

Heather Ridge Metropolitan District
Financial Statements

January 31, 2017

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Heather Ridge Metropolitan District

Management is responsible for the accompanying financial statements of each major fund of Heather Ridge Metropolitan District, as of and for the period ended January 31, 2017, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Governmental Funds, Enterprise Fund and account groups for the one month then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, 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. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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.

February 15, 2017
Englewood, Colorado

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
Governmental Funds
January 31, 2017

	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Assets						
Current assets						
Cash in checking	\$ 49	\$ -	\$ -	\$ 34,000	\$ -	\$ 34,049
Cash in US Bank	-	-	-	22,970	-	22,970
Cash in COLOTRUST	-	1,142,634	80,085	291,863	-	1,514,582
Cash in COLOTRUST-Roofing	105,015	-	-	-	-	105,015
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	2,837	-	7,647	-	-	10,484
Inventory	-	-	-	15,837	-	15,837
Receivable - GCAT	-	-	-	23,165	-	23,165
Receivable - rent	10,000	-	-	-	-	10,000
	<u>117,901</u>	<u>1,142,634</u>	<u>87,732</u>	<u>390,285</u>	<u>-</u>	<u>1,738,552</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service	-	-	-	-	87,732	87,732
Amount to be provided for retirement of debt	-	-	-	-	6,292,268	6,292,268
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,526,317</u>	<u>9,526,317</u>
	<u>\$ 117,901</u>	<u>\$ 1,142,634</u>	<u>\$ 87,732</u>	<u>\$ 390,285</u>	<u>\$ 9,526,317</u>	<u>\$ 11,264,869</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 16,011	\$ -	\$ -	\$ 17,535	\$ -	\$ 33,546
Retainage Payable	-	-	-	-	-	-
Payable to Tournaments	-	-	-	500	-	500
Payable to Clubs	-	-	-	2,245	-	2,245
Payable to Gift Cards	-	-	-	9,099	-	9,099
Outstanding Premium Cards	-	-	-	37,065	-	37,065
Sales Tax Payable	-	-	-	(1,050)	-	(1,050)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	6,380,000	6,380,000
Total Liabilities	<u>16,011</u>	<u>-</u>	<u>-</u>	<u>65,394</u>	<u>6,380,000</u>	<u>6,461,405</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund Balance assigned for Roof	-	-	-	-	-	-
Fund balance	101,890	1,142,634	87,732	324,891	-	1,657,147
	<u>101,890</u>	<u>1,142,634</u>	<u>87,732</u>	<u>324,891</u>	<u>3,146,317</u>	<u>4,803,464</u>
	<u>\$ 117,901</u>	<u>\$ 1,142,634</u>	<u>\$ 87,732</u>	<u>\$ 390,285</u>	<u>\$ 9,526,317</u>	<u>\$ 11,264,869</u>

Heather Ridge Metropolitan District
Reconciliation of Cash to Fund Balance
As of 1/31/2017

