

**Heather Ridge Metropolitan District
Financial Statements**

January 31, 2015

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, 2015 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 17, 2015

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
Governmental Funds
January 31, 2015

	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Assets						
Current assets						
Cash in checking	\$ 2,686	\$ -	\$ -	\$ 25,000		\$ 27,686
Cash in US Bank	-	-	-	4,920		4,920
Cash in COLOTRUST	12,498	2,962	-	346,213	-	361,673
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	1,126	-	4,857	-	-	5,983
Cash - Trustee	-	-	182,234	26,118	-	208,352
Prepaid Expense	72	-	-	404	-	476
Inventory	-	-	-	8,270	-	8,270
Receivable - GCAT	-	-	-	16,628	-	16,628
Receivable - rent	5,687	-	-	-	-	5,687
	<u>22,069</u>	<u>2,962</u>	<u>187,091</u>	<u>430,003</u>	<u>-</u>	<u>642,125</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service	-	-	-	-	185,141	185,141
Amount to be provided for retirement of debt	-	-	-	-	4,975,359	4,975,359
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,306,817</u>	<u>8,306,817</u>
	<u>\$ 22,069</u>	<u>\$ 2,962</u>	<u>\$ 187,091</u>	<u>\$ 430,003</u>	<u>\$ 8,306,817</u>	<u>\$ 8,948,942</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 10,025	\$ -	\$ 1,950	\$ 7,604	\$ -	\$ 19,579
Payable to Tournaments	-	-	-	1,300	-	1,300
Payable to Clubs	-	-	-	1,615	-	1,615
Outstanding Premium Cards	-	-	-	35,387	-	35,387
Sales Tax Payable	-	-	-	(484)	-	(484)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	5,160,500	5,160,500
Total Liabilities	<u>10,025</u>	<u>-</u>	<u>1,950</u>	<u>45,422</u>	<u>5,160,500</u>	<u>5,217,897</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	12,044	2,962	185,141	384,581	-	584,728
	<u>12,044</u>	<u>2,962</u>	<u>185,141</u>	<u>384,581</u>	<u>3,146,317</u>	<u>3,731,045</u>
	<u>\$ 22,069</u>	<u>\$ 2,962</u>	<u>\$ 187,091</u>	<u>\$ 430,003</u>	<u>\$ 8,306,817</u>	<u>\$ 8,948,942</u>

Heather Ridge Metropolitan District
Reconciliation of Cash to Fund Balance
As of 1/31/2015

Total Cash	\$ 15,184	\$ 2,962	\$ 182,234	\$ 402,251
Petty cash	-	-	-	2,450
Accounts receivable taxes	1,126	-	4,857	-
Prepaid expenses	72	-	-	404
Inventory	-	-	-	8,270
Receivable from GCAT	-	-	-	16,628
Receivable Rent	5,687	-	-	-
Accounts Payable	(10,025)	-	(1,950)	(7,604)
Deposits from tournaments	-	-	-	(1,300)
Payable to clubs	-	-	-	(1,615)
Outstanding premium cards	-	-	-	(35,387)
Sales tax payable	-	-	-	484
Fund balance	<u>\$ 12,044</u>	<u>\$ 2,962</u>	<u>\$ 185,141</u>	<u>\$ 384,581</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, 2015
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	\$ 92,017	\$ 532	\$ 532	\$ (91,485)	\$ 3,311	\$ 3,311
Specific ownership taxes	6,441	602	602	(5,839)	614	614
Misc Income	2,000	525	525	(1,475)	625	625
Rent Income	66,000	5,687	5,687	(60,313)	5,560	5,560
Interest income	500	36	36	(464)	27	27
	<u>166,958</u>	<u>7,382</u>	<u>7,382</u>	<u>(159,576)</u>	<u>10,137</u>	<u>10,137</u>
Expenditures						
Accounting	18,000	1,209	1,209	16,791	2,136	2,136
Audit	8,500	-	-	8,500	-	-
Legal	20,000	1,830	1,830	18,170	1,880	1,880
Insurance	10,500	6,436	6,436	4,064	8,689	8,689
Community Communication	35,000	4,538	4,538	30,462	2,335	2,335
Social function	2,000	-	-	2,000	1,151	1,151
Consultant Fees/Mgmt Fees	18,000	1,500	1,500	16,500	1,000	1,000
Pest Control	500	-	-	500	-	-
Miscellaneous	100	10	10	90	20	20
Building-2nd Floor/Repairs/Main	5,000	-	-	5,000	795	795
Building Improvements	-	-	-	-	-	-
Building - Utilities/Electric	40,000	2,766	2,766	37,234	2,227	2,227
Building - Utilities/Gas	14,000	2,143	2,143	11,857	1,948	1,948
Building - Utilities/Water/Sewer	20,000	1,128	1,128	18,872	998	998
Utilities/Telephone	3,500	346	346	3,154	330	330
Security	1,200	72	72	1,128	72	72
Meals & Entertainment	1,500	53	53	1,447	25	25
Dues & Subscriptions	-	16	16	(16)	-	-
Licenses/Permits/Fees	-	-	-	-	-	-
Office Supplies/Expense	500	-	-	500	-	-
Advertising	-	-	-	-	-	-
Treasurer's Fees	1,380	8	8	1,372	50	50
Training/Education	500	-	-	500	-	-
Janitorial Supplies	500	-	-	500	-	-
Trash Removal	6,500	505	505	5,995	980	980
Mileage/Travel/Lodging	1,000	880	880	120	-	-
Election	-	-	-	-	-	-
Contingency	229	-	-	229	-	-
Emergency reserve	6,155	-	-	6,155	-	-
	<u>214,564</u>	<u>23,440</u>	<u>23,440</u>	<u>191,124</u>	<u>24,636</u>	<u>24,636</u>
Excess (deficiency) of revenues over expenditures	(47,606)	(16,058)	(16,058)	31,548	(14,499)	(14,499)
Fund balance - beginning	47,606	28,102	28,102	(19,504)	104,072	104,072
Fund balance - ending	\$ -	\$ 12,044	\$ 12,044	\$ 12,044	\$ 89,573	\$ 89,573

