

**Heather Ridge Metropolitan District
Financial Statements**

July 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 July 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 seven 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.

August 11, 2010

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
July 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	\$ -	\$ -	\$ -	\$ 33,372	\$ -	\$ 33,372
Cash in US Bank	-	-	-	15,052	-	15,052
Cash in COLOTRUST	74,030	-	-	2,742	-	76,772
Petty Cash	-	-	-	3,200	-	3,200
Accounts receivable - taxes	4,403	-	10,873	-	-	15,276
Cash - Trustee	-	797,956	378,261	182,273	-	1,358,490
Golf Cart Deposit	-	3,600	-	-	-	3,600
Prepaid Expense	-	-	-	4,602	-	4,602
Deposit to INC	-	-	-	6,198	-	6,198
Receivable - Members	-	-	-	27,880	-	27,880
Receivable - Trade Accts	-	-	-	8,600	-	8,600
	<u>78,433</u>	<u>801,556</u>	<u>389,134</u>	<u>283,919</u>	<u>-</u>	<u>1,553,042</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fund	-	-	-	-	389,134	389,134
Amount to be provided for retirement of debt	-	-	-	-	4,805,866	4,805,866
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,317</u>	<u>8,341,317</u>
	<u>\$ 78,433</u>	<u>\$ 801,556</u>	<u>\$ 389,134</u>	<u>\$ 283,919</u>	<u>\$ 8,341,317</u>	<u>\$ 9,894,359</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 8,920	\$ 82,627	\$ -	\$ 14,834	\$ -	\$ 106,381
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>8,920</u>	<u>113,931</u>	<u>-</u>	<u>20,281</u>	<u>5,195,000</u>	<u>5,338,132</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	69,513	687,625	389,134	263,638	-	1,409,910
	<u>69,513</u>	<u>687,625</u>	<u>389,134</u>	<u>263,638</u>	<u>3,146,317</u>	<u>4,556,227</u>
	<u>\$ 78,433</u>	<u>\$ 801,556</u>	<u>\$ 389,134</u>	<u>\$ 283,919</u>	<u>\$ 8,341,317</u>	<u>\$ 9,894,359</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 7 Months Ended July 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	\$ 120,399	\$ 857
Specific ownership taxes	9,563	4,527	(5,036)
Misc Income	-	561	561
Interest income	150	484	334
	<u>129,255</u>	<u>125,971</u>	<u>(3,284)</u>
Expenditures			
Audit/Accounting	15,000	17,871	(2,871)
Miscellaneous	100	561	(461)
Insurance	2,000	2,141	(141)
Legal	35,000	35,198	(198)
Treasurer's Fees	1,793	1,812	(19)
Election	1,000	-	1,000
Water Consultant Fee	-	-	-
Contingency	72,715	-	72,715
Emergency reserve	1,647	-	1,647
	<u>129,255</u>	<u>57,583</u>	<u>71,672</u>
Excess (deficiency) of revenues over expenditures	-	68,388	68,388
Fund balance - beginning	<u>-</u>	<u>1,125</u>	<u>1,125</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 69,513</u>	<u>\$ 69,513</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 7 Months Ended July 31, 2010
Capital Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest income	\$ -	\$ 1,476	\$ 1,476
	<u>-</u>	<u>1,476</u>	<u>1,476</u>
Expenditures			
Capital Improvements	1,443,612	11,624	1,431,988
Planning & Engineering	-	34,333	(34,333)
Permits	-	100	(100)
Wells	-	482,000	(482,000)
Maintenance Building Roof	-	5,841	(5,841)
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	-	104,959	(104,959)
Computer Equipment	-	7,047	(7,047)
Golf Landscape Maintenance	-	17,854	(17,854)
