

**Heather Ridge Metropolitan District
Financial Statements**

June 30, 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 June 30, 2010 and the related statements of Revenues, Expenditures and Changes in Fund Balance - Governmental and Enterprise Funds, Budget and Actual (Budget Basis) for the six 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.

July 29, 2010

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
June 30, 2010

See Accountant's Compilation Report

Assets	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Current assets						
Cash in checking	\$ 35,051	\$ -	\$ -	\$ -	\$ -	\$ 35,051
Cash in US Bank	-	-	-	32,550	-	32,550
Cash in COLOTRUST	14,070	-	-	37,820	-	51,890
Petty Cash	-	-	-	3,200	-	3,200
Accounts receivable - taxes	31,115	-	83,827	-	-	114,942
Cash - Trustee	-	911,808	332,241	179,243	-	1,423,292
Golf Cart Deposit	-	3,600	-	-	-	3,600
Prepaid Expense	-	-	-	222	-	222
Deposit to INC	-	-	-	25,328	-	25,328
Receivable - Members	-	-	-	27,442	-	27,442
Receivable - Trade Accts	-	-	-	8,600	-	8,600
	<u>80,236</u>	<u>915,408</u>	<u>416,068</u>	<u>314,405</u>	<u>-</u>	<u>1,726,117</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fun	-	-	-	-	416,068	416,068
Amount to be provided for retirement of debt	-	-	-	-	4,778,932	4,778,932
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,317</u>	<u>8,341,317</u>
	<u>\$ 80,236</u>	<u>\$ 915,408</u>	<u>\$ 416,068</u>	<u>\$ 314,405</u>	<u>\$ 8,341,317</u>	<u>\$ 10,067,434</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 6,250	\$ 90,762	\$ -	\$ 42,626	\$ -	\$ 139,638
Retainage Payable	-	31,304	-	-	-	31,304
Payable to HRCC	-	-	-	5,447	-	5,447
Payable to INC	-	-	-	-	-	-
	<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>6,250</u>	<u>122,066</u>	<u>-</u>	<u>48,073</u>	<u>5,195,000</u>	<u>5,371,389</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	73,986	793,342	416,068	266,332	-	1,549,728
	<u>73,986</u>	<u>793,342</u>	<u>416,068</u>	<u>266,332</u>	<u>3,146,317</u>	<u>4,696,045</u>
	<u>\$ 80,236</u>	<u>\$ 915,408</u>	<u>\$ 416,068</u>	<u>\$ 314,405</u>	<u>\$ 8,341,317</u>	<u>\$ 10,067,434</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 6 Months Ended June 30, 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	\$ 116,872	\$ (2,670)
Specific ownership taxes	9,563	3,988	(5,575)
Misc Income	-	485	485
Interest income	150	70	(80)
	<u>129,255</u>	<u>121,415</u>	<u>(7,840)</u>
Expenditures			
Audit/Accounting	15,000	13,197	1,803
Miscellaneous	100	511	(411)
Insurance	2,000	2,141	(141)
Legal	35,000	30,952	4,048
Treasurer's Fees	1,793	1,753	40
Election	1,000	-	1,000
Water Consultant Fee	-	-	-
Contingency	72,715	-	72,715
Emergency reserve	1,647	-	1,647
	<u>129,255</u>	<u>48,554</u>	<u>80,701</u>
Excess (deficiency) of revenues over expenditures	-	72,861	72,861
Fund balance - beginning	-	1,125	1,125
Fund balance - ending	<u>\$ -</u>	<u>\$ 73,986</u>	<u>\$ 73,986</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 6 Months Ended June 30, 2010
Capital Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Interest income	\$ -	\$ 1,321	\$ 1,321
	<u>-</u>	<u>1,321</u>	<u>1,321</u>
Expenditures			
Capital Improvements	1,443,612	11,624	1,431,988
Planning & Engineering	-	34,333	(34,333)
Permits	-	100	(100)
Wells	-	414,485	(414,485)
Maintenance Building Roof	-	-	-
Clubhouse Outside Lighting	-	1,414	(1,414)
Software System	-	3,148	(3,148)
Golf Equipment	-	12,710	(12,710)
Perimeter Fence	-	12,252	(12,252)
Website Development	-	2,291	(2,291)
Logo Design	-	-	-
Golf Course Upgrades	-	778	(778)
Heating & Air	-	85,169	(85,169)
Computer Equipment	-	6,593	(6,593)
Golf Landscape Maintenance	-	17,854	(17,854)
Clubhouse Improvements	-	13,094	(13,094)
Legal	-	116	(116)
Miscellaneous	-	432	(432)
	<u>1,443,612</u>	<u>616,393</u>	<u>827,219</u>
Excess (deficiency) of revenues over expenditures	(1,443,612)	(615,072)	828,540
Fund balance - beginning	<u>1,443,612</u>	<u>1,408,414</u>	<u>(35,198)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 793,342</u>	<u>\$ 793,342</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 6 Months Ended June 30, 2010
Debt Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 322,243	\$ 314,942	\$ (7,301)
Specific ownership taxes	12,890	10,749	(2,141)
Interest income	975	215	(760)
	<u>336,108</u>	<u>325,906</u>	<u>(10,202)</u>
Expenditures			
Bond Principal	90,000	-	90,000
Bond Interest	229,619	92,457	137,162
Trustee Fees	2,500	-	2,500
Treasurer Fees	4,834	4,724	110
Contingency	-	-	-
	<u>326,953</u>	<u>97,181</u>	<u>229,772</u>
Excess (deficiency) of revenues over expenditures	9,155	228,725	219,570
Fund balance - beginning	<u>190,638</u>	<u>187,343</u>	<u>(3,295)</u>
Fund balance - ending	<u>\$ 199,793</u>	<u>\$ 416,068</u>	<u>\$ 216,275</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 6 Months Ended June 30, 2010
Enterprise Fund
See Accountant's Compilation Report

