

Sierra Ridge Metropolitan District #1  
Financial Statements

May 31, 2023

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Sierra Ridge Metropolitan District #1

Management is responsible for the accompanying financial statements of each major fund of Sierra Ridge Metropolitan District #1, as of and for the period ended May 31, 2023, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the five 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, 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 Sierra Ridge Metropolitan District #1 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

June 23, 2023  
Englewood, Colorado

Sierra Ridge Metropolitan District #1  
Balance Sheet - Governmental Funds and Account Groups  
May 31, 2023

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets				
Current assets				
Cash in checking	\$ 375,969	\$ -	\$ -	\$ 375,969
Cash - HOA	52,789	-	-	52,789
Colostrust	196,922	-	-	196,922
Accounts Receivable/Mgmt Receivable District #2	35,883	-	-	35,883
	739,618	-	-	739,618
	1,401,181	-	-	1,401,181
Other assets				
Improvements	-	-	8,481,516	8,481,516
Amount to be provided for retirement of debt	-	-	3,349,753	3,349,753
	-	-	11,831,269	11,831,269
	\$ 1,401,181	\$ -	\$ 11,831,269	\$ 13,232,450
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 105,913	\$ -	\$ -	\$ 105,913
Prepaid Assessments	53,861	-	-	53,861
	159,774	-	-	159,774
Interest payable	-	-	1,042,373	1,042,373
Note Payable	-	-	2,307,380	2,307,380
	159,774	-	3,349,753	3,509,527
Fund Equity				
Investment in fixed assets	-	-	8,481,516	8,481,516
Fund balance (deficit)	1,241,407	-	-	1,241,407
	1,241,407	-	8,481,516	9,722,923
	\$ 1,401,181	\$ -	\$ 11,831,269	\$ 13,232,450

Sierra Ridge Metropolitan District #1  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Five Months Ended May 31, 2023  
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual Month</u>	<u>Actual Year to Date</u>	<u>YTD Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Transfer from District 2	\$ 852,175	\$ 82,638	574,090	\$ (278,085)
District Fee	680,478	500	341,125	(339,353)
Working Capital Fee	32,500	3,250	9,750	(22,750)
Miscellaneous/Water Reimbursement	25,000	-	-	(25,000)
Misc Income - Late Fees	13,000	405	4,262	(8,738)
Misc Income - Homeowner Interest	4,000	303	1,715	(2,285)
Misc Income - Clubhouse Rental/Billback	10,000	1,875	4,700	(5,300)
Misc Income - Fines/Fees	15,000	2,975	4,375	(10,625)
Misc Income - Legal Fees	595	-	-	(595)
Misc Income - Credit Cards/Fees	150	22	142	(8)
Other Income	-	-	974	974
Interest Income	1,200	859	3,925	2,725
	<u>1,634,098</u>	<u>92,827</u>	<u>945,058</u>	<u>(689,040)</u>
<b>Expenditures</b>				
Operating Expenditures:				
Accounting and auditing	44,500	2,474	13,527	30,973
Legal	85,800	5,573	34,741	51,059
Election	50,000	18,350	33,424	16,576
Insurance	26,469	-	31,025	(4,556)
Miscellaneous expense	225	3	51	174
Director's Fees	9,600	700	3,500	6,100
Developer repayment	-	305,085	305,085	(305,085)
Administrative Costs	167,105	13,113	61,056	106,049
Common Area	623,931	27,846	101,019	522,912
Common Area Utilities	376,454	27,565	88,093	288,361
Clubhouse	132,689	23,359	56,527	76,162
Planning & Engineering	45,000	-	1,831	43,169
Subtotal	<u>1,561,773</u>	<u>424,068</u>	<u>729,879</u>	<u>831,894</u>
Reserves and Contingencies:				
Reserve	641,887	-	-	641,887
Emergency reserve	46,853	-	-	46,853
Contingency	<u>374,367</u>	<u>-</u>	<u>-</u>	<u>374,367</u>
Total Expenditures	<u>2,624,880</u>	<u>424,068</u>	<u>729,879</u>	<u>1,895,001</u>
Excess (deficiency) of revenues over expenditures	(990,782)	(331,241)	215,179	1,205,961
Fund balance - beginning	<u>990,782</u>	<u>1,572,648</u>	<u>1,026,228</u>	<u>35,446</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,241,407</u>	<u>\$ 1,241,407</u>	<u>\$ 1,241,407</u>