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, 2015
Capital Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>	Prior Year	
					<u>Current Month</u>	<u>Year to Date</u>
Revenues						
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income	-	-	-	-	-	0
Interest income	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Cost of Issuance	-	-	-	-	-	-
Capital Improvements	2,963	-	-	2,963	-	-
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>2,963</u>	<u>-</u>	<u>-</u>	<u>2,963</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(2,963)	-	-	2,963	-	-
Fund balance - beginning	<u>2,963</u>	<u>2,962</u>	<u>2,962</u>	<u>(1)</u>	<u>2,962</u>	<u>2,962</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,962</u>	<u>\$ 2,962</u>	<u>\$ 2,962</u>	<u>\$ 2,962</u>	<u>\$ 2,962</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, 2015
Debt Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Year to <u>Date</u>	Variance Favorable (Unfavorable)	Prior Year	
					<u>Current Month</u>	<u>Year to Date</u>
Revenues						
Property taxes	\$ 396,825	\$ 2,296	\$ 2,296	\$ (394,529)	\$ 14,279	\$ 14,279
Specific ownership taxes	27,778	2,596	2,596	(25,182)	2,647	2,647
Interest income	-	4	4	4	6	6
	<u>424,603</u>	<u>4,896</u>	<u>4,896</u>	<u>(419,707)</u>	<u>16,932</u>	<u>16,932</u>
Expenditures						
Bond Principal '09	180,000	-	-	180,000	-	-
Bond Interest '09	192,425	48,106	48,106	144,319	49,934	49,934
Bond Principal '11	17,500	-	-	17,500	-	-
Bond Interest '11	28,722	7,181	7,181	21,541	7,359	7,359
Trustee Fees	2,500	-	-	2,500	-	-
Legal Expenses	-	1,950	1,950	(1,950)	-	-
Treasurer Fees	5,952	34	34	5,918	214	214
Contingency	-	-	-	-	-	-
	<u>427,099</u>	<u>57,271</u>	<u>57,271</u>	<u>369,828</u>	<u>57,507</u>	<u>57,507</u>
Excess (deficiency) of revenues over expenditures	(2,496)	(52,375)	(52,375)	(49,879)	(40,575)	(40,575)
Fund balance - beginning	<u>235,210</u>	<u>237,516</u>	<u>237,516</u>	<u>2,306</u>	<u>242,229</u>	<u>242,229</u>
Fund balance - ending	<u>\$ 232,714</u>	<u>\$ 185,141</u>	<u>\$ 185,141</u>	<u>\$ (47,573)</u>	<u>\$ 201,654</u>	<u>\$ 201,654</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, 2015
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	50,000	19,600	19,600	(30,400)	36,300	36,300
Cart Packages	12,500	3,400	3,400	(9,100)	9,260	9,260
Junior Golf Packages	300	-	-	(300)	-	-
Premium Cards Redeemed	70,000	106	106	(69,894)	969	969
Tournaments	30,000	-	-	(30,000)	-	-
Cart Fees	185,000	2,566	2,566	(182,434)	1,691	1,691
Green Fees	475,000	6,295	6,295	(468,705)	2,700	2,700
Range ball fees	35,000	469	469	(34,531)	192	192
Club Rentals	4,000	-	-	(4,000)	-	-
Merchandise	32,500	701	701	(31,799)	161	161
Miscellaneous Income	5,000	21	21	(4,979)	-	-
Adjustment for Deferred Pkgs	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
	<u>899,300</u>	<u>33,158</u>	<u>33,158</u>	<u>(866,142)</u>	<u>51,273</u>	<u>51,273</u>
Expenditures						
Golf Course operations	254,000	20,849	20,849	233,151	22,270	22,270
Administration Expenses	89,500	10,473	10,473	79,027	8,904	8,904
Grounds expense	286,400	16,237	16,237	270,163	12,062	12,062
	<u>629,900</u>	<u>47,559</u>	<u>47,559</u>	<u>582,341</u>	<u>43,236</u>	<u>43,236</u>
Excess (deficiency) of revenues over expenditures	269,400	(14,401)	(14,401)	(283,801)	8,037	8,037
Fund balance - beginning	<u>298,358</u>	<u>398,982</u>	<u>398,982</u>	<u>100,624</u>	<u>261,767</u>	<u>261,767</u>
Fund balance - ending	<u>\$ 567,758</u>	<u>\$ 384,581</u>	<u>\$ 384,581</u>	<u>\$ (183,177)</u>	<u>\$ 269,804</u>	<u>\$ 269,804</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, 2015
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	\$ 20,000	\$ 1,134	\$ 1,134	\$ 18,866	\$ 294	\$ 294
Equipment lease	-	-	-	-	-	-
District Consultants	-	-	-	-	-	-
F&B Expenses promo	-	-	-	-	-	-
Tournament commissions	-	-	-	-	-	-
Tournament Expense	-	-	-	-	-	-
Wages and benefits	72,000	69	69	71,931	1,214	1,214
Business licenses and permits	-	-	-	-	-	-
Advertising	1,300	-	-	1,300	222	222
Advertising - trade acct	-	-	-	-	-	-
Bank Service charges	-	-	-	-	-	-
Credit Card Fees	15,000	282	282	14,718	268	268
Meals and entertainment	-	-	-	-	-	-
Charitable community relations	-	-	-	-	-	-
Club Rental Expense	-	-	-	-	-	-
Computer and internet expenses	6,000	1,256	1,256	4,744	1,602	1,602
Driving range supplies	5,000	-	-	5,000	-	-
Dues and subscriptions	350	-	-	350	100	100
Employee clothing expenses	-	-	-	-	-	-
Employee relations	-	-	-	-	-	-
Equipment facility rental	-	-	-	-	-	-
GHIN expense	500	-	-	500	-	-
Golf Club Repairs	-	-	-	-	-	-
Golf Cart Lease	55,000	4,823	4,823	50,177	4,876	4,876
Golf Lessons	150	-	-	150	-	-
Golf Cart Repairs	4,000	-	-	4,000	987	987
Janitorial expense	2,500	-	-	2,500	-	-
Laundry/Cleaning expense	-	-	-	-	-	-
Licenses/Permits/Fees	245	-	-	245	-	-
Insurance	8,600	7,897	7,897	703	7,845	7,845
Office Supplies/Expenses	300	438	438	(138)	-	-
Operating Supplies	9,500	940	940	8,560	-	-
Golf Supplies	-	-	-	-	-	-
Pest control	-	-	-	-	-	-
Postage and Delivery	200	-	-	200	-	-
Printing Stationary	-	-	-	-	-	-
Repairs/Maintenance	2,000	214	214	1,786	80	80
Training education	-	-	-	-	-	-
Trash removal	1,500	126	126	1,374	245	245
Travel/mileage/lodging	-	-	-	-	-	-
Utilities - alarm	-	-	-	-	-	-
Utilities -electric	15,000	1,072	1,072	13,928	1,519	1,519
Utilities -gas	11,000	1,170	1,170	9,830	1,078	1,078
Utilities - water	6,000	-	-	6,000	333	333
Utilities telephone	4,000	346	346	3,654	518	518
Security	1,000	82	82	918	82	82
District Management	12,000	1,000	1,000	11,000	1,000	1,000
Miscellaneous expense	855	-	-	855	7	7
Building Maintenance	-	-	-	-	-	-
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 254,000	\$ 20,849	\$ 20,849	\$ 233,151	\$ 22,270	\$ 22,270