Total Cash	\$ 105,064	\$ 1,142,634	\$ 80,085	\$ 348,833
Petty cash	-	-	-	2,450
Accounts receivable taxes	2,837	-	7,647	-
Inventory	-	-	-	15,837
Receivable from GCAT	-	-	-	23,165
Receivable Rent	10,000	-	-	-
Accounts Payable	(16,011)	-	-	(17,535)
Deposits from tournaments	-	-	-	(500)
Payable to clubs	-	-	-	(2,245)
Outstanding premium cards	-	-	-	(37,065)
Payable to Gift Cards	-	-	-	(9,099)
Sales tax payable	-	-	-	1,050
Fund balance	<u>\$ 101,890</u>	<u>\$ 1,142,634</u>	<u>\$ 87,732</u>	<u>\$ 324,891</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 1 Month Ended January 31, 2017
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	\$ 172,562	\$ 1,590	\$ 1,590	\$ (170,972)	\$ 2,583	\$ 2,583
Specific ownership taxes	12,079	1,271	1,271	(10,808)	1,545	1,545
Misc Income	2,000	-	-	(2,000)	-	-
Rent Income	120,000	10,000	10,000	(110,000)	6,102	6,102
Interest income	2,057	341	341	(1,716)	131	131
	<u>308,698</u>	<u>13,202</u>	<u>13,202</u>	<u>(295,496)</u>	<u>10,361</u>	<u>10,361</u>
Expenditures						
Accounting	17,000	2,278	2,278	14,722	961	961
Audit	8,000	-	-	8,000	-	-
Legal	20,000	3,623	3,623	16,377	1,145	1,145
Insurance	10,000	9,939	9,939	61	8,713	8,713
Community Communication	35,000	2,642	2,642	32,358	4,741	4,741
Social function	1,000	-	-	1,000	-	-
Consultant Fees/Mgmt Fees	30,000	2,593	2,593	27,407	2,500	2,500
Professional Fees	-	-	-	-	-	-
Pest Control	350	-	-	350	-	-
Miscellaneous	500	110	110	390	-	-
Building-2nd Floor/Repairs/Main	-	-	-	-	-	-
Building Repairs	-	-	-	-	-	-
Building - Utilities/Electric	20,000	2,298	2,298	17,702	2,478	2,478
Building - Utilities/Gas	7,500	1,987	1,987	5,513	1,689	1,689
Building - Utilities/Water/Sewer	10,000	1,296	1,296	8,704	1,054	1,054
Utilities/Telephone	3,600	438	438	3,162	353	353
Landscaping	10,000	1,345	1,345	8,655	180	180
Security	3,500	72	72	3,428	72	72
Meals & Entertainment	1,000	-	-	1,000	117	117
Computer/Internet	1,000	15	15	985	-	-
Dues & Subscriptions	100	-	-	100	18	18
Licenses/Permits/Fees	200	-	-	200	-	-
Office Supplies/Expense	500	-	-	500	150	150
Advertising	500	-	-	500	-	-
Treasurer's Fees	2,588	24	24	2,564	39	39
Training/Education	500	-	-	500	-	-
Employee Relations	500	-	-	500	-	-
Janitorial Supplies	500	-	-	500	-	-
Trash Removal	3,000	320	320	2,680	665	665
Mileage/Travel/Lodging	1,000	-	-	1,000	992	992
Election	1,000	-	-	1,000	-	-
Contingency	204,982	-	-	204,982	-	-
Emergency reserve	5,521	-	-	5,521	-	-
	<u>399,341</u>	<u>28,980</u>	<u>28,980</u>	<u>370,361</u>	<u>25,867</u>	<u>25,867</u>
Excess (deficiency) of revenues over expenditures	(90,643)	(15,778)	(15,778)	74,865	(15,506)	(15,506)
Fund balance - beginning	90,643	117,668	117,668	27,025	132,789	132,789
Fund balance - ending	\$ -	\$ 101,890	\$ 101,890	\$ 101,890	\$ 117,283	\$ 117,283