Sierra Ridge Metropolitan District #1  
 Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
 Budget and Actual  
 For the Five Months Ended May 31, 2023  
 Capital Projects Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual Month</u>	<u>Actual Year to Date</u>	<u>YTD Variance Favorable (Unfavorable)</u>
Revenues:				
Developer Advance	\$ -	\$ -	\$ -	\$ -
Transfer from District 2	<u>2,945,350</u>	<u>-</u>	<u>-</u>	<u>(2,945,350)</u>
Total revenues	<u>2,945,350</u>	<u>-</u>	<u>-</u>	<u>(2,945,350)</u>
Expenditures:				
Capital Expenditures	<u>2,945,350</u>	<u>-</u>	<u>-</u>	<u>2,945,350</u>
Total expenditures	<u>2,945,350</u>	<u>-</u>	<u>-</u>	<u>2,945,350</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sierra Ridge Metropolitan District #1  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Five Months Ended May 31, 2023  
Operations & Maintenance Details

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual <u>Month</u>	Actual <u>Year to Date</u>	YTD Variance Favorable <u>(Unfavorable)</u>
<b>Administrative Expense</b>				
Collections	\$ 12,000	\$ 1,505	4,405	\$ 7,595
Communication - Newsletter/message boards	2,000	280	613	1,387
Administrative (Posting Printing)	5,500	225	1,087	4,413
Misc Administrative	3,500	1,078	2,329	1,171
Management Fees	120,305	10,025	50,127	70,178
Community Events	23,500	-	2,495	21,005
Meeting Expense	300	-	-	300
<b>Total Administrative</b>	<u>\$ 167,105</u>	<u>\$ 13,113</u>	<u>\$ 61,056</u>	<u>\$ 106,049</u>
<b>Common Area</b>				
Fence/Wall Repairs 1A	\$ 500	\$ -	-	\$ 500
Fence/Wall Repairs 1B	500	-	-	500
Fence/Wall Repairs Filing 2	500	-	-	500
Fence/Wall Repairs Filing 3	500	-	-	500
Irrigation Repairs 1A	10,700	417	586	10,114
Irrigation Repairs 1B	10,800	1,110	1,888	8,912
Irrigation Repairs Park/Pool	15,200	2,276	2,793	12,407
Irrigation Repairs Filing 2	6,900	1,234	1,602	5,298
Irrigation Repairs Filing 3	14,900	-	-	14,900
Landscape Maintenance 1A	46,140	-	11,535	34,605
Landscape Maintenance 1B	44,440	-	11,110	33,330
Landscape Maintenance Park/Pool	43,670	-	10,918	32,752
Landscape Maintenance Filing 2	27,350	-	6,883	20,467
Landscape Maintenance Filing 3	47,290	-	-	47,290
Landscape Repairs/Improvements	134,258	800	15,206	119,052
Landscape/Misc/Extras	-	1,037	1,037	(1,037)
Backflow Testing	1,500	-	-	1,500
Backflow Repairs	3,000	-	-	3,000
Winter Watering 1A	3,881	-	-	3,881
Winter Watering 1B	3,234	-	-	3,234
Winter Watering Park/pool	3,396	-	-	3,396
Winter Watering Filing 2	1,617	-	-	1,617
Winter Watering Filing 3	4,528	-	-	4,528
Insect Control 1A	5,133	2,236	2,236	2,897
Insect Control 1B	3,451	1,037	1,037	2,414
Insect Control Park/Pool	4,026	-	-	4,026
Insect Control Filing 2	1,363	-	-	1,363
Insect Control Filing 3	6,130	-	-	6,130
Pet Stations	9,500	-	2,841	6,659
Snow Removal	25,000	-	11,525	13,475
Tree Wrap 1A	2,928	-	-	2,928
Tree Wrap 1B	2,753	-	-	2,753
Tree Wrap Park/Pool	4,861	-	-	4,861
Tree Wrap Filing 2	1,171	-	-	1,171
Tree Wrap Filing 3	3,953	-	-	3,953
Native Maintenance/Replanting 1A	15,000	974	974	14,026
Native Maintenance/Replanting 1B	4,000	-	-	4,000
Native Maintenance/Replanting Pool Park A	10,000	-	-	10,000
Native Maintenance/Replanting Filing 2	3,000	-	-	3,000
Native Maintenance/Replanting Filing 3	10,000	-	-	10,000
Flowers	18,500	16,725	16,725	1,775
Mulch top dress	31,098	-	-	31,098
Holiday Lights	30,000	-	-	30,000
Flag Installation	1,260	-	1,260	-
Common Area Lights	2,000	-	-	2,000
Miscellaneous	4,000	-	863	3,137
<b>Total Common Area</b>	<u>\$ 623,931</u>	<u>\$ 27,846</u>	<u>\$ 101,019</u>	<u>\$ 522,912</u>

