

Heather Ridge Metropolitan District
Financial Statements

February 28, 2019

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 February 28, 2019, 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 two months 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.

March 15, 2019
Englewood, Colorado

Heather Ridge Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
Governmental Funds
February 28, 2019

	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
Assets						
Current assets						
Cash in checking	\$ 19	\$ -	\$ -	\$ 14,000	\$ -	\$ 14,019
Cash in US Bank	-	-	-	7,204	-	7,204
Cash in COLOTRUST	20	429,449	231,761	289,691	-	950,921
Cash in COLOTRUST-Roofing	98,167	-	-	-	-	98,167
Petty Cash	-	-	-	2,450	-	2,450
Accounts receivable - taxes	82,518	-	157,872	-	-	240,390
Prepaid Expense	500	-	-	-	-	500
Inventory	-	-	-	26,751	-	26,751
Receivable - GCAT	-	-	-	40,078	-	40,078
Receivable - rent	12,825	-	-	-	-	12,825
	<u>194,049</u>	<u>429,449</u>	<u>389,633</u>	<u>380,174</u>	<u>-</u>	<u>1,393,305</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service	-	-	-	-	389,633	389,633
Amount to be provided for retirement of debt	-	-	-	-	5,615,367	5,615,367
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,151,317</u>	<u>9,151,317</u>
	<u>\$ 194,049</u>	<u>\$ 429,449</u>	<u>\$ 389,633</u>	<u>\$ 380,174</u>	<u>\$ 9,151,317</u>	<u>\$ 10,544,622</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 17,609	\$ -	\$ -	\$ 22,351	\$ -	\$ 39,960
Retainage Payable	-	-	-	-	-	-
Payable to Tournaments	-	-	-	-	-	-
Payable to Clubs	-	-	-	3,833	-	3,833
Payable to Gift Cards	-	-	-	9,365	-	9,365
Outstanding Premium Cards	-	-	-	25,560	-	25,560
Sales Tax Payable	-	-	-	(3,836)	-	(3,836)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long Term Liabilities						
General obligation Bonds	-	-	-	-	6,005,000	6,005,000
Total Liabilities	<u>17,609</u>	<u>-</u>	<u>-</u>	<u>57,273</u>	<u>6,005,000</u>	<u>6,079,882</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund Balance assigned for Roof	-	-	-	-	-	-
Fund balance	176,440	429,449	389,633	322,901	-	1,318,423
	<u>176,440</u>	<u>429,449</u>	<u>389,633</u>	<u>322,901</u>	<u>3,146,317</u>	<u>4,464,740</u>
	<u>\$ 194,049</u>	<u>\$ 429,449</u>	<u>\$ 389,633</u>	<u>\$ 380,174</u>	<u>\$ 9,151,317</u>	<u>\$ 10,544,622</u>

Heather Ridge Metropolitan District
Reconciliation of Cash to Fund Balance
As of 2/28/2019

