

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 April 30, 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 four 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.

May 19, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #1
Balance Sheet - Governmental Funds and Account Groups
April 30, 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 | \$ 336,017 | \$ - | \$ - | \$ 336,017 |
| Cash - HOA | 15,167 | - | - | 15,167 |
| Colostrust | 196,063 | - | - | 196,063 |
| Deposits in Transit | 150,000 | - | - | 150,000 |
| Developer Receivable/Warranty Work | 14,474 | - | - | 14,474 |
| Accounts Receivable/Mgmt | 51,070 | - | - | 51,070 |
| Receivable District #2 | 656,980 | - | - | 656,980 |
| Developer Receivable | 290,611 | - | - | 290,611 |
| | <u>1,710,382</u> | <u>-</u> | <u>-</u> | <u>1,710,382</u> |
| Other assets | | | | |
| Improvements | - | - | 8,481,516 | 8,481,516 |
| Amount to be provided for retirement of debt | - | - | 3,640,140 | 3,640,140 |
| | <u>-</u> | <u>-</u> | <u>12,121,656</u> | <u>12,121,656</u> |
| | <u>\$ 1,710,382</u> | <u>\$ -</u> | <u>\$ 12,121,656</u> | <u>\$ 13,832,038</u> |
| Liabilities and Equity | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 96,978 | \$ - | \$ - | \$ 96,978 |
| Prepaid Assessments | 40,756 | - | - | 40,756 |
| | 137,734 | - | - | 137,734 |
| Interest payable | - | - | 1,332,760 | 1,332,760 |
| Note Payable | - | - | 2,307,380 | 2,307,380 |
| | <u>137,734</u> | <u>-</u> | <u>3,640,140</u> | <u>3,777,874</u> |
| Fund Equity | | | | |
| Investment in fixed assets | - | - | 8,481,516 | 8,481,516 |
| Fund balance (deficit) | 1,572,648 | - | - | 1,572,648 |
| | <u>1,572,648</u> | <u>-</u> | <u>8,481,516</u> | <u>10,054,164</u> |
| | <u>\$ 1,710,382</u> | <u>\$ -</u> | <u>\$ 12,121,656</u> | <u>\$ 13,832,038</u> |

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Four Months Ended April 30, 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 | | | | |
| Transfer from District 2 | \$ 852,175 | \$ 59,678 | 491,452 | \$ (360,723) |
| District Fee | 680,478 | 169,812 | 340,625 | (339,853) |
| Working Capital Fee | 32,500 | 1,300 | 6,500 | (26,000) |
| Miscellaneous/Water Reimbursement | 25,000 | - | - | (25,000) |
| Misc Income - Late Fees | 13,000 | 1,575 | 3,857 | (9,143) |
| Misc Income - Homeowner Interest | 4,000 | 453 | 1,412 | (2,588) |
| Misc Income - Clubhouse Rental/Billback | 10,000 | - | 2,825 | (7,175) |
| Misc Income - Fines/Fees | 15,000 | 750 | 1,400 | (13,600) |
| Misc Income - Legal Fees | 595 | - | - | (595) |
| Misc Income - Credit Cards/Fees | 150 | 27 | 120 | (30) |
| Other Income | - | 974 | 974 | 974 |
| Interest Income | 1,200 | 808 | 3,066 | 1,866 |
| | <u>1,634,098</u> | <u>235,377</u> | <u>852,231</u> | <u>(781,867)</u> |
| Expenditures | | | | |
| Operating Expenditures: | | | | |
| Accounting and auditing | 44,500 | 1,765 | 11,053 | 33,447 |
| Legal | 85,800 | 5,685 | 29,168 | 56,632 |
| Election | 50,000 | 3,882 | 15,074 | 34,926 |
| Insurance | 26,469 | - | 31,025 | (4,556) |
| Miscellaneous expense | 225 | 26 | 48 | 177 |
| Director's Fees | 9,600 | 700 | 2,800 | 6,800 |
| Administrative Costs | 167,105 | 12,421 | 47,943 | 119,162 |
| Common Area | 623,931 | 18,688 | 73,173 | 550,758 |
| Common Area Utilities | 376,454 | 17,707 | 60,528 | 315,926 |
| Clubhouse | 132,689 | 21,855 | 33,168 | 99,521 |
| Planning & Engineering | 45,000 | 261 | 1,831 | 43,169 |
| Subtotal | <u>1,561,773</u> | <u>82,990</u> | <u>305,811</u> | <u>1,255,962</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>82,990</u> | <u>305,811</u> | <u>2,319,069</u> |
| Excess (deficiency) of revenues over expenditures | (990,782) | 152,387 | 546,420 | 1,537,202 |
| Fund balance - beginning | <u>990,782</u> | <u>1,420,261</u> | <u>1,026,228</u> | <u>35,446</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 1,572,648</u> | <u>\$ 1,572,648</u> | <u>\$ 1,572,648</u> |