Sierra Ridge Metropolitan District #1  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Five Months Ended May 31, 2023  
Operations & Maintenance Details

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual <u>Month</u>	Actual <u>Year to Date</u>	YTD Variance Favorable <u>(Unfavorable)</u>
<b>Common Area Utilities</b>				
Water/Sewer 1A	\$ 50,000	\$ 5,158	8,482	\$ 41,518
Water/Sewer 1B	42,000	1,984	5,060	36,940
Water/Sewer Park/Pool	86,000	7,756	14,725	71,275
Water/Sewer Filing 2	7,750	359	721	7,029
Water/Sewer Filing 3	50,000	-	-	50,000
Gas/Electric	1,450	95	641	809
Trash Removal	<u>139,254</u>	<u>12,213</u>	<u>58,464</u>	<u>80,790</u>
Total Common Area Utilities	<u>\$ 376,454</u>	<u>\$ 27,565</u>	<u>\$ 88,093</u>	<u>\$ 288,361</u>
<b>Clubhouse</b>				
Access Cards	\$ 600	-	-	\$ 600
Surveillance System Monitoring	1,080	720	1,320	(240)
Internet/Cable	1,656	148	740	916
Cleaning	8,500	750	2,700	5,800
Gas/Electric	15,250	1,092	3,323	11,927
HVAC Maintenance	1,500	-	-	1,500
Pool Maintenance/Lifeguards	70,560	18,000	38,000	32,560
Pool Supplies	7,000	-	3,793	3,207
Storage & Moving Pool Furniture	8,518	592	2,960	5,558
Furniture	5,000	-	-	5,000
Clubhouse/Furnishings/Signs/Cameras	1,500	-	180	1,320
Maintenance (Plumbing/lights/general)	5,000	1,266	1,341	3,659
Pest Control	800	200	400	400
Water/Sewer	<u>5,725</u>	<u>591</u>	<u>1,770</u>	<u>3,955</u>
Total Clubhouse expense	<u>\$ 132,689</u>	<u>\$ 23,359</u>	<u>\$ 56,527</u>	<u>\$ 76,162</u>

Sierra Ridge Metropolitan District #2  
Financial Statements

May 31, 2023



ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Sierra Ridge Metropolitan District #2

Management is responsible for the accompanying financial statements of each major fund of Sierra Ridge Metropolitan District #2, as of and for the period ended May 31, 2023, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the five 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.

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We are not independent with respect to Sierra Ridge Metropolitan District #2 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

June 22, 2023  
Englewood, Colorado

Sierra Ridge Metropolitan District #2  
Balance Sheet - Governmental Funds and Account Groups  
May 31, 2023

