

**Heather Ridge Metropolitan District
Financial Statements**

October 31, 2010

Board of Directors
Heather Ridge Metropolitan District

We have compiled the accompanying Balance Sheet - Governmental Funds and Enterprise Funds and Account Groups of Heather Ridge Metropolitan District as of October 31, 2010 and the related statements of Revenues, Expenditures and Changes in Fund Balance - Governmental and Enterprise Funds, Budget and Actual (Budget Basis) for the ten months then ended, in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Since the Board of Directors does not require complete financial statements to manage the affairs of the District on a monthly basis, determination has been made not to include the Statement of Net Assets, the Statement of Activities, Cash Flow where applicable, the Management Discussion and Analysis and the disclosure footnotes to the statements, which are required by generally accepted accounting principles. 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.

Simmons & Wheeler, P.C.

November 17, 2010

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
October 31, 2010

See Accountant's Compilation Report

	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Assets						
Current assets						
Cash in checking	\$ 999	\$ -	\$ -	\$ 23,000	\$ -	\$ 23,999
Cash in US Bank	-	-	-	14,067	-	14,067
Cash in COLOTRUST	52,556	-	-	8,304	-	60,860
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	6,427	-	15,440	-	-	21,867
Cash - Trustee	-	542,444	263,454	183,452	-	989,350
Golf Cart Deposit	-	3,600	-	-	-	3,600
Prepaid Expense	-	-	-	4,602	-	4,602
Deposit to INC	-	-	-	-	-	-
Receivable - Members	-	-	-	16,893	-	16,893
Receivable - Trade Accts	-	-	-	3,845	-	3,845
	<u>59,982</u>	<u>546,044</u>	<u>278,894</u>	<u>256,613</u>	<u>-</u>	<u>1,141,533</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fun	-	-	-	-	278,894	278,894
Amount to be provided for retirement of debt	-	-	-	-	4,916,106	4,916,106
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,317</u>	<u>8,341,317</u>
	<u>\$ 59,982</u>	<u>\$ 546,044</u>	<u>\$ 278,894</u>	<u>\$ 256,613</u>	<u>\$ 8,341,317</u>	<u>\$ 9,482,850</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 7,776	\$ 25,150	\$ -	\$ 6,314	\$ -	\$ 39,240
Retainage Payable	-	-	-	-	-	-
Payable to HRCC	-	-	-	5,697	-	5,697
Payable to Clubs	-	-	-	14,030	-	14,030
Payable to INC	-	-	-	21,643	-	21,643
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,643</u>	<u>-</u>	<u>21,643</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	5,195,000	5,195,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,195,000</u>	<u>5,195,000</u>
Total Liabilities	<u>7,776</u>	<u>25,150</u>	<u>-</u>	<u>47,684</u>	<u>5,195,000</u>	<u>5,275,610</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	52,206	520,894	278,894	208,929	-	1,060,923
	<u>52,206</u>	<u>520,894</u>	<u>278,894</u>	<u>208,929</u>	<u>3,146,317</u>	<u>4,207,240</u>
	<u>\$ 59,982</u>	<u>\$ 546,044</u>	<u>\$ 278,894</u>	<u>\$ 256,613</u>	<u>\$ 8,341,317</u>	<u>\$ 9,482,850</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 10 Months Ended October 31, 2010
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 119,542	\$ 133,169	\$ 13,627
Specific ownership taxes	9,563	6,610	(2,953)
Misc Income	-	644	644
Interest income	<u>150</u>	<u>613</u>	<u>463</u>
	<u>129,255</u>	<u>141,036</u>	<u>11,781</u>
Expenditures			
Audit/Accounting	15,000	30,310	(15,310)
Miscellaneous	100	6,832	(6,732)
Insurance	2,000	2,141	(141)
Legal	35,000	48,667	(13,667)
Treasurer's Fees	1,793	2,005	(212)
Election	1,000	-	1,000
Water Consultant Fee	-	-	-
Contingency	72,715	-	72,715
Emergency reserve	<u>1,647</u>	<u>-</u>	<u>1,647</u>
	<u>129,255</u>	<u>89,955</u>	<u>39,300</u>
Excess (deficiency) of revenues over expenditures	-	51,081	51,081
Fund balance - beginning	<u>-</u>	<u>1,125</u>	<u>1,125</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 52,206</u>	<u>\$ 52,206</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 10 Months Ended October 31, 2010
Capital Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Miscellaneous Income	-	7,710	7,710
Interest income	\$ -	\$ 1,850	\$ 1,850
