

**Heather Ridge Metropolitan District  
Financial Statements**

**April 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 April 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 four 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 2, 2010

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

See Accountant's Compilation Report

	General Fund	Capital Fund	Debt Service Fund	Enterprise Fund	Account Groups	Total All Funds
<b>Assets</b>						
<b>Current assets</b>						
Cash in checking	\$ 8,193	\$ -	\$ -	\$ 7,013	\$ -	\$ 15,206
Cash in US Bank	-	-	-	37,735	-	37,735
Cash in COLOTRUST	18,520	-	54,859	-	-	73,379
Petty Cash	-	-	-	3,200	-	3,200
Accounts receivable - taxes	9,113	-	24,513	-	-	33,626
Cash - Trustee	-	1,007,094	187,467	206,179	-	1,400,740
Golf Cart Deposit	-	3,600	-	-	-	3,600
Prepaid Expense	-	-	-	222	-	222
Receivable - Members	-	-	-	28,726	-	28,726
Receivable - Trade Accts	-	-	-	8,600	-	8,600
	<u>35,826</u>	<u>1,010,694</u>	<u>266,839</u>	<u>291,675</u>	<u>-</u>	<u>1,605,034</u>
<b>Other assets</b>						
Improvements	-	-	-	-	3,146,317	3,146,317
Amount available in debt service fund	-	-	-	-	266,839	266,839
Amount to be provided for retirement of debt	-	-	-	-	4,928,161	4,928,161
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,317</u>	<u>8,341,317</u>
	<u>\$ 35,826</u>	<u>\$ 1,010,694</u>	<u>\$ 266,839</u>	<u>\$ 291,675</u>	<u>\$ 8,341,317</u>	<u>\$ 9,946,351</u>
<b>Liabilities and Equity</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 4,270	\$ 23,983	\$ -	\$ 12,591	\$ -	\$ 40,844
Retainage Payable	-	31,304	-	-	-	31,304
Payable to HRCC	-	-	-	5,447	-	5,447
Payable to INC	-	-	-	13,213	-	13,213
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,213</u>	<u>-</u>	<u>13,213</u>
<b>Long Term Liabilities</b>						
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>
<b>Total Liabilities</b>	<u>4,270</u>	<u>55,287</u>	<u>-</u>	<u>31,251</u>	<u>5,195,000</u>	<u>5,285,808</u>
<b>Fund Equity</b>						
Investment in improvements	-	-	-	-	3,146,317	3,146,317
Fund balance	31,556	955,407	266,839	260,424	-	1,514,226
	<u>31,556</u>	<u>955,407</u>	<u>266,839</u>	<u>260,424</u>	<u>3,146,317</u>	<u>4,660,543</u>
	<u>\$ 35,826</u>	<u>\$ 1,010,694</u>	<u>\$ 266,839</u>	<u>\$ 291,675</u>	<u>\$ 8,341,317</u>	<u>\$ 9,946,351</u>

Heather Ridge Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
Budget and Actual  
For the 4 Months Ended April 30, 2010  
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 119,542	\$ 61,996	\$ (57,546)
Specific ownership taxes	9,563	2,697	(6,866)
Misc Income	-	429	429
Interest income	150	41	(109)
	<u>129,255</u>	<u>65,163</u>	<u>(64,092)</u>
<b>Expenditures</b>			
Audit/Accounting	15,000	6,622	8,378
Miscellaneous	100	411	(311)
Insurance	2,000	2,141	(141)
Legal	35,000	24,628	10,372
Treasurer's Fees	1,793	930	863
Election	1,000	-	1,000
Water Consultant Fee	-	-	-
Contingency	72,715	-	72,715
Emergency reserve	1,647	-	1,647
	<u>129,255</u>	<u>34,732</u>	<u>94,523</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	30,431	30,431
<b>Fund balance - beginning</b>	<u>-</u>	<u>1,125</u>	<u>1,125</u>
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ 31,556</u>	<u>\$ 31,556</u>

**Heather Ridge Metropolitan District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Budget and Actual**  
**For the 4 Months Ended April 30, 2010**  
**Capital Fund**