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
<b>Assets</b>					
Current assets					
Colotrust	\$ 672,995	\$ 2,945,350	\$ 96,626	\$ -	\$ 3,714,971
Vectra Bank	301	-	-	-	301
Cash with Trustee	-	-	1,024,388	-	1,024,388
Taxes receivable	66,433	-	116,258	-	182,691
	<u>739,729</u>	<u>2,945,350</u>	<u>1,237,272</u>	<u>-</u>	<u>4,922,351</u>
Other assets					
Amount available in debt service fund	-	-	-	1,237,272	1,237,272
Amount to be provided for retirement of debt	-	-	-	23,277,728	23,277,728
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>24,515,000</u>
	<u>\$ 739,729</u>	<u>\$ 2,945,350</u>	<u>\$ 1,237,272</u>	<u>\$ 24,515,000</u>	<u>\$ 29,437,351</u>
<b>Liabilities and Equity</b>					
Current liabilities					
Payable to District #1	\$ 739,618	\$ -	\$ -	\$ -	\$ 739,618
Other Liabilities	111	-	-	-	111
Total current liabilities	<u>739,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,729</u>
GO Bonds Srs 2022	-	-	-	24,515,000	24,515,000
Total liabilities	<u>739,729</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>25,254,729</u>
Fund Equity					
Fund balance (deficit)	-	2,945,350	1,237,272	-	4,182,622
	<u>-</u>	<u>2,945,350</u>	<u>1,237,272</u>	<u>-</u>	<u>29,437,351</u>
	<u>\$ 739,729</u>	<u>\$ 2,945,350</u>	<u>\$ 1,237,272</u>	<u>\$ 24,515,000</u>	<u>\$ 29,437,351</u>

Sierra Ridge Metropolitan District #2  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Five Months Ended May 31, 2023  
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual Month</u>	<u>Actual Year to Date</u>	<u>YTD Variance Favorable (Unfavorable)</u>
Revenues				
Property taxes	\$ 776,167	\$ 60,771	\$ 477,114	\$ (299,053)
Specific ownership taxes	38,000	6,553	30,109	(7,891)
Interest Income	50,000	16,226	74,034	24,034
	<u>864,167</u>	<u>83,550</u>	<u>581,257</u>	<u>(282,910)</u>
Expenditures				
Miscellaneous	-	-	10	(10)
Treasurer's fees	11,643	912	7,157	4,486
Emergency reserve (3%)	349	-	-	349
Transfer to District #1	852,175	82,638	574,090	278,085
	<u>864,167</u>	<u>83,550</u>	<u>581,257</u>	<u>282,910</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sierra Ridge Metropolitan District #2  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Five Months Ended May 31, 2023  
Capital Projects Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual Month</u>	<u>Actual Year to Date</u>	<u>YTD Variance Favorable (Unfavorable)</u>
Revenues:				
System Development Fees	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Transfer to District #1	<u>2,945,350</u>	<u>-</u>	<u>-</u>	<u>2,945,350</u>
Total expenditures	<u>2,945,350</u>	<u>-</u>	<u>-</u>	<u>2,945,350</u>
Excess (deficiency) of revenues over expenditures	(2,945,350)	-	-	2,945,350
Fund balance - beginning	<u>2,945,350</u>	<u>2,945,350</u>	<u>2,945,350</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,945,350</u>	<u>\$ 2,945,350</u>	<u>\$ 2,945,350</u>

Sierra Ridge Metropolitan District #2  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Five Months Ended May 31, 2023  
Debt Service Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual Month</u>	<u>Actual Year to Date</u>	<u>YTD Variance Favorable (Unfavorable)</u>
Revenues:				
Property taxes	\$ 1,358,292	\$ 106,349	\$ 834,949	\$ (523,343)
Specific ownership taxes	81,498	11,468	52,691	(28,807)
Interest Income	<u>6,000</u>	<u>4,407</u>	<u>12,244</u>	<u>6,244</u>
Total revenues	<u>1,445,790</u>	<u>122,224</u>	<u>899,884</u>	<u>(545,906)</u>
Expenditures:				
Interest Expense 2022 Ref Bonds	980,600	-	-	980,600
Bond Principal 2022 Ref Bonds	475,000	-	-	475,000
Treasurer fees	20,374	1,596	12,525	7,849
Trustee/paying agent fees	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total expenditures	<u>1,479,974</u>	<u>1,596</u>	<u>16,525</u>	<u>1,463,449</u>
Excess (deficiency) of revenues over expenditures	(34,184)	120,628	883,359	917,543
Fund balance - beginning	<u>326,845</u>	<u>1,116,644</u>	<u>353,913</u>	<u>27,068</u>
Fund balance - ending	<u>\$ 292,661</u>	<u>\$ 1,237,272</u>	<u>\$ 1,237,272</u>	<u>\$ 944,611</u>