	<u>-</u>	<u>9,560</u>	<u>9,560</u>
Expenditures			
Capital Improvements	1,443,612	22,129	1,421,483
Planning & Engineering	-	39,666	(39,666)
Permits	-	100	(100)
Wells	-	519,824	(519,824)
Maintenance Building Roof	-	5,841	(5,841)
Clubhouse Outside Lighting	-	1,414	(1,414)
Software System	-	3,643	(3,643)
Golf Equipment	-	27,165	(27,165)
Perimeter Fence	-	12,252	(12,252)
Website Development	-	2,291	(2,291)
Irrigation	-	5,077	(5,077)
Security	-	450	(450)
Logo Design	-	-	-
Golf Course Upgrades	-	778	(778)
Heating & Air	-	164,873	(164,873)
Computer Equipment	-	7,942	(7,942)
Golf Landscape Maintenance	-	23,714	(23,714)
Clubhouse Improvements	-	38,850	(38,850)
Parking Lot Improvements	-	20,212	(20,212)
Legal	-	427	(427)
Miscellaneous	-	432	(432)
	<u>1,443,612</u>	<u>897,080</u>	<u>546,532</u>
Excess (deficiency) of revenues over expenditures	(1,443,612)	(887,520)	556,092
Fund balance - beginning	<u>1,443,612</u>	<u>1,408,414</u>	<u>(35,198)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 520,894</u>	<u>\$ 520,894</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 10 Months Ended October 31, 2010
Debt Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 322,243	\$ 354,515	\$ 32,272
Specific ownership taxes	12,890	17,817	4,927
Interest income	975	695	(280)
	<u>336,108</u>	<u>373,027</u>	<u>36,919</u>
Expenditures			
Bond Principal	90,000	90,000	-
Bond Interest	229,619	186,154	43,465
Trustee Fees	2,500	-	2,500
Treasurer Fees	4,834	5,322	(488)
Contingency	-	-	-
	<u>326,953</u>	<u>281,476</u>	<u>45,477</u>
Excess (deficiency) of revenues over expenditures	9,155	91,551	82,396
Fund balance - beginning	<u>190,638</u>	<u>187,343</u>	<u>(3,295)</u>
Fund balance - ending	<u>\$ 199,793</u>	<u>\$ 278,894</u>	<u>\$ 79,101</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 10 Months Ended October 31, 2010
Enterprise Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to Date <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues				
Golf Course Revenue	\$ 951,000	\$ -	\$ -	\$ (951,000)
Golf Packages	-	6,840	101,929	101,929
Cart Packages	-	2,800	14,709	14,709
Junior Golf Packages	-	-	1,050	1,050
Golf Cards	-	1,500	1,500	1,500
Tournaments	-	4,815	90,892	90,892
Cart Fees	-	16,202	144,770	144,770
Green Fees	-	28,184	330,402	330,402
Range ball fees	-	1,931	21,943	21,943
Merchandise	-	(209)	3,113	3,113
Rent - Restaurant	-	7,500	65,750	65,750
Miscellaneous Income	-	254	6,231	6,231
Interest income	-	29	333	333
	<u>951,000</u>	<u>69,846</u>	<u>782,622</u>	<u>(168,378)</u>
Expenditures				
Golf Course Expenses	859,000	-	-	859,000
Golf Cart Lease	-	4,380	46,811	(46,811)
Golf Pro	-	-	17,617	(17,617)
Golf Pro-Merchandise	-	-	-	-
Landscape Maintenance	-	65	19,003	(19,003)
Repairs/Maintenance	-	1,429	17,718	(17,718)
Building Maintenance	-	(1,244)	8,302	(8,302)
Golf Supplies	-	-	9,075	(9,075)
Pool Expenses	-	879	928	(928)
Fuel Charges	-	1,423	12,123	(12,123)
Safety	-	4,195	4,195	(4,195)
Golf Cart Repairs	-	194	2,639	(2,639)
Security	-	812	3,027	(3,027)
Credit Card Fees	-	1,483	14,446	(14,446)
Tournament Expense	-	1,086	10,957	(10,957)
Accounting	-	1,020	12,509	(12,509)
Golf Operations	-	2,231	16,575	(16,575)
Golf Course operations	-	18,010	195,823	(195,823)
Golf shop operations	-	19,190	171,944	(171,944)
Office operations	-	8,885	92,788	(92,788)
Golf Mgmt Training	-	20	20	(20)
District management	-	5,000	50,000	(50,000)
District Consultants	-	2,000	21,000	(21,000)
Insurance	-	-	8,795	(8,795)
Legal	-	232	15,244	(15,244)
Office Supplies/Expenses	-	828	13,297	(13,297)
Advertising	-	1,839	15,610	(15,610)
Custodial Supplies	-	-	6,742	(6,742)
Utilities-Clubhouse	-	8,933	95,433	(95,433)
Utilities-Grounds	-	11,343	61,588	(61,588)
Software Maintenance	-	385	2,695	(2,695)
Miscellaneous	41,000	(3,844)	22,406	18,594
	<u>900,000</u>	<u>90,774</u>	<u>969,310</u>	<u>(69,310)</u>
Excess (deficiency) of revenues over expenditure:	51,000	(20,928)	(186,688)	(237,688)
Fund balance - beginning	259,750	229,857	395,617	135,867
Fund balance - ending	<u>\$ 310,750</u>	<u>\$ 208,929</u>	<u>\$ 208,929</u>	<u>\$ (101,821)</u>

Income / Expense Statement Summary

Period:

