

**Heather Ridge Metropolitan District
Financial Statements**

April 30, 2012

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 April 30, 2012 and the related Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental and Enterprise Funds for the four 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 Assets, 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.

May 10, 2012

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

For the 4 Months Ended April 30, 2012

	<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	\$ 10,391	\$ -	\$ -	\$ 50,000		\$ 60,391
Cash in US Bank	-	-	-	54,249		54,249
Cash in COLOTRUST	47,998	14,395	114,479	25,320	-	202,192
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	19,437	-	36,191	-	-	55,628
Cash - Trustee	-	41,679	208,085	64	-	249,828
Prepaid Expense	72	-	-	4,536	-	4,608
Inventory	-	-	-	11,503	-	11,503
Receivable - Members	-	-	-	211	-	211
Receivable - GCAT	-	-	-	23,429	-	23,429
Receivable - rent	5,200	-	-	-	-	5,200
	<u>83,098</u>	<u>56,074</u>	<u>358,755</u>	<u>171,762</u>	<u>-</u>	<u>669,689</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fi	-	-	-	-	358,005	358,005
Amount to be provided for retirement of debt	-	-	-	-	5,336,745	5,336,745
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,841,067</u>	<u>8,841,067</u>
	<u>\$ 83,098</u>	<u>\$ 56,074</u>	<u>\$ 358,755</u>	<u>\$ 171,762</u>	<u>\$ 8,841,067</u>	<u>\$ 9,510,756</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 7,324	\$ -	\$ 750	\$ 4,849	\$ -	\$ 12,923
Payable to Tournaments	-	-	-	3,250	-	3,250
Payable to HRCC	-	-	-	3,128	-	3,128
Payable to Clubs/Trade Acct	-	-	-	10,751	-	10,751
Sales Tax Payable	-	-	-	(165)	-	(165)
Retainage Payable	-	-	-	-	-	-
Payable to GCatHR	-	-	-	-	-	-
Long Term Liabilities						
General obligation Bonds	-	-	-	-	5,694,750	5,694,750
Total Liabilities	<u>7,324</u>	<u>-</u>	<u>750</u>	<u>21,813</u>	<u>5,694,750</u>	<u>5,724,637</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	75,774	56,074	358,005	149,949	-	639,802
	<u>75,774</u>	<u>56,074</u>	<u>358,005</u>	<u>149,949</u>	<u>3,146,317</u>	<u>3,786,119</u>
	<u>\$ 83,098</u>	<u>\$ 56,074</u>	<u>\$ 358,755</u>	<u>\$ 171,762</u>	<u>\$ 8,841,067</u>	<u>\$ 9,510,756</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 4 Months Ended April 30, 2012
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	\$ 184,093	\$ 18,835	\$ 103,382	\$ (80,711)	\$ 8,074	\$ 69,760
Specific ownership taxes	11,046	882	4,101	(6,945)	675	2,869
Misc Income	-	147	2,085	2,085	-	59
Rent - Restaurant	-	5,200	17,006	17,006	4,574	4,574
Interest income	150	35	75	(75)	27	43
	<u>195,289</u>	<u>25,099</u>	<u>126,649</u>	<u>(68,640)</u>	<u>13,350</u>	<u>77,305</u>
Expenditures						