Heather Ridge Metropolitan District
 Budget and Actual
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Budget and Actual
 For the 1 Month Ended January 31, 2017
 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on Bonds	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Interest income	-	930	930	930	-	-
	<u>-</u>	<u>930</u>	<u>930</u>	<u>930</u>	<u>-</u>	<u>-</u>
Expenditures						
Capital Improvements	-	-	-	-	-	-
Planning & Engineering	-	-	-	-	-	-
Irrigation	1,093,595	-	-	1,093,595	-	-
Miscellaneous	-	-	-	-	-	-
	<u>1,093,595</u>	<u>-</u>	<u>-</u>	<u>1,093,595</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(1,093,595)	930	930	1,094,525	-	-
Fund balance - beginning	<u>1,093,595</u>	<u>1,141,704</u>	<u>1,141,704</u>	<u>48,109</u>	<u>2,962</u>	<u>2,962</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,142,634</u>	<u>\$ 1,142,634</u>	<u>\$ 1,142,634</u>	<u>\$ 2,962</u>	<u>\$ 2,962</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 1 Month Ended January 31, 2017
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	\$ 465,167	\$ 4,286	\$ 4,286	\$ (460,881)	\$ 6,964	\$ 6,964
Specific ownership taxes	32,562	3,425	3,425	(29,137)	4,164	4,164
Transfer from Capital Projects F	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Premium on Bonds	-	-	-	-	-	-
Interest income	500	39	39	(461)	9	9
	<u>498,229</u>	<u>7,750</u>	<u>7,750</u>	<u>(490,479)</u>	<u>11,137</u>	<u>11,137</u>
Expenditures						
Bond Interest '09	-	-	-	-	46,171	46,171
Bond Interest '11	-	-	-	-	6,997	6,997
Bond Principal '16	185,000	-	-	185,000	-	-
Bond Interest '16	215,850	-	-	215,850	-	-
Accounting	-	-	-	-	-	-
Issuance Costs	-	-	-	-	-	-
Refunding Escrow	-	-	-	-	-	-
Bond Insurance	-	-	-	-	-	-
Trustee Fees	5,000	-	-	5,000	825	825
Legal Expenses	-	-	-	-	-	-
Treasurer Fees	6,978	64	64	6,914	105	105
Contingency	5,000	-	-	5,000	-	-
	<u>417,828</u>	<u>64</u>	<u>64</u>	<u>417,764</u>	<u>54,098</u>	<u>54,098</u>
Excess (deficiency) of revenues over expenditures	80,401	7,686	7,686	(72,715)	(42,961)	(42,961)
Fund balance - beginning	<u>86,992</u>	<u>80,046</u>	<u>80,046</u>	<u>(6,946)</u>	<u>236,587</u>	<u>236,587</u>
Fund balance - ending	<u>\$ 167,393</u>	<u>\$ 87,732</u>	<u>\$ 87,732</u>	<u>\$ (79,661)</u>	<u>\$ 193,626</u>	<u>\$ 193,626</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 1 Month Ended January 31, 2017
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	32,500	19,300	19,300	(13,200)	5,125	5,125
Cart Packages	-	-	-	-	-	-
Junior Golf Packages	-	-	-	-	-	-
Men's Club Redeemed	-	-	-	-	-	-
Premium Cards Redeemed	-	(1,000)	(1,000)	(1,000)	18	18
Tournaments	-	-	-	-	-	-
Cart Fees	148,960	1,013	1,013	(147,947)	-	-
Green Fees	546,000	3,520	3,520	(542,480)	-	-
Range ball fees	30,800	215	215	(30,585)	-	-
Club Rentals	-	-	-	-	-	-
Merchandise	30,800	92	92	(30,708)	-	-
Miscellaneous Income	4,200	16	16	(4,184)	-	-
Interest income	-	-	-	-	-	-
	<u>793,260</u>	<u>23,156</u>	<u>23,156</u>	<u>(770,104)</u>	<u>5,143</u>	<u>5,143</u>
Expenditures						
Golf Course operations	288,645	20,979	20,979	267,666	26,487	26,487
Administration Expenses	88,000	7,613	7,613	80,387	7,021	7,021
Grounds expense	332,900	52,509	52,509	280,391	24,701	24,701
	<u>709,545</u>	<u>81,101</u>	<u>81,101</u>	<u>628,444</u>	<u>58,209</u>	<u>58,209</u>
Excess (deficiency) of revenues over expenditures	83,715	(57,945)	(57,945)	(141,660)	(53,066)	(53,066)
Fund balance - beginning	<u>375,617</u>	<u>382,836</u>	<u>382,836</u>	<u>7,219</u>	<u>369,961</u>	<u>369,961</u>
Fund balance - ending	<u>\$ 459,332</u>	<u>\$ 324,891</u>	<u>\$ 324,891</u>	<u>\$ (134,441)</u>	<u>\$ 316,895</u>	<u>\$ 316,895</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 1 Month Ended January 31, 2017
Enterprise Fund