January - October 2010

Description	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Golf Rounds / Starts		91	1,247	3,000	3,548	4,100	4,600	5,100	4,151	3,171			29,008
Revenue						YTD Average Revenue \$ per Round / Start ==> \$26.98							
No Play Days - Weather	31	28	25	15	10	0	0	0	0	0			109
Golf Packages	20,690	10,334	18,095	14,880	7,650	8,665	2,985	9,115	2,675	6,840			101,929
Cart Packages		2,000	2,400	4,750	700	(141)	2,200			2,800			14,709
Jr Golf Packages	1,050												1,050
Golf Cards										1,500			1,500
Tournaments			400	1,400	9,488	32,675	17,180	13,108	11,826	4,815			90,892
Cart Fees			4,754	8,472	19,097	21,081	23,377	28,457	23,330	16,202			144,770
Green Fees	373	3,262	21,267	29,421	41,399	48,652	56,821	58,038	42,985	28,184			330,402
Range Fees	37	26		2,451	3,254	3,594	3,469	4,044	3,200	1,931			22,006
Merchandise			1,716	2,326	3,917	5,564	4,734	4,829	(19,827)	(209)			3,050
Rent - Restaurant	5,750	5,750	5,750	6,750	6,750	6,750	6,750	7,250	6,750	7,500			65,750
Misc Income			667	202	3,323	(1,140)	2,189	592	144	254			6,231
Interest Income	40	39	35	35	33	31	30	30	31	29			333
Total Revenue	27,940	21,411	55,084	70,687	95,611	125,731	119,735	125,463	71,114	69,846	0	0	782,622
Expenses													
Golf Cart Lease	3,720	3,720	7,440		4,380	6,172	6,424	6,130	4,445	4,380			46,811
P/R Golf Pro	3,500	3,500	3,500	3,500	3,500	117							17,617
Golf Pro - Merchandise		(2,460)	1,748	2,408		2,250	13,245	7,553	(27,204)				(2,460)
Landscape Maintenance				2,250	5,750	2,963	2,135	2,788	3,052	65			19,003
Repairs / Maintenance	5,967		16	104	4,798	1,622	2,975	2,374	893	1,429			20,178
Building Maintenance						6,248	(4,053)	6,655	696	(1,244)			8,302
Golf Supplies		276	779	5,737	702	210	1,152		219				9,075
Pool Expense									49				928
Fuel Charges	1,736	24	1,280		1,769	1,780	1,744	1,800	567	1,423			12,123
Safety													4,195
Golf Cart Repairs	329		31		44	297	(2,819)	3,894	669	194			2,639
Security	444	222	317		222	344	222	222	222	812			3,027
Credit Card Fees	1,821	2,523	301	1,248	870	1,012	1,521	1,545	2,122	1,483			14,446
Tournament Expense						2,044	2,912	2,142	2,773	1,086			10,957
Accounting S&W	1,606	1,489	1,399	1,971	840	1,585	873	795	931	1,020			12,509
Golf Operations / P/R OH Overhead	1,812	1,270	2,415		6,709	4,829	643	1,795	368	2,231			22,072
P/R Golf Grnds Course Operations	9,378	12,270	12,705	23,540	12,730	23,832	23,204	23,642	31,015	18,010			190,326
P/R Golf Shop Operations	1,586	4,033	7,686	18,741	18,002	20,057	21,068	24,334	37,247	19,190			171,944
P/R Office Operations	4,093	7,396	7,796	13,834	8,472	9,085	9,834	10,502	12,891	8,885			92,788
Golf Mgt Training										20			20
District Mgt (INC)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000			50,000
District Consultanats	3,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			21,000
Insurance	7,697				337	761							8,795
Legal	2,417	2,088	1,913	1,168	990	3,277	1,638	261	1,260	232			15,244
Office Supplies	535	4,396	1,062	1,104	2,447	463	1,650	983	221	828			13,689
Advertising	950	1,813	544	4,442	1,641	877	782	1,600	730	1,839			15,218
Custodial Supplies		952	1,062	305	260	1,301	803	1,013	1,046				6,742
Utilities - Clubhouse	10,385	3,138	22,461	7,548	8,690	10,529	10,246	13,726	10,396	8,933			106,052
Utilities - Grounds					2,633	7,052	9,730	9,813	10,398	11,343			50,969
Software Maintenance				385	385	385	385	385	385	385			2,695
Miscellaneous	1,579	3,282	5,912	2,126	4,107	2,064	3,274	1,354	2,552	(3,844)			22,406
Total Expenses	67,555	56,932	87,367	97,411	97,278	118,156	116,588	132,306	104,943	90,774	0	0	969,310
Excess / (Deficiency)	(39,615)	(35,521)	(32,283)	(26,724)	(1,667)	7,575	3,147	(6,843)	(33,829)	(20,928)	0	0	(186,688)

Enterprise Fund Balance - Page 7 - The 12/2009 bond agreement states if this number is reduced to ZERO - the golf course must close													
Balance 12/2009 \$259.75 (k)	No Data	No Data	274	No Data	274	266	264	263	230	209			
General Fund 12/2009 \$1.1 (k)	No Data	No Data	26	No Data	49	74	70	67	58	52			