Accounting	20,000	1,247	8,003	11,997	2,322	13,857
Audit	9,500	-	-	9,500	-	-
Legal	40,000	2,083	7,126	32,874	4,581	19,447
Insurance	5,000	-	10,779	(5,779)	-	13,627
Elections	-	-	947	(947)	-	-
Community Communication	37,500	2,786	13,456	24,044	710	13,201
Social function	2,500	-	-	2,500	-	-
Consultant Fees/Mgmt Fees	12,000	1,000	4,000	8,000	-	-
Pest Control	-	67	67	(67)	-	-
Miscellaneous	1,000	41	71	929	60	282
Building-2nd Floor/Repairs/Maint	-	1,778	7,049	(7,049)	-	-
Building - Utilities/Electric	-	2,265	7,446	(7,446)	-	-
Building - Utilities/Gas	-	2,309	7,513	(7,513)	-	-
Building - Utilities/Water/Sewer	-	1,479	4,484	-	-	-
Utilities/Telephone	-	274	549	-	-	-
Security	-	72	216	(216)	-	-
Treasurer's Fees	2,761	283	1,551	1,210	122	1,047
Janitorial Supplies	-	-	173	173	-	-
Trash Removal	-	-	818	(818)	-	-
Election	10,000	-	-	10,000	-	-
Contingency	67,864	-	-	67,864	-	-
Emergency reserve	4,208	-	-	4,208	-	-
	<u>212,333</u>	<u>15,684</u>	<u>74,248</u>	<u>143,464</u>	<u>7,795</u>	<u>61,461</u>
Excess (deficiency) of revenues over expenditures	(17,044)	9,415	52,401	74,824	5,555	15,844
Fund balance - beginning	<u>17,044</u>	<u>66,359</u>	<u>23,373</u>	<u>6,329</u>	<u>43,385</u>	<u>33,096</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 75,774</u>	<u>\$ 75,774</u>	<u>\$ 81,153</u>	<u>\$ 48,940</u>	<u>\$ 48,940</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 4 Months Ended April 30, 2012
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Miscellaneous Income	-	-	-	-	-	0
Interest income	-	2	8	8	142	383
	<u>-</u>	<u>2</u>	<u>8</u>	<u>8</u>	<u>142</u>	<u>750,383</u>
Expenditures						
Cost of Issuance	-	-	-	-	-	46,232
Capital Improvements	81,557	-	-	81,557	-	-
Golf Equipment	-	-	-	-	1,520	1,520
Range Netting	-	-	-	-	-	48,300
Irrigation	-	-	-	-	-	6,533
Irrigation Contract 2011 Bond	-	-	-	-	445,893	548,188
Cart Path Improvements	-	-	-	-	-	2,500
Security	-	-	-	-	-	159
Signs/Monuments	-	9,840	19,840	(19,840)	-	-
Computer Equipment	-	-	-	-	775	775
Clubhouse Improvements	-	-	-	-	3,122	15,885
Legal	-	-	-	-	-	17,030
Smoking Patio	-	-	-	-	-	2,000
Restaurant Improvements	-	-	-	-	583	39,248
Parking Lot Improvements	-	-	-	-	1,265	1,265
Miscellaneous	-	-	-	-	-	-
	<u>81,557</u>	<u>9,840</u>	<u>19,840</u>	<u>61,717</u>	<u>453,158</u>	<u>729,635</u>
Excess (deficiency) of revenues over expenditures	(81,557)	(9,838)	(19,832)	61,725	(453,016)	20,748
Fund balance - beginning	<u>81,557</u>	<u>65,912</u>	<u>75,906</u>	<u>(5,651)</u>	<u>960,299</u>	<u>486,535</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 56,074</u>	<u>\$ 56,074</u>	<u>\$ 56,074</u>	<u>\$ 507,283</u>	<u>\$ 507,283</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 4 Months Ended April 30, 2012