See Accountant's Compilation Report

	Annual Budget	Current Month	Year to Date	Variance Favorable (Unfavorable)	Prior Year	
					Current Month	Year to Date
Golf Course operations						
Merchandise	\$ 24,000	\$ 828	\$ 828	\$ 23,172	\$ 42	\$ 42
Equipment lease	-	-	-	-	-	-
District Consultants	-	-	-	-	-	-
F&B Expenses promo	-	-	-	-	-	-
Tournament commissions	-	-	-	-	-	-
Tournament Expense	500	-	-	500	-	-
Wages and benefits	90,000	1,860	1,860	88,140	8,206	8,206
Business licenses and permits	-	-	-	-	-	-
Advertising	200	-	-	200	-	-
Bank Service charges	-	81	81	(81)	-	-
Credit Card Fees	15,000	-	-	15,000	71	71
Meals and entertainment	500	-	-	500	12	12
Charitable community relations	-	-	-	-	-	-
Club Rental Expense	400	-	-	400	-	-
Computer and internet expenses	9,000	-	-	9,000	105	105
Driving range supplies	3,000	-	-	3,000	-	-
Dues and subscriptions	300	110	110	190	110	110
Employee relations	200	-	-	200	-	-
Equipment facility rental	-	-	-	-	46	46
GHIN expense	500	-	-	500	-	-
Golf Club Repairs	6,000	954	954	5,046	-	-
Golf Cart Lease	65,000	4,644	4,644	60,356	4,823	4,823
Golf Lessons	-	-	-	-	-	-
Golf Cart Repairs	-	-	-	-	16	16
Janitorial expense	2,500	-	-	2,500	-	-
Laundry/Cleaning expense	-	-	-	-	-	-
Licenses/Permits/Fees	245	-	-	245	-	-
Insurance	8,000	7,078	7,078	922	7,809	7,809
Office Supplies/Expenses	500	13	13	487	143	143
Operating Supplies	12,000	1,460	1,460	10,540	43	43
Golf Supplies	-	-	-	-	-	-
Pest control	100	-	-	100	-	-
Postage and Delivery	100	-	-	100	-	-
Printing Stationary	-	-	-	-	-	-
Repairs/Maintenance	500	197	197	303	1,305	1,305
Training education	-	-	-	-	-	-
Trash removal	1,500	80	80	1,420	-	-
Utilities -electric	17,500	1,069	1,069	16,431	1,081	1,081
Utilities -gas	8,000	674	674	7,326	977	977
Utilities - water	6,000	323	323	5,677	263	263
Utilities telephone	4,000	438	438	3,562	353	353
Security	1,000	82	82	918	82	82
Custodial Supplies	-	-	-	-	-	-
District Management	12,000	1,000	1,000	11,000	1,000	1,000
Miscellaneous expense	100	-	-	100	-	-
Building Maintenance	-	88	88	(88)	-	-
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 288,645	\$ 20,979	\$ 20,979	\$ 267,666	\$ 26,487	\$ 26,487