Total Cash	\$ 98,206	\$ 429,449	\$ 231,761	\$ 310,895
Petty cash	-	-	-	2,450
Accounts receivable taxes	82,518	-	157,872	-
Inventory	-	-	-	26,751
Receivable from GCAT	-	-	-	40,078
Receivable Rent	12,825	-	-	-
Accounts Payable	(17,609)	-	-	(22,351)
Deposits from tournaments	-	-	-	-
Payable to clubs	-	-	-	(3,833)
Outstanding premium cards	-	-	-	(25,560)
Payable to Gift Cards	-	-	-	(9,365)
Sales tax payable	-	-	-	3,836
Fund balance	<u>\$ 176,440</u>	<u>\$ 429,449</u>	<u>\$ 389,633</u>	<u>\$ 322,901</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 2019
General Fund
See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Prior Year</u>	
					<u>Current Month</u>	<u>Year to Date</u>
Revenues						
Property taxes	\$ 219,318	\$ 82,019	\$ 84,128	\$ (135,190)	\$ 81,973	\$ 84,838
Specific ownership taxes	16,774	1,728	3,103	(13,671)	1,358	2,758
Misc Income	2,000	-	-	(2,000)	-	-
Rent Income	120,000	12,825	20,650	(99,350)	10,625	21,250
Interest income	2,057	160	1,421	(636)	653	1,327
	<u>360,149</u>	<u>96,732</u>	<u>109,302</u>	<u>(250,847)</u>	<u>94,609</u>	<u>110,173</u>
Expenditures						
Accounting	17,000	1,461	1,461	15,539	1,715	1,715
Audit	8,000	-	-	8,000	-	-
Legal	40,000	1,502	5,850	34,150	2,298	3,443
Insurance	10,000	-	8,634	1,366	1,005	9,578
Community Communication	40,000	3,683	8,324	31,676	1,143	6,639
Social function	4,000	-	-	4,000	819	819
Consultant Fees/Mgmt Fees	30,000	2,660	5,345	24,655	2,592	5,185
Professional Fees	-	-	-	-	-	2,674
Pest Control	1,200	86	172	1,028	83	165
Miscellaneous	500	36	48	452	-	47
Building Repairs/Interior	25,000	3,311	5,155	19,845	1,345	2,672
Building Repairs/Exterior	25,000	-	-	25,000	-	-
Building - Utilities/Electric	38,000	2,280	5,016	32,984	2,093	4,319
Building - Utilities/Gas	15,000	3,455	6,148	8,852	1,533	3,352
Building - Utilities/Water/Sewer	25,000	1,266	2,432	22,568	1,348	2,664
Utilities/Telephone	12,000	3,681	5,130	6,870	176	830
Landscaping	20,000	1,112	3,020	16,980	3,278	3,806
Security	2,500	325	400	2,100	74	146
Meals & Entertainment	1,000	-	-	1,000	429	429
Computer/Internet	1,000	-	-	1,000	-	-
Dues & Subscriptions	300	-	-	300	-	-
Licenses/Permits/Fees	200	-	-	200	-	-
Office Supplies/Expense	500	-	-	500	-	-
Advertising	500	-	-	500	-	-
Treasurer's Fees	3,290	1,230	1,262	2,028	1,230	1,273
Training/Education	500	-	-	500	-	-
Employee Relations	500	-	-	500	-	-
Janitorial Supplies	500	-	-	500	-	-
Trash Removal	7,000	709	1,509	5,491	525	1,044
Mileage/Travel/Lodging	2,000	179	408	1,592	200	429
Election	1,000	-	-	1,000	603	1,305
Contingency	188,587	-	-	188,587	-	-
Emergency reserve	9,765	-	-	9,765	-	-
	<u>529,842</u>	<u>26,976</u>	<u>60,314</u>	<u>469,528</u>	<u>22,489</u>	<u>52,534</u>
Excess (deficiency) of revenues over expenditures	(169,693)	69,756	48,988	218,681	72,120	57,639
Fund balance - beginning	169,693	106,684	127,452	(42,241)	128,487	142,968
Fund balance - ending	<u>\$ -</u>	<u>\$ 176,440</u>	<u>\$ 176,440</u>	<u>\$ 176,440</u>	<u>\$ 200,607</u>	<u>\$ 200,607</u>

