

**Heather Ridge Metropolitan District
Financial Statements**

May 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 May 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 five 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.

June 16, 2010

Heather Ridge Metropolitan District
 Balance Sheet - Governmental Funds and Account Groups
 May 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	\$ 22,551	\$ -	\$ -	\$ -	\$ -	\$ 22,551
Cash in US Bank	-	-	-	41,530	-	41,530
Cash in COLOTRUST	8,952	-	-	18,688	-	27,640
Petty Cash	-	-	-	3,200	-	3,200
Accounts receivable - taxes	24,234	-	65,326	-	-	89,560
Cash - Trustee	-	969,518	266,873	179,214	-	1,415,605
Golf Cart Deposit	-	3,600	-	-	-	3,600
Prepaid Expense	-	-	-	4,718	-	4,718
Deposit to INC	-	-	-	1,034	-	1,034
Receivable - Members	-	-	-	28,283	-	28,283
Receivable - Trade Accts	-	-	-	8,600	-	8,600
	<u>55,737</u>	<u>973,118</u>	<u>332,199</u>	<u>285,267</u>	<u>-</u>	<u>1,646,321</u>
Other assets						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fund	-	-	-	-	332,199	332,199
Amount to be provided for retirement of debt	-	-	-	-	4,862,801	4,862,801
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,317</u>	<u>8,341,317</u>
	<u>\$ 55,737</u>	<u>\$ 973,118</u>	<u>\$ 332,199</u>	<u>\$ 285,267</u>	<u>\$ 8,341,317</u>	<u>\$ 9,987,638</u>
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$ 6,649	\$ 36,604	\$ -	\$ 21,063	\$ -	\$ 64,316
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>6,649</u>	<u>67,908</u>	<u>-</u>	<u>26,510</u>	<u>5,195,000</u>	<u>5,296,067</u>
Fund Equity						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	49,088	905,210	332,199	258,757	-	1,545,254
	<u>49,088</u>	<u>905,210</u>	<u>332,199</u>	<u>258,757</u>	<u>3,146,317</u>	<u>4,691,571</u>
	<u>\$ 55,737</u>	<u>\$ 973,118</u>	<u>\$ 332,199</u>	<u>\$ 285,267</u>	<u>\$ 8,341,317</u>	<u>\$ 9,987,638</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 5 Months Ended May 31, 2010
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Property taxes	\$ 119,542	\$ 86,095	\$ (33,447)
Specific ownership taxes	9,563	3,191	(6,372)
Misc Income	-	429	429
Interest income	<u>150</u>	<u>51</u>	<u>(99)</u>
	<u>129,255</u>	<u>89,766</u>	<u>(39,489)</u>
Expenditures			
Audit/Accounting	15,000	10,282	4,718
Miscellaneous	100	471	(371)
Insurance	2,000	2,141	(141)
Legal	35,000	27,617	7,383
Treasurer's Fees	1,793	1,292	501
Election	1,000	-	1,000
Water Consultant Fee	-	-	-
Contingency	72,715	-	72,715
Emergency reserve	<u>1,647</u>	<u>-</u>	<u>1,647</u>
	<u>129,255</u>	<u>41,803</u>	<u>87,452</u>
Excess (deficiency) of revenues over expenditures	-	47,963	47,963
Fund balance - beginning	<u>-</u>	<u>1,125</u>	<u>1,125</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 49,088</u>	<u>\$ 49,088</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 5 Months Ended May 31, 2010
Capital Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Interest income	\$ -	\$ 1,153	\$ 1,153
	<u>-</u>	<u>1,153</u>	<u>1,153</u>
Expenditures			
Capital Improvements	1,443,612	11,624	1,431,988
Planning & Engineering	-	34,333	(34,333)
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	-	8,210	(8,210)
Perimeter Fence	-	11,252	(11,252)
Website Development	-	2,291	(2,291)
Logo Design	-	-	-
Golf Course Upgrades	-	778	(778)
Heating & Air	-	64,895	(64,895)
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>504,357</u>	<u>939,255</u>
Excess (deficiency) of revenues over expenditures	(1,443,612)	(503,204)	940,408
Fund balance - beginning	<u>1,443,612</u>	<u>1,408,414</u>	<u>(35,198)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 905,210</u>	<u>\$ 905,210</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 5 Months Ended May 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	\$ 232,019	\$ (90,224)
Specific ownership taxes	12,890	8,602	(4,288)
Interest income	975	173	(802)
	<u>336,108</u>	<u>240,794</u>	<u>(95,314)</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	3,481	1,353
Contingency	-	-	-
	<u>326,953</u>	<u>95,938</u>	<u>231,015</u>
Excess (deficiency) of revenues over expenditures	9,155	144,856	135,701
Fund balance - beginning	<u>190,638</u>	<u>187,343</u>	<u>(3,295)</u>
Fund balance - ending	<u>\$ 199,793</u>	<u>\$ 332,199</u>	<u>\$ 132,406</u>

Heather Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance Budgetary Basis
Enterprise Funds
Budget and Actual
For the 5 Months Ended May 31, 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	-	7,650	71,649	71,649
Cart Packages	-	700	9,850	9,850
Tournaments	-	9,488	11,288	11,288
Cart Fees	-	19,097	32,323	32,323
Green Fees	-	41,399	95,722	95,722
Range fees	-	3,254	5,705	5,705
Merchandise	-	3,917	8,022	8,022
Rent - Restaurant	-	6,750	30,750	30,750
Miscellaneous Income	-	3,323	4,192	4,192
Interest income	-	33	182	182
	<u>951,000</u>	<u>95,611</u>	<u>269,683</u>	<u>(681,317)</u>
Expenditures				
Golf Course Expenses	859,000	-	-	859,000
Golf Cart Lease	-	4,380	19,260	(19,260)
Golf Pro	-	3,500	17,500	(17,500)
Golf Pro-Merchandise	-	-	4,156	(4,156)
Landscape Maintenance	-	5,750	8,000	(8,000)
Repairs/Maintenance	-	4,798	8,425	(8,425)
Golf Supplies	-	702	7,494	(7,494)
Fuel Charges	-	1,769	4,809	(4,809)
Golf Cart Repairs	-	44	404	(404)
Security	-	222	1,205	(1,205)
Credit Card Fees	-	870	6,763	(6,763)
Accounting	-	840	7,305	(7,305)
Golf Operations	-	6,709	6,709	(6,709)
Golf Course operations	-	12,730	76,120	(76,120)
Golf shop operations	-	18,002	50,048	(50,048)
Office operations	-	8,472	41,591	(41,591)
District management	-	5,000	25,000	(25,000)
District Consultants	-	2,000	11,000	(11,000)
Insurance	-	337	8,034	(8,034)
Legal	-	990	8,576	(8,576)
Office Supplies/Expenses	-	2,447	9,152	(9,152)
Advertising	-	1,641	9,782	(9,782)
Custodial Supplies	-	260	2,579	(2,579)
Utilities-Clubhouse	-	8,690	41,603	(41,603)
Utilities-Grounds	-	2,633	13,252	(13,252)
Software Maintenance	-	385	770	(770)
Miscellaneous	41,000	4,107	17,006	23,994
	<u>900,000</u>	<u>97,278</u>	<u>406,543</u>	<u>493,457</u>
Excess (deficiency) of revenues over expenditures	51,000	(1,667)	(136,860)	(187,860)
Fund balance - beginning	259,750	260,424	395,617	135,867
Fund balance - ending	<u>\$ 310,750</u>	<u>\$ 258,757</u>	<u>\$ 258,757</u>	<u>\$ (51,993)</u>