	5,281
Office operations	-	-	-	-	-	-
Travel/mileage/lodging	-	-	-	-	-	-
Miscellaneous	200	9	9	191	6	6
Total Administrative expenses	\$ 92,538	\$ 6,336	\$ 6,336	\$ 86,202	\$ 6,600	\$ 6,600
Grounds						
Golf course amenities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wages and benefits	221,391	15,313	15,313	206,078	12,071	12,071
Fuel Charges	7,500	1,986	1,986	5,514	-	-
Dues and subscriptions	500	710	710	(210)	575	575
Employee relations	100	-	-	100	-	-
Advertising	-	-	-	-	-	-
Utility - electric	69,000	(558)	(558)	69,558	1,089	1,089
Utility - gas	1,300	149	149	1,151	164	164
Utility - water/sewer	1,100	115	115	985	144	144
Utility - telephone	1,500	1,258	1,258	242	71	71
Trash Removal	4,000	532	532	3,468	205	205
Education/seminars	100	-	-	100	35	35
Computer/Internet	100	-	-	100	-	-
Operating Supplies	-	-	-	-	-	-
Chemicals	4,000	-	-	4,000	-	-
Equipment repairs/maintenance	7,000	180	180	6,820	-	-
Equipment rental	1,200	-	-	1,200	-	-
Fertilizer	13,000	-	-	13,000	-	-
Golf course supplies	1,500	56	56	1,444	11	11
Ground improvements	-	-	-	-	-	-
Cart Paths, Sand Traps, Trees	45,000	2,375	2,375	42,625	4,730	4,730
Seed, Sod	1,500	-	-	1,500	-	-
Landscaping	-	-	-	-	-	-
Licenses/Permits/Fees	300	-	-	300	-	-
Irrigation repairs	6,000	-	-	6,000	1,942	1,942
Amenities	2,500	-	-	2,500	-	-
Sand, soil, gravel	12,000	-	-	12,000	-	-
Sanitation rental	6,000	797	797	5,203	450	450
Professional Fees	2,000	-	-	2,000	-	-
Repairs/Maint/Shop	2,500	189	189	2,311	-	-
Security	1,000	74	74	926	74	74
Small tools and equipment	12,000	-	-	12,000	-	-
Tires/batteries	100	908	908	(808)	-	-
Training/Education	500	-	-	500	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 424,691	\$ 24,084	\$ 24,084	\$ 400,607	\$ 21,561	\$ 21,561

Actual \$ (000)

2019 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event SNOW													
Golf Rounds	370												370
No Play Days - Weather	25												25
Play Days	6												6
Avg \$ Rev per Round / Star	49.33												49.33
Avg \$ Profit per Round / Star	(102.73)												(102.73)
Revenue - Golf	18.3												18.3
Expenses													
Golf Course Operations	25.8												25.8
Administration	6.3												6.3
Grounds Operations	24.1												24.1
Total Expenses	56.3												56.3
P&L Excess / (Deficiency)	(38.0)												(38.0)

Key Expense Areas:

Payroll

Grounds Operations	15.3												15.3
Golf Course Operations	4.8												4.8
Administration	6.3												6.3
Total Payroll	26.4												26.4
% Payroll to Revenue	145%												145%
% Payroll to Expenses	47%												47%

Utilities

Golf Ops & Pro Shop	2.4												2.4
Grounds	1.0												1.0
Clubhouse Top Floor	8.0												8.0
Utilities/Gen Fund Prtn	8.0												8.0

Clubhouse Maintenance/Improvements (Gen Fund):

1st Bldg Repair/Maintenance	0.0												0.0
2nd Bldg Repair/Maintenance	1.8												1.8

Capital Expenditures

														To Date
Grounds / Golf	0.0													2,625
Clubhouse	0.0													583
Golf Course	0.0													168
Restaurant - Noonan's	0.0													106
Total Cap Exp	0.0													3,482

District Fund Accounts

*\$75k Roof Ins Proceeds in GF

General Fund	30													
* Gen Fund (8/15 Roof Ins Procd)	77													
Capital Fund	429													
Debit Service Fund	232													
Enterprise Fund	374													

TOTAL ALL FUNDS 1,141 0 0 0 0 0 0 0 0 0 0 0 0 0

Total Funds less Dbt Svc
Must always be > \$100 481 0 0 0 0 0 0 0 0 0 0 0 0

Bond Balance 6,005
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