P/R Payroll & PR OH Overhead		28,469	34,102	59,615	49,413	57,920	54,749	60,273	81,521	48,316	0	0	494,747
% Revenue	0%	133%	62%	84%	52%	46%	46%	48%	115%	69%			63%
% Expenses	0%	50%	39%	61%	51%	49%	47%	46%	78%	53%			51%

Notes: This report is a summary prepared from Simmons & Wheeler (S&W) monthly HRMD approved financials
 Prior to 9/2010, this report had estimated data. Simmons & Wheeler prepared this corrected report.
 Amortization & Rev & Exp from 12/2009 are not considered
 Payroll = P/R Categories + adding P/R Overhead

2009-2010 - 135 days no golf snow vs normal 25 days

2010 Budget \$951k Revenue / Year

12/2009 \$161k 2010 prepaid not amortized

HEATHER RIDGE METROPOLITAN DISTRICT #1
2011
BUDGET MESSAGE

Attached please find a copy of the adopted 2011 budget for the Heather Ridge Metropolitan District #1.

The Heather Ridge Metropolitan District #1 has adopted four separate funds, a General Fund to provide for operating expenditures; a Debt Service Fund to provide for payments on the outstanding general obligation bonds; a Capital Projects Fund to provide for capital improvements; and an Enterprise Fund to provide for payment of expenses related to the Golf Course.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenues for the District in 2011 will be property taxes and golf course revenue. The District intends to impose a mill levy of 42.500 mills on all property within the District for 2011, of which 11.500 mills will be dedicated to the General Fund and the balance of 31.000 mills will be allocated to the Debt Service Fund.

Heather Ridge Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2011

	Actual <u>2009</u>	Adopted Budget <u>2010</u>	Actual <u>8/31/2010</u>	Estimate <u>2010</u>	Adopted Budget <u>2011</u>
Beginning fund balance	\$ 11,095	\$ -	\$ 1,124	\$ 1,124	\$ 55,242
Revenues:					
Property taxes	19,750	119,542	124,687	130,000	136,817
Specific ownership taxes	1,289	9,563	5,214	7,800	8,209
Miscellaneous income	-	-	561	561	-
Interest income	69	150	515	775	150
	<u>21,108</u>	<u>129,255</u>	<u>130,977</u>	<u>139,136</u>	<u>145,176</u>
Total revenues					
	<u>21,108</u>	<u>129,255</u>	<u>130,977</u>	<u>139,136</u>	<u>145,176</u>
Total funds available	<u>32,203</u>	<u>129,255</u>	<u>132,101</u>	<u>140,260</u>	<u>200,418</u>
Expenditures:					
Accounting / audit	5,523	10,000	15,569	25,197	20,000
Audit	-	5,000	4,803	4,803	9,500
Legal	24,094	35,000	40,267	50,000	40,000
Insurance	615	2,000	2,141	2,141	2,500
Miscellaneous	95	100	611	1,000	1,000
Consultant fees	455	-	-	-	-
Treasurer fees	297	1,793	1,877	1,877	2,052
Election	-	1,000	-	-	-
Contingency	-	72,715	-	-	123,114
Emergency reserve (3%)	-	1,647	-	-	2,252
	<u>31,079</u>	<u>129,255</u>	<u>65,268</u>	<u>85,018</u>	<u>200,418</u>
Total expenditures					
	<u>31,079</u>	<u>129,255</u>	<u>65,268</u>	<u>85,018</u>	<u>200,418</u>
Ending fund balance	<u>\$ 1,124</u>	<u>\$ -</u>	<u>\$ 66,833</u>	<u>\$ 55,242</u>	<u>\$ -</u>
Assessed Valuation		<u>\$ 10,394,940</u>			<u>\$ 11,897,120</u>
Mill Levy		<u>11.500</u>			<u>11.500</u>

Heather Ridge Metropolitan District
Adopted Budget
Enterprise Fund
For the Year ended December 31, 2011

	Actual <u>2009</u>	Adopted Budget <u>2010</u>	Actual <u>9/30/2010</u>	Estimate <u>2010</u>	Adopted Budget <u>2011</u>
Beginning fund balance	\$ -	\$ 259,750	\$ 395,617	\$ 395,617	\$ 218,685
Revenues:					
Golf Course revenue	186,966	951,000	-	-	
Golf Packages	-	-	95,089	150,000	
Cart Packages	-	-	11,909	20,000	-
Junior Golf Packages	-	-	1,050	3,500	-
Prepaid golf income	-	-	-	-	350,000
Tournaments	-	-	86,077	90,000	-
Cart Fees	-	-	128,568	135,000	220,337
Green Fees	-	-	302,218	350,000	483,545
Range ball fees	-	-	20,012	23,000	24,925
Club rentals	-	-	-	-	1,745
Merchandise	-	-	3,322	4,500	51,844
Rent - Restaurant	5,750	-	58,250	74,500	75,000
Miscellaneous Income	-	-	5,977	7,000	2,000
Transfer from Capital Projects	259,750	-	-	-	-
Interest income	-	-	304	500	-
Total revenues	<u>452,466</u>	<u>951,000</u>	<u>712,776</u>	<u>858,000</u>	<u>1,209,396</u>
Total funds available	<u>452,466</u>	<u>1,210,750</u>	<u>1,108,393</u>	<u>1,253,617</u>	<u>1,428,081</u>
Expenditures:					
Golf Course operations	40,227	900,000	685,939	809,432	549,241
Administration Expenses	16,622	-	112,714	135,500	103,752
Grounds expense	-	-	79,883	90,000	355,447
Total expenditures	<u>56,849</u>	<u>900,000</u>	<u>878,536</u>	<u>1,034,932</u>	<u>1,008,440</u>
Ending fund balance	<u>\$ 395,617</u>	<u>\$ 310,750</u>	<u>\$ 229,857</u>	<u>\$ 218,685</u>	<u>\$ 419,641</u>