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest income	\$ -	\$ 947	\$ 947
	<u>-</u>	<u>947</u>	<u>947</u>
<b>Expenditures</b>			
Capital Improvements	1,443,612	10,400	1,433,212
Planning & Engineering	-	19,645	(19,645)
Permits	-	100	(100)
Wells	-	328,223	(328,223)
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)
Golf Course Upgrades	-	778	(778)
Heating & Air	-	41,007	(41,007)
Computer Equipment	-	5,093	(5,093)
Golf Landscape Maintenance	-	17,854	(17,854)
Clubhouse Improvements	-	3,991	(3,991)
Legal	-	116	(116)
Miscellaneous	-	432	(432)
	<u>1,443,612</u>	<u>453,954</u>	<u>989,658</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(1,443,612)	(453,007)	990,605
<b>Fund balance - beginning</b>	<u>1,443,612</u>	<u>1,408,414</u>	<u>(35,198)</u>
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ 955,407</u>	<u>\$ 955,407</u>

**Heather Ridge Metropolitan District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Budget and Actual**  
**For the 4 Months Ended April 30, 2010**  
**Debt Fund**

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 322,243	\$ 167,056	\$ (155,187)
Specific ownership taxes	12,890	7,271	(5,619)
Interest income	975	132	(843)
	<u>336,108</u>	<u>174,459</u>	<u>(161,649)</u>
<b>Expenditures</b>			
Bond Principal	90,000	-	90,000
Bond Interest	229,619	92,457	137,162
Trustee Fees	2,500	-	2,500
Treasurer Fees	4,834	2,506	2,328
Contingency	-	-	-
	<u>326,953</u>	<u>94,963</u>	<u>231,990</u>
<b>Excess (deficiency) of revenues over expenditures</b>	9,155	79,496	70,341
<b>Fund balance - beginning</b>	<u>190,638</u>	<u>187,343</u>	<u>(3,295)</u>
<b>Fund balance - ending</b>	<u>\$ 199,793</u>	<u>\$ 266,839</u>	<u>\$ 67,046</u>

Heather Ridge Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
Budget and Actual  
For the 4 Months Ended April 30, 2010  
Enterprise Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues</b>			
Golf Course Revenue	\$ 951,000	\$ -	(951,000)
Golf Packages	-	63,999	(63,999)
Cart Packages	-	9,150	(9,150)
Tournaments	-	1,800	(1,800)
Cart Fees	-	13,226	(13,226)
Green Fees	-	54,323	(54,323)
Range fees	-	2,451	(2,451)
Merchandise	-	4,105	(4,105)
Rent - Restaurant	-	24,000	(24,000)
Miscellaneous Income	-	869	(869)
Interest income	-	149	149
	<u>951,000</u>	<u>174,072</u>	<u>(1,124,774)</u>
<b>Expenditures</b>			
Golf Course Expenses	859,000	-	859,000
Golf Cart Lease	-	14,880	(14,880)
Golf Pro	-	14,000	(14,000)
Golf Pro-Merchandise	-	4,156	(4,156)
Landscape Maintenance	-	2,250	(2,250)
Repairs/Maintenance	-	3,627	(3,627)
Golf Supplies	-	6,792	(6,792)
Fuel Charges	-	3,040	(3,040)
Golf Cart Repairs	-	360	(360)
Security	-	983	(983)
Credit Card Fees	-	5,893	(5,893)
Accounting	-	6,465	(6,465)
Golf Course operations	-	63,390	(63,390)
Golf shop operations	-	32,046	(32,046)
Office operations	-	33,119	(33,119)
District managemetn	-	20,000	(20,000)
District Consultants	-	9,000	(9,000)
Insurance	-	7,697	(7,697)
Legal	-	7,586	(7,586)
Office Supplies/Expenses	-	7,097	(7,097)
Advertising	-	13,018	(13,018)
Custodial Supplies	-	2,319	(2,319)
Utilities	-	43,532	(43,532)
Software Maintenance	-	385	(385)
Miscellaneous	41,000	7,630	33,370
	<u>900,000</u>	<u>309,265</u>	<u>590,735</u>
Excess (deficiency) of revenues over expenditures	51,000	(135,193)	(534,039)
Fund balance - beginning	<u>259,750</u>	<u>395,617</u>	<u>135,867</u>
Fund balance - ending	<u>\$ 310,750</u>	<u>\$ 260,424</u>	<u>\$ (398,172)</u>