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 1 Month Ended January 31, 2017
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	\$ 12,000	\$ 689	\$ 689	\$ 11,311	\$ 503	\$ 503
Legal	1,500	-	-	1,500	-	-
Consulting fees	-	-	-	-	-	-
Wages and Benefits	74,000	6,924	6,924	67,076	6,518	6,518
Office operations	200	-	-	200	-	-
Computer and internet expenses	-	-	-	-	-	-
Repairs/Maintenance	-	-	-	-	-	-
Operating supplies	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Janitorial	-	-	-	-	-	-
Postage and delivery	-	-	-	-	-	-
Printing/Stationery	200	-	-	200	-	-
Professional fees	-	-	-	-	-	-
Security	-	-	-	-	-	-
Training/education	-	-	-	-	-	-
Travel/mileage/lodging	-	-	-	-	-	-
Utilities - Satellite/cable	-	-	-	-	-	-
Miscellaneous	100	-	-	100	-	-
Total Administrative expenses	\$ 88,000	\$ 7,613	\$ 7,613	\$ 80,387	\$ 7,021	\$ 7,021
Grounds						
Golf course amenities	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ -	\$ -
Wages and benefits	206,000	12,654	12,654	193,346	7,611	7,611
Gas oil lube	8,000	-	-	8,000	-	-
Dues and subscriptions	-	570	570	(570)	-	-
Employee relations	200	-	-	200	-	-
Advertising	-	-	-	-	-	-
Utility - electric	58,000	1,354	1,354	56,646	1,196	1,196
Utility - gas	2,000	186	186	1,814	164	164
Utility - water/sewer	1,300	90	90	1,210	77	77
Utility - telephone	1,400	139	139	1,261	119	119
Trash Removal	2,000	802	802	1,198	-	-
Education/seminars	-	-	-	-	-	-
Computer/Internet	-	-	-	-	-	-
Operating Supplies	-	-	-	-	-	-
Chemicals	4,000	-	-	4,000	-	-
Equipment repairs/maintenance	7,000	5,458	5,458	1,542	-	-
Equipment rental	500	-	-	500	-	-
Fertilizer	16,000	-	-	16,000	-	-
Golf course supplies	1,500	-	-	1,500	-	-
Ground improvements	2,000	30,875	30,875	(28,875)	-	-
Landscaping	10,000	-	-	10,000	14,850	14,850
Licenses/Permits/Fees	300	-	-	300	-	-
Irrigation repairs	2,000	-	-	2,000	-	-
Amenities	-	-	-	-	-	-
Sand, soil, gravel	2,500	-	-	2,500	-	-
Sanitation rental	2,800	307	307	2,493	523	523
Professional Fees	400	-	-	400	-	-
Repairs/Maint/Shop	1,000	-	-	1,000	-	-
Security	900	74	74	826	74	74
Small tools and equipment	100	-	-	100	-	-
Tires/batteries	1,000	-	-	1,000	87	87
Training/Education	500	-	-	500	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 332,900	\$ 52,509	\$ 52,509	\$ 280,391	\$ 24,701	\$ 24,701

HRMD Golf & Clubhouse P&L 2017 by Month

Income / Expense Statement Summary

YTD Summary

Actual \$ (000)

2017 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event SNOW													
Golf Rounds	240												240
No Play Days - Weather	24												24
Play Days	7												7
Avg \$ Rev per Round / Star 96.48													96.48
Avg \$ Profit per Round / Star (241.44)													(241.44)
Revenue - Golf	23.2												23.2
Expenses													
Golf Course Operations	21.0												21.0
Administration	7.6												7.6
Grounds Operations	52.5												52.5
Total Expenses	81.1												81.1
P&L Excess / (Deficiency) (57.9)													(57.9)

Key Expense Areas:

Payroll

Grounds Operations	12.7												12.7
Golf Course Operations	1.9												1.9
Administration	6.9												6.9
Total Payroll	21.4												21.4
% Payroll to Revenue	93%												93%
% Payroll to Expenses	26%												26%

Utilities

Golf Ops & Pro Shop	2.5												2.5
Grounds	2.6												2.6
Clubhouse Top Floor	6.0												6.0

Utilities/Gen Fund Portn	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
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Clubhouse Maintenance/Improvements (Gen Fund):

1st Bldg Repair/Maintenance	0.3												0.3
2nd Bldg Repair/Maintenance	0.0												0.0

Capital Expenditures

		To Date
Grounds / Golf	0.0	2,212
Clubhouse	0.0	359
Golf Course	0.0	125
Restaurant - Noonan's	0.0	106
Total Cap Exp	0.0	2,803

District Fund Accounts

*\$75k Roof Ins Proceeds in GF

General Fund	30
* Gen Fund (8/15 Roof Ins Proci	72
Capital Fund	1,143
Debit Service Fund	88
Enterprise Fund	325

TOTAL ALL FUNDS 1,657

Total Funds less Dbt Svc	427
Must always be > \$100	

Bond Balance	6,380
HR Foundation Bank	7.4

Jan Feb Mar April May June July Aug Sept Oct Nov Dec YTD

Notes: This report is a summary prepared from Simmons & Wheeler (S&W) monthly HRMD financial reports

It is not prepared by S&W, rather by the HRMD Directors (2016 GCatHR (Golf Ops) Budget \$899.3k Revenue / \$629.9k Expense)