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, 2015
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	\$ 530	\$ 530	\$ 8,970	\$ 1,814	\$ 1,814
Legal	2,000	-	-	2,000	-	-
Consulting fees	-	-	-	-	-	-
Wages and Benefits	77,000	6,582	6,582	70,418	7,065	7,065
Office operations	-	-	-	-	-	-
Computer and internet expenses	-	2,360	2,360	(2,360)	-	-
Repairs/Maintenance	-	-	-	-	-	-
Operating supplies	-	-	-	-	-	-
Janitorial	-	-	-	-	-	-
Postage and delivery	-	-	-	-	-	-
Printing/Stationery	500	-	-	500	-	-
Professional fees	-	1,000	1,000	(1,000)	-	-
Security	-	-	-	-	-	-
Training/education	-	-	-	-	-	-
Travel/mileage/lodging	-	-	-	-	-	-
Utilities - Satellite/cable	-	-	-	-	-	-
Miscellaneous	500	1	1	499	25	25
Total Administrative expenses	\$ 89,500	\$ 10,473	\$ 10,473	\$ 79,027	\$ 8,904	\$ 8,904
Grounds						
Golf course amenities	\$ 500	\$ -	\$ -	\$ 500	\$ -	\$ -
Wages and benefits	175,000	12,715	12,715	162,285	10,160	10,160
Fuel Charges	10,000	-	-	10,000	-	-
Dues and subscriptions	-	-	-	-	-	-
Employee relations	-	-	-	-	-	-
Utility - electric	50,000	1,318	1,318	48,682	1,241	1,241
Utility - gas	1,900	212	212	1,688	190	190
Utility - water/sewer	1,500	357	357	1,143	86	86
Utility - telephone	1,400	124	124	1,276	116	116
Trash Removal	1,700	-	-	1,700	-	-
Education/seminars	-	-	-	-	-	-
Chemicals	3,000	215	215	2,785	-	-
Equipment repairs/maintenance	7,500	407	407	7,093	-	-
Equipment rental	-	-	-	-	-	-
Fertilizer	15,000	-	-	15,000	-	-
Golf course supplies	1,000	782	782	218	-	-
Ground improvements	2,000	-	-	2,000	-	-
Landscaping	4,000	33	33	3,967	-	-
Licenses/Permits/Fees	-	-	-	-	-	-
Irrigation repairs	4,600	-	-	4,600	-	-
Amenities	-	-	-	-	-	-
Sand, soil, gravel	3,500	-	-	3,500	-	-
Sanitation rental	2,500	-	-	2,500	195	195
Professional Fees	-	-	-	-	-	-
Repairs/Maint/Shop	800	-	-	800	-	-
Security	500	74	74	426	74	74
Small tools and equipment	-	-	-	-	-	-
Tires/batteries	-	-	-	-	-	-
Training/Education	-	-	-	-	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 286,400	\$ 16,237	\$ 16,237	\$ 270,163	\$ 12,062	\$ 12,062

