

**Heather Ridge Metropolitan District
Financial Statements**

March 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 March 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 three 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.

April 30, 2010

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

See Accountant's Compilation Report

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Enterprise</u> <u>Fund</u>	<u>Account</u> <u>Groups</u>	<u>Total</u> <u>All Funds</u>
Assets						
Current assets						
Cash in checking	\$ 9,207	\$ -	\$ -	\$ -	\$ -	\$ 9,207
Cash in US Bank	-	-	-	18,580	-	18,580
Cash in COLOTRUST	6,310	-	104,018	11,125	-	121,453
Petty Cash	-	-	-	2,700	-	2,700
Accounts receivable - taxes	16,063	-	43,298	-	-	59,361
Cash - Trustee	-	1,363,034	187,435	206,143	-	1,756,612
Funding in Transit	-	(22,386)	-	22,386	-	-
Golf Cart Deposit	-	3,600	-	-	-	3,600
Prepaid Expense	-	-	-	-	-	-
Receivable - Members	-	-	-	27,994	-	27,994
Receivable - Trade Accts	-	-	-	2,800	-	2,800
Receivable - Rent	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
	<u>31,580</u>	<u>1,344,248</u>	<u>334,751</u>	<u>291,728</u>	<u>-</u>	<u>2,002,307</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fund	-	-	-	-	334,751	334,751
Amount to be provided for retirement of debt	-	-	-	-	4,860,249	4,860,249
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,317</u>	<u>8,341,317</u>
	<u>\$ 31,580</u>	<u>\$ 1,344,248</u>	<u>\$ 334,751</u>	<u>\$ 291,728</u>	<u>\$ 8,341,317</u>	<u>\$ 10,343,624</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 5,263	\$ 309,946	\$ -	\$ 12,775	\$ -	\$ 327,984
Retainage Payable	-	31,304	-	-	-	31,304
Payable to HRCC	-	-	-	5,447	-	5,447
Due to other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>5,263</u>	<u>341,250</u>	<u>-</u>	<u>18,222</u>	<u>5,195,000</u>	<u>5,559,735</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	26,317	1,002,998	334,751	273,506	-	1,637,572
	<u>26,317</u>	<u>1,002,998</u>	<u>334,751</u>	<u>273,506</u>	<u>3,146,317</u>	<u>4,783,889</u>
	<u>\$ 31,580</u>	<u>\$ 1,344,248</u>	<u>\$ 334,751</u>	<u>\$ 291,728</u>	<u>\$ 8,341,317</u>	<u>\$ 10,343,624</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 3 Months Ended March 31, 2010
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 119,542	\$ 53,461	\$ (66,081)
Specific ownership taxes	9,563	1,993	(7,570)
Misc Income	-	3	3
Interest income	150	19	(131)
	<u>129,255</u>	<u>55,476</u>	<u>(73,779)</u>
Expenditures			
Audit/Accounting	15,000	5,118	9,882
Miscellaneous	100	361	(261)
Insurance	2,000	2,141	(141)
Legal	35,000	21,862	13,138
Treasurer's Fees	1,793	802	991
Election	1,000	-	1,000
Water Consultant Fee	-	-	-
Contingency	72,715	-	72,715
Emergency reserve	1,647	-	1,647
	<u>129,255</u>	<u>30,284</u>	<u>98,971</u>
Excess (deficiency) of revenues over expenditures	-	25,192	25,192
Fund balance - beginning	<u>-</u>	<u>1,125</u>	<u>1,125</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 26,317</u>	<u>\$ 26,317</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 3 Months Ended March 31, 2010
Capital Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Line of Credit Proceeds	\$ -	\$ -	\$ -
Bond Proceeds	-	-	-
Interest income	-	712	712
	<hr/>	<hr/>	<hr/>
	-	712	712
Expenditures			
Capital Improvements	1,443,612	897	1,442,715
Planning & Engineering	-	19,645	(19,645)
Permits	-	100	(100)
Wells	-	328,223	(328,223)
Maintenance Building Roof	-	-	-
Clubhouse Outside Lighting	-	1,414	(1,414)
Software System	-	3,148	(3,148)
Golf Equipment	-	4,500	(4,500)
Perimeter Fence	-	11,252	(11,252)
Website Development	-	1,000	(1,000)
Logo Design	-	-	-
Golf Course Upgrades	-	778	(778)
Heating & Air	-	21,592	(21,592)
Computer Equipment	-	5,093	(5,093)
Golf Landscape Maintenance	-	4,650	(4,650)
Clubhouse Improvements	-	3,288	(3,288)
Computer Equipment	-	-	-
Legal	-	116	(116)
Miscellaneous	-	432	(432)
	<hr/>	<hr/>	<hr/>
	1,443,612	406,128	1,037,484
Excess (deficiency) of revenues over expenditures	(1,443,612)	(405,416)	1,038,196
Fund balance - beginning	1,443,612	1,408,414	(35,198)
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Fund balance - ending	\$ -	\$ 1,002,998	\$ 1,002,998

