

Sierra Ridge Metropolitan District #1  
Financial Statements

November 30, 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 November 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 eleven 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.*

December 21, 2023  
Englewood, Colorado

Sierra Ridge Metropolitan District #1  
Balance Sheet - Governmental Funds and Account Groups  
November 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	\$ 371,134	\$ -	\$ -	\$ 371,134
Cash - HOA	71,071	-	-	71,071
Colostrust	202,355	-	-	202,355
Prepaid Expenses	4,135	-	-	4,135
Accounts Receivable - Mgmt	47,889	-	-	47,889
Receivable District #2	810,612	-	-	810,612
	1,507,196	-	-	1,507,196
Other assets				
Improvements	-	-	8,481,516	8,481,516
Amount to be provided for retirement of debt	-	-	2,521,934	2,521,934
	-	-	11,003,450	11,003,450
	\$ 1,507,196	\$ -	\$ 11,003,450	\$ 12,510,646
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 114,618	\$ -	\$ -	\$ 114,618
Lennar contingency deposit	9,789	-	-	9,789
Prepaid Assessments	45,323	-	-	45,323
	169,730	-	-	169,730
Interest payable	-	-	924,361	924,361
Note Payable	-	-	1,597,573	1,597,573
Total Liabilities	169,730	-	2,521,934	2,691,664
Fund Equity				
Investment in fixed assets	-	-	8,481,516	8,481,516
Fund balance (deficit)	1,337,466	-	-	1,337,466
	1,337,466	-	8,481,516	9,818,982
	\$ 1,507,196	\$ -	\$ 11,003,450	\$ 12,510,646

Sierra Ridge Metropolitan District #1  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Eleven Months Ended November 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>
<b>Revenues</b>				
Transfer from District 2	\$ 852,175	\$ 23,726	1,013,150	\$ 160,975
District Fee	680,478	1,150	683,400	2,922
Working Capital Fee	32,500	650	16,250	(16,250)
Miscellaneous	25,000	-	98,866	73,866
Misc Income - Late Fees	13,000	595	9,327	(3,673)
Misc Income - Homeowner Interest	4,000	437	4,209	209
Misc Income - Clubhouse Rental/Billback	10,000	400	9,575	(425)
Misc Income - Fines/Fees	15,000	(225)	15,925	925
Misc Income - Legal Fees	595	-	215	(380)
Misc Income - Credit Cards/Fees	150	772	995	845
Hail Damage Insurance Proceeds	-	-	212,138	212,138
Interest Income	1,200	919	9,354	8,154
	<u>1,634,098</u>	<u>28,424</u>	<u>2,073,404</u>	<u>439,306</u>
<b>Expenditures</b>				
Operating Expenditures:				
Accounting and auditing	44,500	3,375	43,286	1,214
Legal	85,800	20,011	101,960	(16,160)
Election	50,000	-	33,689	16,311
Insurance	26,469	-	31,025	(4,556)
Miscellaneous expense	225	3	108	117
Director's Fees	9,600	1,600	9,100	500
Developer repayment	-	-	305,085	(305,085)
Administrative Costs	167,105	17,409	146,872	20,233
Common Area	623,931	39,717	742,711	(118,780)
Common Area Utilities	376,454	14,661	255,871	120,583
Clubhouse	132,689	1,768	118,464	14,225
Planning & Engineering	45,000	-	5,929	39,071
Subtotal	<u>1,561,773</u>	<u>98,544</u>	<u>1,794,100</u>	<u>(232,327)</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>98,544</u>	<u>1,794,100</u>	<u>830,780</u>
Excess (deficiency) of revenues over expenditures	(990,782)	(70,120)	279,304	1,270,086
Fund balance - beginning	<u>990,782</u>	<u>1,407,586</u>	<u>1,058,162</u>	<u>67,380</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,337,466</u>	<u>\$ 1,337,466</u>	<u>\$ 1,337,466</u>