Heather Ridge Metropolitan District
Adopted Budget
Capital Projects
For the Year ended December 31, 2010

	Actual <u>2009</u>	Adopted Budget <u>2010</u>	Actual <u>8/31/2010</u>	Estimate <u>2010</u>	Adopted Budget <u>2011</u>
Beginning fund balance	\$ -	\$ 1,443,612	\$ 1,408,413	\$ 1,408,413	\$ 646,778
Revenues:					
Line of credit proceeds	100,000	-	-	-	-
Bond proceeds	5,195,000	-	-	-	-
Interest income	-	-	1,618	2,500	-
Total revenues	<u>5,295,000</u>	<u>-</u>	<u>1,618</u>	<u>2,500</u>	<u>-</u>
Total funds available	<u>5,295,000</u>	<u>1,443,612</u>	<u>1,410,031</u>	<u>1,410,913</u>	<u>646,778</u>
Expenditures:					
Cost of issuance	183,825	-	-	-	-
Capital improvements	-	1,443,612	11,624	11,624	646,778
Repay line of credit	104,778	-	-	-	-
Planning & Engineering	-	-	35,833	35,833	-
Permits	-	-	100	100	-
Wells	-	-	483,226	483,226	-
Maintenance Building Roof	-	-	5,841	5,841	-
Clubhouse Outside Lighting	-	-	1,414	1,414	-
Software System	-	-	3,643	3,643	-
Golf Equipment	-	-	13,160	13,160	-
Perimeter Fence	-	-	12,252	12,252	-
Website Development	-	-	2,291	2,291	-
Golf Course Upgrades	-	-	778	778	-
Heating & Air	-	-	126,079	126,079	-
Computer Equipment	-	-	7,047	7,047	-
Golf Landscape Maintenance	-	-	23,249	23,249	-
Clubhouse Improvements	-	-	37,050	37,050	-
Legal	-	-	116	116	-
Miscellaneous	-	-	432	432	-
Purchase of golf course	3,150,891	-	-	-	-
Transfer to debt service fund	187,343	-	-	-	-
Transfer to enterprise fund	259,750	-	-	-	-
Emergency reserve (3%)	-	-	-	-	-
Total expenditures	<u>3,886,587</u>	<u>1,443,612</u>	<u>764,135</u>	<u>764,135</u>	<u>646,778</u>
Ending fund balance	<u>\$ 1,408,413</u>	<u>\$ -</u>	<u>\$ 645,896</u>	<u>\$ 646,778</u>	<u>\$ -</u>

Heather Ridge Metropolitan District
Adopted Budget
Debt Service fund
For the Year ended December 31, 2010

	Actual <u>2009</u>	Adopted Budget <u>2010</u>	Actual <u>8/31/2010</u>	Estimate <u>2010</u>	Adopted Budget <u>2011</u>
Beginning fund balance	\$ -	\$ 190,638	\$ 187,343	\$ 187,343	\$ 227,006
Revenues:					
Property taxes	-	322,243	334,438	345,000	368,811
Specific ownership taxes	-	12,890	14,054	21,000	22,129
Transfer from capital projects fund	187,343	-	-	-	-
Interest income	-	975	417	800	975
	<u>187,343</u>	<u>336,108</u>	<u>348,909</u>	<u>366,800</u>	<u>391,915</u>
Total revenues					
	<u>187,343</u>	<u>526,746</u>	<u>536,252</u>	<u>554,143</u>	<u>618,921</u>
Total funds available					
Expenditures:					
Bond principal	-	90,000	-	90,000	145,000
Bond interest	-	229,619	130,308	229,619	219,515
Trustee fees	-	2,500	-	2,500	5,000
Treasurer fees	-	4,834	5,018	5,018	5,532
Contingency	-	-	-	-	-
	<u>-</u>	<u>326,953</u>	<u>135,326</u>	<u>327,137</u>	<u>375,047</u>
Total expenditures					
	<u>-</u>	<u>326,953</u>	<u>135,326</u>	<u>327,137</u>	<u>375,047</u>
Ending fund balance	<u>\$ 187,343</u>	<u>\$ 199,793</u>	<u>\$ 400,926</u>	<u>\$ 227,006</u>	<u>\$ 243,874</u>
Assessed Valuation		<u>\$ 10,394,940</u>			<u>\$ 11,897,120</u>
Mill Levy		<u>31.000</u>			<u>31.000</u>
Total Mill levy		<u>42.500</u>			<u>42.500</u>

HEATHER RIDGE METROPOLITAN DISTRICT #1
2011
BUDGET MESSAGE

Attached please find a copy of the adopted 2011 budget for the Heather Ridge Metropolitan District #1.