Clubhouse Improvements	-	31,207	(31,207)
Legal	-	116	(116)
Miscellaneous	-	432	(432)
	<u>1,443,612</u>	<u>728,106</u>	<u>715,506</u>
Excess (deficiency) of revenues over expenditures	(1,443,612)	(726,630)	716,982
Fund balance - beginning	<u>1,443,612</u>	<u>1,408,414</u>	<u>(35,198)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 681,784</u>	<u>\$ 681,784</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 7 Months Ended July 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	\$ 324,448	\$ 2,205
Specific ownership taxes	12,890	12,204	(686)
Interest income	975	315	(660)
	<u>336,108</u>	<u>336,967</u>	<u>859</u>
Expenditures			
Bond Principal	90,000	-	90,000
Bond Interest	229,619	130,308	99,311
Trustee Fees	2,500	-	2,500
Treasurer Fees	4,834	4,868	(34)
Contingency	-	-	-
	<u>326,953</u>	<u>135,176</u>	<u>191,777</u>
Excess (deficiency) of revenues over expenditures	9,155	201,791	192,636
Fund balance - beginning	<u>190,638</u>	<u>187,343</u>	<u>(3,295)</u>
Fund balance - ending	<u>\$ 199,793</u>	<u>\$ 389,134</u>	<u>\$ 189,341</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 7 Months Ended July 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 (Unfavorable)
Revenues				
Golf Course Revenue	\$ 951,000	\$ -	\$ -	\$ (951,000)
Golf Packages	-	2,985	83,299	83,299
Cart Packages	-	2,200	11,909	11,909
Tournaments	-	17,180	61,143	61,143
Cart Fees	-	23,377	76,781	76,781
Green Fees	-	56,821	201,195	201,195
Range fees	-	3,469	12,768	12,768
Merchandise	-	4,734	18,320	18,320
Rent - Restaurant	-	6,750	44,250	44,250
Miscellaneous Income	-	2,189	5,241	5,241
Interest income	-	30	243	243
	<u>951,000</u>	<u>119,735</u>	<u>515,149</u>	<u>(435,851)</u>
Expenditures				
Golf Course Expenses	859,000	-	-	859,000
Golf Cart Lease	-	6,424	31,856	(31,856)
Golf Pro	-	-	17,617	(17,617)
Golf Pro-Merchandise	-	13,245	19,651	(19,651)
Landscape Maintenance	-	2,135	13,098	(13,098)
Repairs/Maintenance	-	2,975	13,022	(13,022)
Building Maintenance	-	(4,053)	2,195	(2,195)
Golf Supplies	-	1,152	8,856	(8,856)
Fuel Charges	-	1,744	8,333	(8,333)
Golf Cart Repairs	-	(2,819)	(2,118)	2,118
Security	-	222	1,771	(1,771)
Credit Card Fees	-	1,521	9,296	(9,296)
Tournament Expense	-	2,912	4,956	(4,956)
Accounting	-	873	9,763	(9,763)
Golf Operations	-	643	12,181	(12,181)
Golf Course operations	-	23,204	123,156	(123,156)
Golf shop operations	-	21,068	91,173	(91,173)
Office operations	-	9,834	60,510	(60,510)
District management	-	5,000	35,000	(35,000)
District Consultants	-	2,000	15,000	(15,000)
Insurance	-	-	8,795	(8,795)
Legal	-	1,638	13,491	(13,491)
Office Supplies/Expenses	-	1,650	11,265	(11,265)
Advertising	-	782	11,441	(11,441)
Custodial Supplies	-	803	4,683	(4,683)
Utilities-Clubhouse	-	10,246	62,378	(62,378)
Utilities-Grounds	-	9,730	30,034	(30,034)
Software Maintenance	-	385	1,540	(1,540)
Miscellaneous	41,000	3,274	22,344	18,656
	<u>900,000</u>	<u>116,588</u>	<u>641,287</u>	<u>258,713</u>
Excess (deficiency) of revenues over expenditures	51,000	3,147	(126,138)	(177,138)
Fund balance - beginning	259,750	266,332	395,617	135,867
Fund balance - ending	<u>\$ 310,750</u>	<u>\$ 269,479</u>	<u>\$ 269,479</u>	<u>\$ (41,271)</u>