Sierra Ridge Metropolitan District #1
 Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
 Budget and Actual
 For the Four Months Ended April 30, 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 Four Months Ended April 30, 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 (Unfavorable) |
|---|-------------------------|------------------------|-------------------------------|--|
| Administrative Expense | | | | |
| Collections | \$ 12,000 | \$ 350 | 2,900 | \$ 9,100 |
| Communication - Newsletter/message boards | 2,000 | 270 | 333 | 1,667 |
| Administrative (Posting Printing) | 5,500 | 89 | 862 | 4,638 |
| Misc Administrative | 3,500 | 38 | 1,251 | 2,249 |
| Management Fees | 120,305 | 10,026 | 40,102 | 80,203 |
| Community Events | 23,500 | 1,648 | 2,495 | 21,005 |
| Meeting Expense | 300 | - | - | 300 |
| Total Administrative | \$ 167,105 | \$ 12,421 | \$ 47,943 | \$ 119,162 |
| Common Area | | | | |
| 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 | 169 | 169 | 10,531 |
| Irrigation Repairs 1B | 10,800 | 778 | 778 | 10,022 |
| Irrigation Repairs Park/Pool | 15,200 | 517 | 517 | 14,683 |
| Irrigation Repairs Filing 2 | 6,900 | 368 | 368 | 6,532 |
| Irrigation Repairs Filing 3 | 14,900 | - | - | 14,900 |
| Landscape Maintenance 1A | 46,140 | 4,614 | 11,535 | 34,605 |
| Landscape Maintenance 1B | 44,440 | 4,444 | 11,110 | 33,330 |
| Landscape Maintenance Park/Pool | 43,670 | 4,367 | 10,918 | 32,752 |
| Landscape Maintenance Filing 2 | 27,350 | 2,754 | 6,883 | 20,467 |
| Landscape Maintenance Filing 3 | 47,290 | - | - | 47,290 |
| Landscape Repairs/Improvements | 134,258 | - | 14,406 | 119,852 |
| 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 | - | - | 5,133 |
| Insect Control 1B | 3,451 | - | - | 3,451 |
| 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 | 677 | 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 | - | - | 15,000 |
| 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 | - | - | 18,500 |
| 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 |
| Total Common Area | \$ 623,931 | \$ 18,688 | \$ 73,173 | \$ 550,758 |

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Four Months Ended April 30, 2023
Operations & Maintenance Details

See Accountant's Compilation Report

| | <u>Annual</u> | <u>Actual</u> | <u>Actual</u> | <u>YTD Variance</u> |
|---------------------------------------|-------------------|------------------|---------------------|--|
| | <u>Budget</u> | <u>Month</u> | <u>Year to Date</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| Common Area Utilities | | | | |
| Water/Sewer 1A | \$ 50,000 | \$ 1,133 | 3,324 | \$ 46,676 |
| Water/Sewer 1B | 42,000 | 1,511 | 3,076 | 38,924 |
| Water/Sewer Park/Pool | 86,000 | 2,587 | 6,969 | 79,031 |
| Water/Sewer Filing 2 | 7,750 | 153 | 362 | 7,388 |
| Water/Sewer Filing 3 | 50,000 | - | - | 50,000 |
| Gas/Electric | 1,450 | 110 | 546 | 904 |
| Trash Removal | 139,254 | 12,213 | 46,251 | 93,003 |
| Total Common Area Utilities | \$ 376,454 | \$ 17,707 | \$ 60,528 | \$ 315,926 |
| Clubhouse | | | | |
| Access Cards | \$ 600 | - | - | \$ 600 |
| Surveillance System Monitoring | 1,080 | 60 | 600 | 480 |
| Internet/Cable | 1,656 | 148 | 592 | 1,064 |
| Cleaning | 8,500 | - | 1,950 | 6,550 |
| Gas/Electric | 15,250 | 464 | 2,231 | 13,019 |
| HVAC Maintenance | 1,500 | - | - | 1,500 |
| Pool Maintenance/Lifeguards | 70,560 | 20,000 | 20,000 | 50,560 |
| Pool Supplies | 7,000 | - | 3,793 | 3,207 |
| Storage & Moving Pool Furniture | 8,518 | 592 | 2,368 | 6,150 |
| Furniture | 5,000 | - | - | 5,000 |
| Clubhouse/Furnishings/Signs/Cameras | 1,500 | - | 180 | 1,320 |
| Maintenance (Plumbing/lights/general) | 5,000 | - | 75 | 4,925 |
| Pest Control | 800 | - | 200 | 600 |
| Water/Sewer | 5,725 | 591 | 1,179 | 4,546 |
| Total Clubhouse expense | \$ 132,689 | \$ 21,855 | \$ 33,168 | \$ 99,521 |

Sierra Ridge Metropolitan District #2
Financial Statements

April 30, 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 April 30, 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 four 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.