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	\$ 342,771	\$ 35,070	\$ 192,589	\$ (150,182)	\$ 21,715	\$ 187,881
Specific ownership taxes	20,566	1,641	7,635	(12,931)	1,818	7,733
Interest income	975	13	37	(938)	88	217
	<u>364,312</u>	<u>36,724</u>	<u>200,261</u>	<u>(164,051)</u>	<u>23,621</u>	<u>195,831</u>
Expenditures						
Bond Principal '09	150,000	-	-	150,000	-	-
Bond Principal '11	15,750	-	-	15,750	-	-
Bond Interest '09	213,280	53,320	106,640	106,640	54,879	109,758
Bond Interest '11	32,329	7,696	15,393	16,936	1,833	1,833
Trustee Fees	2,500	750	750	1,750	-	-
Treasurer Fees	5,142	526	2,889	2,253	326	2,819
Contingency	-	-	-	-	-	-
	<u>419,001</u>	<u>62,292</u>	<u>125,672</u>	<u>293,329</u>	<u>57,038</u>	<u>114,410</u>
Excess (deficiency) of revenues over expenditures	(54,689)	(25,568)	74,589	129,278	(33,417)	81,421
Fund balance - beginning	<u>263,018</u>	<u>383,573</u>	<u>283,416</u>	<u>20,398</u>	<u>398,402</u>	<u>283,564</u>
Fund balance - ending	<u>\$ 208,329</u>	<u>\$ 358,005</u>	<u>\$ 358,005</u>	<u>\$ 149,676</u>	<u>\$ 364,985</u>	<u>\$ 364,985</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 4 Months Ended April 30, 2012
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	1,413	78,086	28,086	-	6,760
Golf Packages - trade acct	3,500	-	-	(3,500)	-	2,880
Cart Packages	10,000	-	19,140	9,140	2,600	3,400
Cart Packages -trade acct	2,000	-	-	(2,000)	-	1,200
Junior Golf Packages	1,200	-	-	(1,200)	-	-
Golf Cards	120,000	5,750	71,792	(48,208)	3,200	16,400
Tournaments	70,000	-	-	(70,000)	-	-
Cart Fees	125,000	12,805	23,659	(101,341)	10,793	24,067
Green Fees	350,000	39,434	74,891	(275,109)	27,995	73,566
Range ball fees	20,000	3,216	5,979	(14,021)	2,271	4,726
Club Rentals	500	-	-	(500)	-	-
Merchandise	35,000	2,568	6,609	(28,391)	2,963	6,700
Rent - Restaurant	72,000	-	-	(72,000)	-	-
Miscellaneous Income	3,000	123	297	(2,703)	63	311
Interest income	100	-	-	(100)	-	64
	<u>862,300</u>	<u>65,309</u>	<u>280,453</u>	<u>(581,847)</u>	<u>49,885</u>	<u>140,074</u>
Expenditures						
Golf Course operations	451,500	20,366	83,344	368,156	39,673	147,171
Administration Expenses	64,300	10,153	29,412	34,888	9,885	60,243
Grounds expense	366,700	25,160	68,458	298,242	23,540	76,312
	<u>882,500</u>	<u>55,679</u>	<u>181,214</u>	<u>701,286</u>	<u>73,098</u>	<u>283,726</u>
Excess (deficiency) of revenues over expenditures	(20,200)	9,630	99,239	119,439	(23,213)	(143,652)
Fund balance - beginning	<u>100,177</u>	<u>140,319</u>	<u>50,710</u>	<u>(49,467)</u>	<u>152,582</u>	<u>273,021</u>
Fund balance - ending	<u>\$ 79,977</u>	<u>\$ 149,949</u>	<u>\$ 149,949</u>	<u>\$ 69,972</u>	<u>\$ 129,369</u>	<u>\$ 129,369</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 4 Months Ended April 30, 2012
Enterprise Fund