Heather Ridge Metropolitan District
 Budget and Actual
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Budget and Actual
 For the 2 Months Ended February 28, 2019
 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	10,000	913	1,916	(8,084)	936	1,904
	<u>10,000</u>	<u>913</u>	<u>1,916</u>	<u>(8,084)</u>	<u>936</u>	<u>1,904</u>
Expenditures						
Capital Improvements	-	-	-	-	-	-
Planning & Engineering	-	-	-	-	-	-
Cart Path Improvements	473,920	-	-	473,920	-	-
Miscellaneous	-	-	-	-	-	-
	<u>473,920</u>	<u>-</u>	<u>-</u>	<u>473,920</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(463,920)	913	1,916	465,836	936	1,904
Fund balance - beginning	<u>463,920</u>	<u>428,536</u>	<u>427,533</u>	<u>(36,387)</u>	<u>740,888</u>	<u>739,920</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 429,449</u>	<u>\$ 429,449</u>	<u>\$ 429,449</u>	<u>\$ 741,824</u>	<u>\$ 741,824</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 2019
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	\$ 419,564	\$ 156,912	\$ 160,957	\$ (258,607)	\$ 156,817	\$ 162,335
Specific ownership taxes	32,090	3,305	5,936	(26,154)	2,598	5,276
Interest income	500	112	240	(260)	62	152
	<u>452,154</u>	<u>160,329</u>	<u>167,133</u>	<u>(285,021)</u>	<u>159,477</u>	<u>167,763</u>
Expenditures						
Bond Principal '16	195,000	-	-	195,000	-	-
Bond Interest '16	202,700	-	-	202,700	-	-
Trustee Fees	5,000	-	-	5,000	-	-
Legal Expenses	-	-	-	-	-	-
Treasurer Fees	6,293	2,354	2,415	3,878	2,352	2,435
Contingency	5,038	-	-	5,038	-	-
	<u>414,031</u>	<u>2,354</u>	<u>2,415</u>	<u>411,616</u>	<u>2,352</u>	<u>2,435</u>
Excess (deficiency) of revenues over expenditures	38,123	157,975	164,718	126,595	157,125	165,328
Fund balance - beginning	<u>250,207</u>	<u>231,658</u>	<u>224,915</u>	<u>(25,292)</u>	<u>186,527</u>	<u>178,324</u>
Fund balance - ending	<u>\$ 288,330</u>	<u>\$ 389,633</u>	<u>\$ 389,633</u>	<u>\$ 101,303</u>	<u>\$ 343,652</u>	<u>\$ 343,652</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 2 Months Ended February 28, 2019
Enterprise Fund
See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Prior Year</u>	
					Current <u>Month</u>	Year to <u>Date</u>
Revenues						
Golf Course Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Golf Packages	20,000	-	9,000	(11,000)	7,800	26,300
Cart Packages	-	-	-	-	-	-
Men's Club Redeemed	(400)	-	-	400	(211)	(811)
Premium Cards Redeemed	(8,000)	-	(345)	7,655	61	461
Tournaments	-	-	-	-	-	-
Cart Fees	225,000	-	2,612	(222,388)	2,352	6,160
Green Fees	600,000	9,216	15,595	(584,405)	23,133	32,445
Range ball fees	45,000	-	442	(44,558)	594	1,388
Club Rentals	-	-	-	-	-	-
Merchandise	30,500	-	150	(30,350)	451	851
Miscellaneous Income	7,000	-	15	(6,985)	327	358
Interest income	-	949	949	949	-	-
	<u>919,100</u>	<u>10,165</u>	<u>28,418</u>	<u>(890,682)</u>	<u>34,507</u>	<u>67,152</u>
Expenditures						
Golf Course operations	341,545	24,016	49,858	291,687	26,126	49,598
Administration Expenses	92,538	7,878	14,214	78,324	6,862	13,462
Grounds expense	424,691	29,718	53,802	370,889	19,086	40,647
	<u>858,774</u>	<u>61,612</u>	<u>117,874</u>	<u>740,900</u>	<u>52,074</u>	<u>103,707</u>
Excess (deficiency) of revenues over expenditures	60,326	(51,447)	(89,456)	(149,782)	(17,567)	(36,555)
Fund balance - beginning	<u>450,246</u>	<u>374,348</u>	<u>412,357</u>	<u>(37,889)</u>	<u>356,082</u>	<u>375,070</u>
Fund balance - ending	<u>\$ 510,572</u>	<u>\$ 322,901</u>	<u>\$ 322,901</u>	<u>\$ (187,671)</u>	<u>\$ 338,515</u>	<u>\$ 338,515</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 2019
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	\$ 18,000	\$ 4,904	\$ 5,367	\$ 12,633	\$ 7,170	\$ 7,468
Equipment lease	-	-	-	-	-	-
District Consultants	-	-	-	-	-	-
F&B Expenses promo	-	-	-	-	-	-
Tournament commissions	-	-	-	-	-	-
Tournament Expense	500	-	-	500	-	-
Wages and benefits	135,000	1,662	6,447	128,553	4,323	8,685
Business licenses and permits	-	-	-	-	-	-
Advertising	1,500	266	441	1,059	827	1,177
Bank Service charges	-	331	695	(695)	-	-
Credit Card Fees	18,000	-	-	18,000	603	977
Meals and entertainment	800	155	155	645	150	150
Charitable community relations	-	-	-	-	-	-
Club Rental Expense	500	-	-	500	-	-
Computer and internet expenses	2,000	-	-	2,000	-	-
Driving range supplies	4,000	-	27	3,973	3,902	3,902
Dues and subscriptions	250	-	150	100	-	-
Employee relations	300	25	25	275	15	15
Equipment facility rental	-	-	-	-	-	-
GHIN expense	800	-	200	600	200	200
Golf Club Repairs	-	-	-	-	-	-
Golf Cart Lease	67,800	10,534	15,418	52,382	4,875	9,450
Golf Lessons	500	-	-	500	-	-
Golf Cart Repairs	2,000	-	-	2,000	324	324
Janitorial expense	2,500	-	-	2,500	-	-
Laundry/Cleaning expense	-	-	-	-	-	-
Licenses/Permits/Fees	245	-	-	245	-	-
Insurance	9,000	-	9,668	(668)	-	8,626
Office Supplies/Expenses	2,200	-	150	2,050	14	198
Operating Supplies	8,000	650	650	7,350	-	1,015
Golf Supplies	-	-	-	-	-	-
Pest control	-	-	-	-	-	-
Postage and Delivery	-	-	-	-	-	-
Printing Stationary	-	-	-	-	-	-
Repairs/Maintenance	5,000	153	400	4,600	358	597
Training education	-	-	-	-	-	-
Trash removal	1,800	-	-	1,800	-	130
Utilities -electric	17,000	795	2,130	14,870	1,034	2,129
Utilities -gas	5,000	739	1,363	3,637	550	1,188
Utilities - water	6,000	316	607	5,393	336	664
Utilities telephone	5,000	183	367	4,633	367	543
Clubhouse Improvements	-	-	-	-	-	-
Security	12,700	332	544	12,156	78	160
Custodial Supplies	-	-	-	-	-	-
District Management	12,000	1,000	2,000	10,000	1,000	2,000
Travel/Mileage/Lodging	-	84	117	(117)	-	-
Miscellaneous expense	150	-	-	150	-	-
Building Maintenance	3,000	1,887	2,937	63	-	-
Costs Associated with 2nd Floor	-	-	-	-	-	-
Total Golf Course Operations	\$ 341,545	\$ 24,016	\$ 49,858	\$ 291,687	\$ 26,126	\$ 49,598