The Heather Ridge Metropolitan District #1 has adopted four separate funds, a General Fund to provide for operating expenditures; a Debt Service Fund to provide for payments on the outstanding general obligation bonds; a Capital Projects Fund to provide for capital improvements; and an Enterprise Fund to provide for payment of expenses related to the Golf Course.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenues for the District in 2011 will be property taxes and golf course revenue. The District intends to impose a mill levy of 42.500 mills on all property within the District for 2011, of which 11.500 mills will be dedicated to the General Fund and the balance of 31.000 mills will be allocated to the Debt Service Fund.

Heather Ridge Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2011

	Actual <u>2009</u>	Adopted Budget <u>2010</u>	Actual <u>8/31/2010</u>	Estimate <u>2010</u>	Adopted Budget <u>2011</u>
Beginning fund balance	\$ 11,095	\$ -	\$ 1,124	\$ 1,124	\$ 55,242
Revenues:					
Property taxes	19,750	119,542	124,687	130,000	136,817
Specific ownership taxes	1,289	9,563	5,214	7,800	8,209
Miscellaneous income	-	-	561	561	-
Interest income	69	150	515	775	150
	<u>21,108</u>	<u>129,255</u>	<u>130,977</u>	<u>139,136</u>	<u>145,176</u>
Total revenues					
	<u>21,108</u>	<u>129,255</u>	<u>130,977</u>	<u>139,136</u>	<u>145,176</u>
Total funds available	<u>32,203</u>	<u>129,255</u>	<u>132,101</u>	<u>140,260</u>	<u>200,418</u>
Expenditures:					
Accounting / audit	5,523	10,000	15,569	25,197	20,000
Audit	-	5,000	4,803	4,803	9,500
Legal	24,094	35,000	40,267	50,000	40,000
Insurance	615	2,000	2,141	2,141	2,500
Miscellaneous	95	100	611	1,000	1,000
Consultant fees	455	-	-	-	-
Treasurer fees	297	1,793	1,877	1,877	2,052
Election	-	1,000	-	-	-
Contingency	-	72,715	-	-	123,114
Emergency reserve (3%)	-	1,647	-	-	2,252
	<u>31,079</u>	<u>129,255</u>	<u>65,268</u>	<u>85,018</u>	<u>200,418</u>
Total expenditures					
	<u>31,079</u>	<u>129,255</u>	<u>65,268</u>	<u>85,018</u>	<u>200,418</u>
Ending fund balance	<u>\$ 1,124</u>	<u>\$ -</u>	<u>\$ 66,833</u>	<u>\$ 55,242</u>	<u>\$ -</u>
Assessed Valuation		<u>\$ 10,394,940</u>			<u>\$ 11,897,120</u>
Mill Levy		<u>11.500</u>			<u>11.500</u>

**Heather Ridge Metropolitan District
Adopted Budget
Enterprise Fund
For the Year ended December 31, 2011**

	Actual <u>2009</u>	Adopted Budget <u>2010</u>	Actual <u>9/30/2010</u>	Estimate <u>2010</u>	Adopted Budget <u>2011</u>
Beginning fund balance	\$ -	\$ 259,750	\$ 395,617	\$ 395,617	\$ 218,685
Revenues:					
Golf Course revenue	186,966	951,000	-	-	
Golf Packages	-	-	95,089	150,000	
Cart Packages	-	-	11,909	20,000	-
Junior Golf Packages	-	-	1,050	3,500	-
Prepaid golf income	-	-	-	-	350,000
Tournaments	-	-	86,077	90,000	-
Cart Fees	-	-	128,568	135,000	220,337
Green Fees	-	-	302,218	350,000	483,545
Range ball fees	-	-	20,012	23,000	24,925
Club rentals	-	-	-	-	1,745
Merchandise	-	-	3,322	4,500	51,844
Rent - Restaurant	5,750	-	58,250	74,500	75,000
Miscellaneous Income	-	-	5,977	7,000	2,000
Transfer from Capital Projects	259,750	-	-	-	-
Interest income	-	-	304	500	-
Total revenues	<u>452,466</u>	<u>951,000</u>	<u>712,776</u>	<u>858,000</u>	<u>1,209,396</u>
Total funds available	<u>452,466</u>	<u>1,210,750</u>	<u>1,108,393</u>	<u>1,253,617</u>	<u>1,428,081</u>
Expenditures:					
Golf Course operations	40,227	900,000	685,939	809,432	549,241
Administration Expenses	16,622	-	112,714	135,500	103,752
Grounds expense	-	-	79,883	90,000	355,447
Total expenditures	<u>56,849</u>	<u>900,000</u>	<u>878,536</u>	<u>1,034,932</u>	<u>1,008,440</u>
Ending fund balance	<u>\$ 395,617</u>	<u>\$ 310,750</u>	<u>\$ 229,857</u>	<u>\$ 218,685</u>	<u>\$ 419,641</u>