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 3 Months Ended March 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	\$ 144,102	\$ (178,141)
Specific ownership taxes	12,890	5,372	(7,518)
Interest income	975	96	(879)
	<u>336,108</u>	<u>149,570</u>	<u>(186,538)</u>
Expenditures			
Bond Principal	90,000	-	90,000
Bond Interest	229,619	-	229,619
Trustee Fees	2,500	-	2,500
Treasurer Fees	4,834	2,162	2,672
Contingency	-	-	-
	<u>326,953</u>	<u>2,162</u>	<u>324,791</u>
Excess (deficiency) of revenues over expenditures	9,155	147,408	138,253
Fund balance - beginning	<u>190,638</u>	<u>187,343</u>	<u>(3,295)</u>
Fund balance - ending	<u>\$ 199,793</u>	<u>\$ 334,751</u>	<u>\$ 134,958</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 3 Months Ended March 31, 2010
Enterprise Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Golf Course Revenue	\$ 951,000	\$ -	\$ (951,000)
Golf Packages	-	49,119	(49,119)
Cart Packages	-	4,400	(4,400)
Locker Fees Packages	-	-	-
Storage Fees Packages	-	-	-
Tournaments	-	400	(400)
Cart Fees	-	4,754	(4,754)
Green Fees	-	24,902	(24,902)
Merchandise	-	1,779	(1,779)
Rent - Restaurant	-	17,250	(17,250)
Miscellaneous Income	-	667	(667)
Interest income	-	114	114
	<u>951,000</u>	<u>103,385</u>	<u>(1,054,157)</u>
Expenditures			
Golf Course Expenses	859,000	-	859,000
Golf Cart Lease	-	14,880	(14,880)
Golf Pro	-	10,500	(10,500)
Golf Pro-Merchandise	-	1,748	(1,748)
Repairs/Maintenance	-	3,523	(3,523)
Golf Supplies	-	779	(779)
Fuel Charges	-	3,040	(3,040)
Golf Cart Repairs	-	360	(360)
Security	-	983	(983)
Credit Card Fees	-	4,645	(4,645)
Accounting	-	4,494	(4,494)
Payment to INC.	-	110,000	(110,000)
District Consultants	-	7,000	(7,000)
Insurance	-	7,697	(7,697)
Legal	-	6,418	(6,418)
Office Supplies/Expenses	-	5,650	(5,650)
Advertising	-	1,365	(1,365)
Custodial Supplies	-	1,247	(1,247)
Utilities	-	35,984	(35,984)
Software Maintenance	-	-	-
Miscellaneous	41,000	1,765	39,235
	<u>900,000</u>	<u>222,078</u>	<u>677,922</u>
Excess (deficiency) of revenues over expenditures	51,000	(118,693)	(376,235)
Fund balance - beginning	<u>259,750</u>	<u>392,199</u>	<u>132,449</u>
Fund balance - ending	<u>\$ 310,750</u>	<u>\$ 273,506</u>	<u>\$ (243,786)</u>