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Governmental Funds
Budget and Actual
For the 2 Months Ended February 28, 2019
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	\$ 10,000	\$ 1,528	\$ 1,528	\$ 8,472	\$ 500	\$ 500
Legal	4,000	-	-	4,000	-	1,313
Consulting fees	-	-	-	-	-	-
Wages and Benefits	78,338	6,344	12,671	65,667	6,357	11,638
Office operations	-	-	-	-	-	-
Travel/mileage/lodging	-	-	-	-	-	-
Miscellaneous	200	6	15	185	5	11
Total Administrative expenses	\$ 92,538	\$ 7,878	\$ 14,214	\$ 78,324	\$ 6,862	\$ 13,462
Grounds						
Golf course amenities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wages and benefits	221,391	14,608	29,921	191,470	14,352	26,423
Fuel Charges	7,500	1,233	3,219	4,281	-	-
Dues and subscriptions	500	-	710	(210)	-	575
Employee relations	100	-	-	100	-	-
Advertising	-	-	-	-	-	-
Utility - electric	69,000	847	289	68,711	1,065	2,154
Utility - gas	1,300	173	322	978	151	315
Utility - water/sewer	1,100	110	225	875	98	242
Utility - telephone	1,500	(971)	287	1,213	143	214
Trash Removal	4,000	508	1,040	2,960	436	641
Education/seminars	100	-	-	100	-	35
Computer/Internet	100	-	-	100	-	-
Operating Supplies	-	-	-	-	-	-
Chemicals	4,000	1,466	1,466	2,534	-	-
Equipment repairs/maintenance	7,000	209	389	6,611	397	397
Equipment rental	1,200	-	-	1,200	-	-
Fertilizer	13,000	-	-	13,000	-	-
Golf course supplies	1,500	-	56	1,444	122	133
Ground improvements	-	-	-	-	-	-
Cart Paths, Sand Traps, Trees	45,000	-	2,375	42,625	-	4,730
Seed, Sod	1,500	-	-	1,500	-	-
Landscaping	-	-	-	-	-	-
Licenses/Permits/Fees	300	-	-	300	-	-
Irrigation repairs	6,000	28	28	5,972	-	1,942
Amenities	2,500	433	433	2,067	1,277	1,277
Sand, soil, gravel	12,000	-	-	12,000	-	-
Sanitation rental	6,000	-	797	5,203	450	900
Professional Fees	2,000	-	-	2,000	-	-
Repairs/Maint/Shop	2,500	-	189	2,311	519	519
Security	1,000	74	148	852	76	150
Small tools and equipment	12,000	11,000	11,000	1,000	-	-
Tires/batteries	100	-	908	(808)	-	-
Training/Education	500	-	-	500	-	-
Landscape Maintenance	-	-	-	-	-	-
Total Grounds expense	\$ 424,691	\$ 29,718	\$ 53,802	\$ 370,889	\$ 19,086	\$ 40,647