See Accountant's Compilation Report

	Annual Budget	Current Month	Year to Date	Variance	Prior Year	
				Favorable (Unfavorable)	Current Month	Year to Date
Golf Course operations						
Merchandise	\$ 35,000	\$ 14	\$ 6,266	\$ 28,734	\$ 2,376	\$ 2,808
Equipment lease	500	-	-	500	-	-
District Consultants	2,000	-	-	2,000	(454)	2,455
F&B Expenses promo	1,000	-	-	1,000	-	-
Tournament commissions	3,500	-	-	3,500	-	-
Tournament Expense	4,500	-	-	4,500	-	-
Wages and benefits	145,000	8,512	15,877	129,123	15,728	53,354
Business licenses and permits	200	-	-	200	-	-
Advertising	10,000	44	1,399	8,601	1,018	2,063
Advertising - trade acct	3,500	-	-	3,500	-	4,080
Bank Service charges	200	-	-	200	-	-
Credit Card Fees	17,500	713	4,596	12,904	811	3,779
Meals and entertainment	250	-	10	240	27	27
Charitable community relations	250	-	-	250	-	-
Computer and internet expenses	5,000	970	2,559	2,441	518	1,673
Driving range supplies	5,000	-	279	4,721	153	1,844
Dues and subscriptions	750	-	220	530	-	310
Employee clothing expenses	500	-	-	500	-	-
Employee relations	250	-	-	250	-	-
Equipment facility rental	300	-	-	300	-	-
GHIN expense	1,000	-	-	1,000	-	-
Golf Club Repairs	500	-	-	500	-	-
Golf Cart Lease	58,500	4,380	17,520	40,980	4,380	17,520
Golf Lessons	600	-	-	600	67	828
Golf Cart Repairs	3,000	699	1,552	1,448	-	-
Janitorial expense	3,500	-	22	3,478	487	587
Laundry/Cleaning expense	150	-	-	150	115	115
Licenses/Permits/Fees	250	116	361	(111)	-	6,490
Insurance	10,000	-	5,410	4,590	-	-
Office Supplies/Expenses	500	5	485	15	434	570
Operating Supplies	2,500	62	1,325	1,175	194	227
Golf Supplies	1,500	-	-	1,500	-	-
Pest control	800	-	-	800	65	130
Postage and Delivery	250	90	102	148	44	176
Printing Stationary	1,000	647	1,582	(582)	-	-
Repairs/Maintenance	5,000	32	76	4,924	3,967	4,137
Training education	500	-	-	500	-	-
Trash removal	7,800	-	1,080	6,720	-	1,969
Travel/mileage/lodging	500	-	-	500	-	-
Utilities - alarm	2,700	-	-	2,700	-	-
Utilities -electric	60,000	655	5,455	54,545	2,150	10,358
Utilities -gas	20,500	227	3,209	17,291	1,727	10,963
Utilities - water	28,000	261	1,017	26,983	2,930	5,740
Utilities - Satellite/Cable	-	-	-	-	58	349
Utilities telephone	6,750	274	1,299	5,451	656	2,638
Golf Course Management	-	2,500	7,500	(7,500)	2,000	8,000
Security	500	165	543	(43)	222	2,166
Miscellaneous expense	-	-	3,600	(3,600)	-	274
Building Maintenance	-	-	-	-	-	1,541
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 451,500	\$ 20,366	\$ 83,344	\$ 368,156	\$ 39,673	\$ 147,171

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 4 Months Ended April 30, 2012
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	\$ 15,000	\$ 600	\$ 1,845	\$ 13,155	\$ 1,657	\$ 4,640
Legal	6,000	-	-	6,000	358	14,650
Consulting fees	5,000	-	-	5,000	-	-
Wages and Benefits	36,000	9,455	26,978	9,022	7,611	38,531
Office operations	-	-	-	-	-	17
Computer and internet expenses	500	-	-	500	16	803
Repairs/Maintenance	-	61	61	(61)	-	-
Operating supplies	500	-	229	271	-	68
Janitorial	-	-	-	-	-	573
Postage and delivery	-	-	32	(32)	-	-
Printing/Stationery	300	-	137	163	214	460
Professional fees	-	-	-	-	-	123
Security	-	-	-	-	-	54
Utilities - Satellite/cable	-	-	-	-	-	277
Miscellaneous	1,000	37	130	870	29	47
Total Administrative expenses	\$ 64,300	\$ 10,153	\$ 29,412	\$ 34,888	\$ 9,885	\$ 60,243
Grounds						
Golf course amenities	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ 1,239	\$ 1,239
Wages and benefits	205,000	18,776	51,733	153,267	16,029	55,044
Gas oil lube	18,500	-	-	18,500	-	-
Fuel Charges	-	26	2,145	(2,145)	2,875	4,000
Dues and subscriptions	250	-	-	250	-	160
Employee relations	250	-	-	250	-	-
Utility - electric	77,500	256	4,473	73,027	1,968	9,672
Utility - gas	2,000	247	930	1,070	236	1,094
Utility - water/sewer	1,500	102	368	1,132	173	467
Utility - telephone	1,750	114	456	1,294	-	355
Trash Removal	3,500	410	410	3,090	716	1,356
Education/seminars	250	-	15	235	-	-
Chemicals	4,000	252	252	3,748	-	-
Equipment repairs/maintenance	12,500	873	1,065	11,435	62	658
Equipment rental	1,000	-	-	1,000	-	-
Fertilizer	15,000	973	1,592	13,408	-	-
Golf course supplies	5,000	198	251	4,749	-	94
Ground improvements	1,500	717	794	706	-	960
Irrigation repairs	6,000	1,047	1,047	4,953	242	244
Amenities	-	-	909	(909)	-	-
Sand, soil, gravel	4,000	912	912	3,088	-	-
Sanitation rental	3,500	185	730	2,770	-	754
Professional Fees	-	-	160	(160)	-	-
Security	-	72	216	(216)	-	-
Small tools and equipment	500	-	-	500	-	215
Tires/batteries	1,500	-	-	1,500	-	-
Training/Education	200	-	-	200	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 366,700	\$ 25,160	\$ 68,458	\$ 298,242	\$ 23,540	\$ 76,312