**Heather Ridge Metropolitan District
Adopted Budget
Enterprise Fund Expenditure Details
For the Year ended December 31, 2011**

	Actual <u>2009</u>	Adopted Budget <u>2010</u>	Actual <u>9/30/2010</u>	Estimate <u>2010</u>	Adopted Budget <u>2011</u>
Golf Course operations	\$ -	\$ 859,000	\$ -	\$ -	\$ -
Merchandise	-	-	-	-	39,880
Equipment lease	-	-	-	-	500
District Consultants	3,000	-	19,000	25,000	12,000
F&B Expenses promo	-	-	-	-	2,991
Tournament commissions	-	-	-	-	4,985
Tournament Expense	-	-	9,871	10,000	-
Wages and benefits	-	-	-	-	234,283
Golf Pro	3,500	-	17,617	17,617	-
Business licenses and per	-	-	-	-	300
Advertising	-	-	13,771	15,000	10,000
Bank Service charges	-	-	-	-	200
Credit Card Fees	99	-	12,963	15,000	17,500
Meals and entertainment	-	-	-	-	500
Charitable community rela	-	-	-	-	500
Computer and internet exp	-	-	-	-	5,000
Driving range supplies	-	-	-	-	7,000
Dues and subscriptions	-	-	-	-	1,100
Employee clothing expens	-	-	-	-	1,000
Employee relations	-	-	-	-	500
Equipment facility rental	-	-	-	-	300
GHIN expense	-	-	-	-	1,000
Golf Cart Lease	3,720	-	42,431	62,520	57,000
Golf Cart Repairs	-	-	2,445	2,500	3,000
Janitorial expense	-	-	-	-	1,000
Laundry expense	-	-	-	-	200
Insurance	668	-	8,795	8,795	10,000
Office Supplies/Expenses	2,247	-	12,469	15,000	500
Golf Supplies	-	-	9,075	10,000	10,000
Pest control	-	-	-	-	750
Postage and Delivery	-	-	-	-	200
Printing Stationary	-	-	-	-	1,500
Repairs/Maintenance	1,782	-	16,289	20,000	12,000
Training education	-	-	-	-	2,000
Trash removal	-	-	-	-	6,800
Travel/mileage/lodging	-	-	-	-	1,500
Utilities - alarm	-	-	-	-	2,700
Utilities -electric	-	-	-	-	41,800
Utilities -gas	-	-	-	-	20,852
Utilities - water	-	-	-	-	31,300
Utilities telephone	-	-	-	-	6,600
Golf Course operations	-	-	177,813	185,000	-
Golf Operations	14,764	-	14,344	25,000	-
Golf shop operations	-	-	152,754	165,000	-
District management	5,000	-	45,000	60,000	-
Custodial Supplies	-	-	6,742	10,000	-
Utilities-Clubhouse	3,243	-	86,500	100,000	-
Security	222	-	2,215	3,000	-
Pool expenses	-	-	49	5,000	-
Miscellaneous expense	1,982	41,000	26,250	45,000	-
Building Maintenance	-	-	9,546	10,000	-
Total Golf Course Operati	\$ 40,227	\$ 900,000	\$ 685,939	\$ 809,432	\$ 549,241

**Heather Ridge Metropolitan District
Adopted Budget
Enterprise Fund Expenditure Details
For the Year ended December 31, 2011**

	Actual <u>2009</u>	Adopted Budget <u>2010</u>	Actual <u>9/30/2010</u>	Estimate <u>2010</u>	Adopted Budget <u>2011</u>
Administration Expenses					
Accounting	\$ 1,176	\$ -	\$ 11,489	\$ 13,000	\$ -
Legal	15,446	-	15,012	19,000	-
Consulting fees	-	-	-	-	750
Wages and Benefits	-	-	-	-	99,852
Office operations	-	-	83,903	100,000	-
Computer and internet exp	-	-	-	-	500
Software Maintenance	-	-	2,310	3,500	-
Operating supplies	-	-	-	-	500
Postage and delivery	-	-	-	-	100
Printing/Stationery	-	-	-	-	300
Professional fees	-	-	-	-	250
Training/education	-	-	-	-	500
Travel/mileage/lodging	-	-	-	-	500
Miscellaneous	-	-	-	-	500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Administrative exper	<u>\$ 16,622</u>	<u>\$ -</u>	<u>\$ 112,714</u>	<u>\$ 135,500</u>	<u>\$ 103,752</u>
Grounds					
Golf course amenities	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Equipment lease	-	-	-	-	2,200
Wages and benefits	-	-	-	-	220,635
Gas oil lube	-	-	-	-	13,290
Fuel Charges	-	-	10,700	15,000	-
Dues and subscriptions	-	-	-	-	450
Employee relations	-	-	-	-	460
Utility - electric	-	-	-	-	62,300
Utility - water/sewer	-	-	-	-	1,100
Utility - telephone	-	-	-	-	1,200
Utilities-Grounds	-	-	50,245	55,000	-
Education/seminars	-	-	-	-	200
Chemicals	-	-	-	-	3,343
Equipment repairs/mainte	-	-	-	-	10,800
Equipment rental	-	-	-	-	650
Fertilizer	-	-	-	-	13,624
Golf course supplies	-	-	-	-	4,200
Ground improvements	-	-	-	-	1,445
Irrigation repairs	-	-	-	-	5,500
Sand, soil, gravel	-	-	-	-	3,400
Sanitation rental	-	-	-	-	6,300
Small tools and equipmen	-	-	-	-	1,150
Tires/batteries	-	-	-	-	1,200
Landscape Maintenance	-	-	18,938	20,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Grounds expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,883</u>	<u>\$ 90,000</u>	<u>\$ 355,447</u>