Actual \$ (000)

2019 - YTD

Description	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Significant Operations Event	SNOW	SNOW											
Golf Rounds	370	0											370
No Play Days - Weather	25	28											53
Play Days	6	0											6
Avg \$ Rev per Round / Star	49.33	0.00											76.81
Avg \$ Profit per Round / Star	(102.73)	0.00											(241.77)
Revenue - Golf	18.3	10.2											28.4
Expenses													
Golf Course Operations	25.8	24.0											49.9
Administration	6.3	7.9											14.2
Grounds Operations	24.1	29.7											53.8
Total Expenses	56.3	61.6											117.9
P&L Excess / (Deficiency)	(38.0)	(51.4)											(89.5)

Key Expense Areas:

Payroll

Grounds Operations	15.3	14.6											29.9
Golf Course Operations	4.8	1.7											6.4
Administration	6.3	6.3											12.7
Total Payroll	26.4	22.6											49.0
% Payroll to Revenue	145%	222%											173%
% Payroll to Expenses	47%	37%											42%

Utilities

Golf Ops & Pro Shop	2.4	2.0											4.5
Grounds	1.0	0.2											1.1
Clubhouse Top Floor	8.0	10.7											18.7

Utilities/Gen Fund Prtn	8.0	10.7											18.7
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Clubhouse Maintenance/Improvements (Gen Fund):

1st Bldg Repair/Maintenance	0.0	0.2											0.2
2nd Bldg Repair/Maintenance	1.8	3.3											5.2

Capital Expenditures

														To Date
Grounds / Golf	0.0	0.0												2,625
Clubhouse	0.0	0.0												583
Golf Course	0.0	0.0												168
Restaurant - Noonan's	0.0	0.0												106
Total Cap Exp	0.0	0.0												3,482

District Fund Accounts

*\$75k Roof Ins Proceeds in GF

General Fund	30	30											
* Gen Fund (8/15 Roof Ins Proce	77	146											
Capital Fund	429	429											
Debit Service Fund	232	390											
Enterprise Fund	374	323											

TOTAL ALL FUNDS	1,141	1,318	0	0	0	0	0	0	0	0	0	0	0
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Total Funds less Dbt Svc	481	499	0	0	0	0	0	0	0	0	0	0	0
Must always be > \$100													

Bond Balance	6,005	6,005											
HR Foundation Bank	12.4	12.4											

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

(2019 GCatHR (Golf Ops) Budget \$919.1k Rev / \$858.8k Exp - 31k Rounds)