Sierra Ridge Metropolitan District #1  
 Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
 Budget and Actual  
 For the Eleven Months Ended November 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 Eleven Months Ended November 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 <u>(Unfavorable)</u>
<b>Administrative Expense</b>				
Collections	\$ 12,000	\$ 1,770	9,190	\$ 2,810
Communication - Newsletter/message boards	2,000	-	1,103	897
Administrative (Posting Printing)	5,500	113	2,363	3,137
Misc Administrative	3,500	296	4,149	(649)
Management Fees	120,305	10,025	110,279	10,026
Community Events	23,500	5,205	19,788	3,712
Meeting Expense	300	-	-	300
<b>Total Administrative</b>	<b>\$ 167,105</b>	<b>\$ 17,409</b>	<b>\$ 146,872</b>	<b>\$ 20,233</b>
<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	166	5,054	5,646
Irrigation Repairs 1B	10,800	473	5,366	5,434
Irrigation Repairs Park/Pool	15,200	408	6,090	9,110
Irrigation Repairs Filing 2	6,900	131	3,763	3,137
Irrigation Repairs Filing 3	14,900	-	-	14,900
Landscape Maintenance 1A	46,140	4,614	43,833	2,307
Landscape Maintenance 1B	44,440	4,444	42,218	2,222
Landscape Maintenance Park/Pool	43,670	4,367	41,487	2,183
Landscape Maintenance Filing 2	27,350	2,754	26,154	1,196
Landscape Maintenance Filing 3	47,290	-	-	47,290
Landscape Repairs/Improvements	134,258	5,150	154,878	(20,620)
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	-	5,204	(71)
Insect Control 1B	3,451	-	3,479	(28)
Insect Control Park/Pool	4,026	-	2,776	1,250
Insect Control Filing 2	1,363	-	1,385	(22)
Insect Control Filing 3	6,130	-	-	6,130
Pet Stations	9,500	677	7,580	1,920
Snow Removal	25,000	-	13,530	11,470
Tree Wrap 1A	2,928	2,928	2,928	-
Tree Wrap 1B	2,753	2,753	2,753	-
Tree Wrap Park/Pool	4,861	4,862	4,862	(1)
Tree Wrap Filing 2	1,171	1,171	1,171	-
Tree Wrap Filing 3	3,953	-	-	3,953
Native Maintenance/Replanting 1A	15,000	-	17,124	(2,124)
Native Maintenance/Replanting 1B	4,000	-	13,135	(9,135)
Native Maintenance/Replanting Pool Park	10,000	-	13,377	(3,377)
Native Maintenance/Replanting Filing 2	3,000	-	1,798	1,202
Native Maintenance/Replanting Filing 3	10,000	-	-	10,000
Flowers	18,500	-	16,725	1,775
Mulch top dress	31,098	-	-	31,098
Holiday Lights	30,000	-	24,241	5,759
Flag Installation	1,260	-	1,260	-
Common Area Lights	2,000	-	301	1,699
Hail Damage Expenses	-	2,646	275,271	(275,271)
Miscellaneous	4,000	2,173	4,968	(968)
<b>Total Common Area</b>	<b>\$ 623,931</b>	<b>\$ 39,717</b>	<b>\$ 742,711</b>	<b>\$ (118,780)</b>

Sierra Ridge Metropolitan District #1  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Eleven Months Ended November 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 <u>(Unfavorable)</u>
<b>Common Area Utilities</b>				
Water/Sewer 1A	\$ 50,000	\$ 730	37,275	\$ 12,725
Water/Sewer 1B	42,000	521	20,972	21,028
Water/Sewer Park/Pool	86,000	1,460	65,696	20,304
Water/Sewer Filing 2	7,750	70	3,343	4,407
Water/Sewer Filing 3	50,000	-	-	50,000
Gas/Electric	1,450	174	1,398	52
Trash Removal	<u>139,254</u>	<u>11,706</u>	<u>127,187</u>	<u>12,067</u>
Total Common Area Utilities	<u>\$ 376,454</u>	<u>\$ 14,661</u>	<u>\$ 255,871</u>	<u>\$ 120,583</u>
<b>Clubhouse</b>				
Access Cards	\$ 600	-	-	\$ 600
Surveillance System Monitoring	1,080	-	1,320	(240)
Internet/Cable	1,656	-	1,483	173
Cleaning	8,500	-	6,185	2,315
Gas/Electric	15,250	321	14,310	940
HVAC Maintenance	1,500	-	-	1,500
Pool Maintenance/Lifeguards	70,560	-	67,916	2,644
Pool Supplies	7,000	-	11,030	(4,030)
Supplies	-	254	254	(254)
Storage & Moving Pool Furniture	8,518	624	7,252	1,266
Furniture	5,000	173	173	4,827
Clubhouse/Furnishings/Signs/Cameras	1,500	-	713	787
Maintenance (Plumbing/lights/general)	5,000	-	2,696	2,304
Pest Control	800	200	800	0
Water/Sewer	<u>5,725</u>	<u>196</u>	<u>4,332</u>	<u>1,393</u>
Total Clubhouse expense	<u>\$ 132,689</u>	<u>\$ 1,768</u>	<u>\$ 118,464</u>	<u>\$ 14,225</u>