Actual \$ (000)

2012 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event	SNOW	SNOW											
Golf Rounds / Starts	269	90	2,386	2,885									5,630
No Play Days - Weather	21	27	2	1									51
Play Days	7	2	29	29									67
Avg \$ per Round / Start	605.71	65.22	19.42	22.64									49.81
Revenue - Golf	162.9	5.9	46.3	65.3									280.5
Expenses													
Golf Course Operations	28.2	19.2	15.6	20.4									83.3
Administration	6.1	7.1	6.0	10.2									29.4
Grounds Operations	14.3	12.8	16.2	25.2									68.5
Total Expenses	48.6	39.1	37.8	55.7									181.2
P&L Excess / (Deficiency)	114.3	(33.3)	8.6	9.6									99.2

Key Expense Areas:

Payroll

Grounds Operations	10.3	11.7	11.0	18.8									51.7
Golf Course Operations	0.5	3.1	3.7	8.5									15.9
Administration	5.5	6.8	5.3	9.5									27.0
Total Payroll	16.3	21.7	19.9	36.7									94.6
% Payroll to Revenue	10%	369%	43%	56%									34%
% Payroll to Expenses	33%	55%	53%	66%									52%

Utilities

Golf Ops & Clubhouse	6.3	1.8	1.5	1.4									11.0
Grounds	4.0	0.8	0.7	0.7									6.2
Clubhouse Top Floor	0.9	6.8	6.0	6.3									20.0

Utilities Gen Fund Portion	0.9	6.8	6.0	6.3									20.0
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Clubhouse Maintenance (Gen Fund):

1st Bldg Repair/Maintenance	0.0	0.0	0.0	0.1									0.1
2nd Bldg Repair/Maintenance	4.5	0.6	0.2	1.8									7.0

Capital Expenditures

To Date includes 2009, 2010 & 2012 => To Date

Grounds / Golf	0.0	0.0	0.0										1,543
Clubhouse	0.0	0.0	0.0										341
Golf Course	0.0	0.0	0.0										125
Restaurant - Noonan's	0.0	0.0	10.0	9.8									103
Total Cap Exp	0.0	0.0	10.0										2,113

District Fund Accounts

General Fund	2	67	66	76									
Capital Fund	76	76	66	56									
Debit Service Fund	227	363	384	358									
Enterprise Fund	165	132	140	150									

TOTAL ALL FUNDS	471	638	656	640									
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Total Funds less Dbt Svc =>	243	275	273	282									
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Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
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Notes: This report is a summary prepared from Simmons & Wheeler (S&W) monthly HRMD approved financial reports
It is not prepared by S&W, rather by the HRMD Directors