	Annual Budget	Current Month	Year to Date Actual	Variance Favorable (Unfavorable)
Revenues				
Golf Course Revenue	\$ 951,000	\$ -	\$ -	(951,000)
Golf Packages	-	8,665	80,314	80,314
Cart Packages	-	(141)	9,709	9,709
Tournaments	-	32,675	43,963	43,963
Cart Fees	-	21,081	53,404	53,404
Green Fees	-	48,652	144,374	144,374
Range fees	-	3,594	9,299	9,299
Merchandise	-	5,564	13,586	13,586
Rent - Restaurant	-	6,750	37,500	37,500
Miscellaneous Income	-	(1,140)	3,052	3,052
Interest income	-	31	213	213
	951,000	125,731	395,414	(555,586)
Expenditures				
Golf Course Expenses	859,000	-	-	859,000
Golf Cart Lease	-	6,172	25,432	(25,432)
Golf Pro	-	117	17,617	(17,617)
Golf Pro-Merchandise	-	2,250	6,406	(6,406)
Landscape Maintenance	-	2,963	10,963	(10,963)
✓ Repairs/Maintenance	-	1,622	10,047	(10,047)
✓ Building Maintenance	-	6,248	6,248	(6,248)
Golf Supplies	-	210	7,704	(7,704)
Fuel Charges	-	1,780	6,589	(6,589)
Golf Cart Repairs	-	297	701	(701)
Security	-	344	1,549	(1,549)
Credit Card Fees	-	1,012	7,775	(7,775)
✓ Tournament Expense	-	2,044	2,044	(2,044)
Accounting	-	1,585	8,890	(8,890)
✓ Golf Operations	-	4,829	11,538	(11,538)
Golf Course operations	-	23,832	99,952	(99,952)
Golf shop operations	-	20,057	70,105	(70,105)
Office operations	-	9,085	50,676	(50,676)
District management	-	5,000	30,000	(30,000)
District Consultants	-	2,000	13,000	(13,000)
Insurance	-	761	8,795	(8,795)
Legal	-	3,277	11,853	(11,853)
Office Supplies/Expenses	-	463	9,615	(9,615)
Advertising	-	877	10,659	(10,659)
Custodial Supplies	-	1,301	3,880	(3,880)
Utilities-Clubhouse	-	10,529	52,132	(52,132)
Utilities-Grounds	-	7,052	20,304	(20,304)
Software Maintenance	-	385	1,155	(1,155)
Miscellaneous	41,000	2,064	19,070	21,930
	900,000	118,156	524,699	375,301
Excess (deficiency) of revenues over expenditures	51,000	7,575	(129,285)	(180,285)
Fund balance - beginning	259,750	258,757	395,617	135,867
Fund balance - ending	\$ 310,750	\$ 266,332	\$ 266,332	\$ (44,418)

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