Sierra Ridge Metropolitan District #2  
Financial Statements

November 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 November 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 eleven 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.*

December 21, 2023  
Englewood, Colorado

Sierra Ridge Metropolitan District #2  
Balance Sheet - Governmental Funds and Account Groups  
November 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>
<b>Assets</b>					
Current assets					
Colotrust	\$ 804,083	\$ 2,913,416	\$ 96,626	\$ -	\$ 3,814,125
Vectra Bank	2,352	-	-	-	2,352
Cash with Trustee	-	-	1,248,184	-	1,248,184
Taxes receivable	6,338	-	11,091	-	17,429
	<u>812,773</u>	<u>2,913,416</u>	<u>1,355,901</u>	<u>-</u>	<u>5,082,090</u>
Other assets					
Amount available in debt service fund	-	-	-	1,355,901	1,355,901
Amount to be provided for retirement of debt	-	-	-	23,159,099	23,159,099
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>24,515,000</u>
	<u>\$ 812,773</u>	<u>\$ 2,913,416</u>	<u>\$ 1,355,901</u>	<u>\$ 24,515,000</u>	<u>\$ 29,597,090</u>
<b>Liabilities and Equity</b>					
Current liabilities					
Payable to District #1	\$ 810,612	\$ -	\$ -	\$ -	\$ 810,612
Other Liabilities	2,161	-	-	-	2,161
Total current liabilities	<u>812,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>812,773</u>
GO Bonds Srs 2022	-	-	-	24,515,000	24,515,000
Total liabilities	<u>812,773</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>25,327,773</u>
Fund Equity					
Fund balance (deficit)	-	2,913,416	1,355,901	-	4,269,317
	<u>-</u>	<u>2,913,416</u>	<u>1,355,901</u>	<u>-</u>	<u>29,597,090</u>
	<u>\$ 812,773</u>	<u>\$ 2,913,416</u>	<u>\$ 1,355,901</u>	<u>\$ 24,515,000</u>	<u>\$ 29,597,090</u>

Sierra Ridge Metropolitan District #2  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Eleven Months Ended November 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	\$ -	\$ 776,167	\$ -
Specific ownership taxes	38,000	6,338	67,322	29,322
Interest Income	50,000	17,388	181,317	131,317
	<u>864,167</u>	<u>23,726</u>	<u>1,024,806</u>	<u>160,639</u>
Expenditures				
Miscellaneous	-	-	10	(10)
Treasurer's fees	11,643	-	11,646	(3)
Emergency reserve (3%)	349	-	-	349
Transfer to District #1	852,175	23,726	1,013,150	(160,975)
	<u>864,167</u>	<u>23,726</u>	<u>1,024,806</u>	<u>(160,639)</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 Eleven Months Ended November 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	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
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>  2,913,416</u>	<u>  2,913,416</u>	<u>      (31,934)</u>
Fund balance - ending	\$ <u>          -</u>	\$ <u>  2,913,416</u>	\$ <u>  2,913,416</u>	\$ <u>  2,913,416</u>

Sierra Ridge Metropolitan District #2  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Eleven Months Ended November 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	\$ -	\$ 1,358,293	\$ 1
Specific ownership taxes	81,498	11,091	117,814	36,316
Interest Income	<u>6,000</u>	<u>5,405</u>	<u>40,562</u>	<u>34,562</u>
Total revenues	<u>1,445,790</u>	<u>16,496</u>	<u>1,516,669</u>	<u>70,879</u>
Expenditures:				
Interest Expense 2022 Ref Bonds	980,600	-	490,300	490,300
Bond Principal 2022 Ref Bonds	475,000	-	-	475,000
Treasurer fees	20,374	(1)	20,381	(7)
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)</u>	<u>514,681</u>	<u>965,293</u>
Excess (deficiency) of revenues over expenditures	(34,184)	16,497	1,001,988	1,036,172
Fund balance - beginning	<u>326,845</u>	<u>1,339,404</u>	<u>353,913</u>	<u>27,068</u>
Fund balance - ending	<u>\$ 292,661</u>	<u>\$ 1,355,901</u>	<u>\$ 1,355,901</u>	<u>\$ 1,063,240</u>