Heather Ridge Metropolitan District
Adopted Budget
Capital Projects
For the Year ended December 31, 2010

	Actual 2009	Adopted Budget 2010	Actual 8/31/2010	Estimate 2010	Adopted Budget 2011
Beginning fund balance	\$ -	\$ 1,443,612	\$ 1,408,413	\$ 1,408,413	\$ 646,778
Revenues:					
Line of credit proceeds	100,000	-	-	-	-
Bond proceeds	5,195,000	-	-	-	-
Interest income	-	-	1,618	2,500	-
Total revenues	<u>5,295,000</u>	<u>-</u>	<u>1,618</u>	<u>2,500</u>	<u>-</u>
Total funds available	<u>5,295,000</u>	<u>1,443,612</u>	<u>1,410,031</u>	<u>1,410,913</u>	<u>646,778</u>
Expenditures:					
Cost of issuance	183,825	-	-	-	-
Capital improvements	-	1,443,612	11,624	11,624	646,778
Repay line of credit	104,778	-	-	-	-
Planning & Engineering	-	-	35,833	35,833	-
Permits	-	-	100	100	-
Wells	-	-	483,226	483,226	-
Maintenance Building Roof	-	-	5,841	5,841	-
Clubhouse Outside Lighting	-	-	1,414	1,414	-
Software System	-	-	3,643	3,643	-
Golf Equipment	-	-	13,160	13,160	-
Perimeter Fence	-	-	12,252	12,252	-
Website Development	-	-	2,291	2,291	-
Golf Course Upgrades	-	-	778	778	-
Heating & Air	-	-	126,079	126,079	-
Computer Equipment	-	-	7,047	7,047	-
Golf Landscape Maintenance	-	-	23,249	23,249	-
Clubhouse Improvements	-	-	37,050	37,050	-
Legal	-	-	116	116	-
Miscellaneous	-	-	432	432	-
Purchase of golf course	3,150,891	-	-	-	-
Transfer to debt service fund	187,343	-	-	-	-
Transfer to enterprise fund	259,750	-	-	-	-
Emergency reserve (3%)	-	-	-	-	-
Total expenditures	<u>3,886,587</u>	<u>1,443,612</u>	<u>764,135</u>	<u>764,135</u>	<u>646,778</u>
Ending fund balance	<u>\$ 1,408,413</u>	<u>\$ -</u>	<u>\$ 645,896</u>	<u>\$ 646,778</u>	<u>\$ -</u>

Heather Ridge Metropolitan District
Adopted Budget
Debt Service fund
For the Year ended December 31, 2010

	<u>Actual</u> 2009	<u>Adopted</u> <u>Budget</u> 2010	<u>Actual</u> 8/31/2010	<u>Estimate</u> 2010	<u>Adopted</u> <u>Budget</u> 2011
Beginning fund balance	\$ -	\$ 190,638	\$ 187,343	\$ 187,343	\$ 227,006
Revenues:					
Property taxes	-	322,243	334,438	345,000	368,811
Specific ownership taxes	-	12,890	14,054	21,000	22,129
Transfer from capital projects fund	187,343	-	-	-	-
Interest income	-	975	417	800	975
	<u>187,343</u>	<u>336,108</u>	<u>348,909</u>	<u>366,800</u>	<u>391,915</u>
Total revenues					
	<u>187,343</u>	<u>526,746</u>	<u>536,252</u>	<u>554,143</u>	<u>618,921</u>
Total funds available					
Expenditures:					
Bond principal	-	90,000	-	90,000	145,000
Bond interest	-	229,619	130,308	229,619	219,515
Trustee fees	-	2,500	-	2,500	5,000
Treasurer fees	-	4,834	5,018	5,018	5,532
Contingency	-	-	-	-	-
	<u>-</u>	<u>326,953</u>	<u>135,326</u>	<u>327,137</u>	<u>375,047</u>
Total expenditures					
	<u>-</u>	<u>326,953</u>	<u>135,326</u>	<u>327,137</u>	<u>375,047</u>
Ending fund balance	<u>\$ 187,343</u>	<u>\$ 199,793</u>	<u>\$ 400,926</u>	<u>\$ 227,006</u>	<u>\$ 243,874</u>
Assessed Valuation		<u>\$ 10,394,940</u>			<u>\$ 11,897,120</u>
Mill Levy		<u>31.000</u>			<u>31.000</u>
Total Mill levy		<u>42.500</u>			<u>42.500</u>