HRMD Golf & Clubhouse P&L 2015 by Month

Income / Expense Statement Summary

YTD Summary

Actual \$ (000)

2015 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event	SNOW												
Golf Rounds	417												417
No Play Days - Weather	21												21
Play Days	10												10
Avg \$ Rev per Round / Start	79.52												79.52
Avg \$ Profit per Round / Start	(34.53)												(34.53)
Revenue - Golf	33.2												33.2
Expenses													
Golf Course Operations	20.8												20.8
Administration	10.5												10.5
Grounds Operations	16.2												16.2
Total Expenses	47.6												47.6
P&L Excess / (Deficiency)	(14.4)												(14.4)

Key Expense Areas:

Payroll

Grounds Operations	12.7												12.7
Golf Course Operations	0.1												0.1
Administration	6.6												6.6
Total Payroll	19.4												19.4
% Payroll to Revenue	58%												58%
% Payroll to Expenses	41%												41%

Utilities

Golf Ops & Clubhouse	2.6												2.6
Grounds	2.0												2.0
Clubhouse Top Floor	6.4												6.4
Utilities/Gen Fund Portn	6.4												6.4

Clubhouse Maintenance/Improvements (Gen Fund):

1st Bldg Repair/Maintenance	0.2												0.2
2nd Bldg Repair/Maintenance	0												0.0

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	12
Capital Fund	3
Debit Service Fund	185
Enterprise Fund	385

TOTAL ALL FUNDS 585

Total Funds less Dbt Svc Must
always be > \$100 **400**

Bond Balance 5,161

HR Foundation Bank 4.9

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