May 19, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #2
Balance Sheet - Governmental Funds and Account Groups
April 30, 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> |
|--|-------------------------|--------------------------------------|----------------------------------|---------------------------|----------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Colotrust | \$ 612,697 | \$ 2,945,350 | \$ 96,626 | \$ - | \$ 3,654,673 |
| Vectra Bank | 301 | - | - | - | 301 |
| Cash with Trustee | - | - | 942,855 | - | 942,855 |
| Taxes receivable | 44,093 | - | 77,163 | - | 121,256 |
| | <u>657,091</u> | <u>2,945,350</u> | <u>1,116,644</u> | <u>-</u> | <u>4,719,085</u> |
| Other assets | | | | | |
| Amount available in debt service fund | - | - | - | 1,116,644 | 1,116,644 |
| Amount to be provided for retirement of debt | - | - | - | 23,398,356 | 23,398,356 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>24,515,000</u> | <u>24,515,000</u> |
| | <u>\$ 657,091</u> | <u>\$ 2,945,350</u> | <u>\$ 1,116,644</u> | <u>\$ 24,515,000</u> | <u>\$ 29,234,085</u> |
| Liabilities and Equity | | | | | |
| Current liabilities | | | | | |
| Payable to District #1 | \$ 656,980 | \$ - | \$ - | \$ - | \$ 656,980 |
| Other Liabilities | 111 | - | - | - | 111 |
| Total current liabilities | <u>657,091</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>657,091</u> |
| GO Bonds Srs 2022 | - | - | - | 24,515,000 | 24,515,000 |
| Total liabilities | <u>657,091</u> | <u>-</u> | <u>-</u> | <u>24,515,000</u> | <u>25,172,091</u> |
| Fund Equity | | | | | |
| Fund balance (deficit) | <u>-</u> | <u>2,945,350</u> | <u>1,116,644</u> | <u>-</u> | <u>4,061,994</u> |
| | <u>-</u> | <u>2,945,350</u> | <u>1,116,644</u> | <u>-</u> | <u>29,234,085</u> |
| | <u>\$ 657,091</u> | <u>\$ 2,945,350</u> | <u>\$ 1,116,644</u> | <u>\$ 24,515,000</u> | <u>\$ 29,234,085</u> |

Sierra Ridge Metropolitan District #2
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Four Months Ended April 30, 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 | \$ 39,417 | \$ 416,343 | \$ (359,824) |
| Specific ownership taxes | 38,000 | 5,267 | 23,556 | (14,444) |
| Interest Income | 50,000 | 15,585 | 57,808 | 7,808 |
| | <u>864,167</u> | <u>60,269</u> | <u>497,707</u> | <u>(366,460)</u> |
| Expenditures | | | | |
| Miscellaneous | - | - | 10 | (10) |
| Treasurer's fees | 11,643 | 591 | 6,245 | 5,398 |
| Emergency reserve (3%) | 349 | - | - | 349 |
| Transfer to District #1 | 852,175 | 59,678 | 491,452 | 360,723 |
| | <u>864,167</u> | <u>60,269</u> | <u>497,707</u> | <u>366,460</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 Four Months Ended April 30, 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 | _____ - | _____ - | _____ - | _____ - |
| Expenditures: | | | | |
| Transfer to District #1 | _____ 2,945,350 | _____ - | _____ - | _____ 2,945,350 |
| Total expenditures | _____ 2,945,350 | _____ - | _____ - | _____ 2,945,350 |
| Excess (deficiency) of revenues over expenditures | (2,945,350) | - | - | 2,945,350 |
| Fund balance - beginning | _____ 2,945,350 | _____ 2,945,350 | _____ 2,945,350 | _____ - |
| Fund balance - ending | \$ _____ - | \$ _____ 2,945,350 | \$ _____ 2,945,350 | \$ _____ 2,945,350 |

Sierra Ridge Metropolitan District #2
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Four Months Ended April 30, 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 | \$ 68,981 | \$ 728,600 | \$ (629,692) |
| Specific ownership taxes | 81,498 | 9,217 | 41,223 | (40,275) |
| Interest Income | <u>6,000</u> | <u>3,433</u> | <u>7,837</u> | <u>1,837</u> |
| Total revenues | <u>1,445,790</u> | <u>81,631</u> | <u>777,660</u> | <u>(668,130)</u> |
| Expenditures: | | | | |
| Interest Expense 2022 Ref Bonds | 980,600 | - | - | 980,600 |
| Bond Principal 2022 Ref Bonds | 475,000 | - | - | 475,000 |
| Treasurer fees | 20,374 | 1,035 | 10,929 | 9,445 |
| Trustee/paying agent fees | <u>4,000</u> | <u>-</u> | <u>4,000</u> | <u>-</u> |
| Total expenditures | <u>1,479,974</u> | <u>1,035</u> | <u>14,929</u> | <u>1,465,045</u> |
| Excess (deficiency) of revenues over expenditures | (34,184) | 80,596 | 762,731 | 796,915 |
| Fund balance - beginning | <u>326,845</u> | <u>1,036,048</u> | <u>353,913</u> | <u>27,068</u> |
| Fund balance - ending | <u>\$ 292,661</u> | <u>\$ 1,116,644</u> | <u>\$ 1,116,644</u> | <u>\$ 823,983</u> |