

Sierra Ridge Metropolitan District #1  
Financial Statements

December 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 December 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 twelve 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.*

January 23, 2024  
Englewood, Colorado

Sierra Ridge Metropolitan District #1  
Balance Sheet - Governmental Funds and Account Groups  
December 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	\$ -	\$ -	\$ -	\$ -
Cash - HOA	-	-	-	-
Colotrust	-	-	-	-
Prepaid Expenses	-	-	-	-
Accounts Receivable - Mgmt	-	-	-	-
Receivable District #2	-	-	-	-
	-	-	-	-
Other assets				
Improvements	-	-	-	-
Amount to be provided for retirement of debt	-	-	-	-
	-	-	-	-
	\$ -	\$ -	\$ -	\$ -
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Lennar contingency deposit	-	-	-	-
Prepaid Assessments	-	-	-	-
	-	-	-	-
Interest payable	-	-	-	-
Note Payable	-	-	-	-
	-	-	-	-
Total Liabilities	-	-	-	-
Fund Equity				
Investment in fixed assets	-	-	-	-
Fund balance (deficit)	-	-	-	-
	-	-	-	-
	\$ -	\$ -	\$ -	\$ -

Sierra Ridge Metropolitan District #1  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Twelve Months Ended December 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	22,761	1,035,911	\$ 183,736
District Fee	680,478	500	683,900	3,422
Working Capital Fee	32,500	1,300	17,550	(14,950)
Miscellaneous	25,000	5,000	103,866	78,866
Misc Income - Late Fees	13,000	360	9,687	(3,313)
Misc Income - Homeowner Interest	4,000	365	4,574	574
Misc Income - Clubhouse Rental/Billback	10,000	300	9,875	(125)
Misc Income - Fines/Fees	15,000	(225)	15,700	700
Misc Income - Legal Fees	595	-	215	(380)
Misc Income - Credit Cards/Fees	150	3	998	848
Hail Damage Insurance Proceeds	-	38,335	250,473	250,473
Interest Income	1,200	968	10,322	9,122
	<u>1,634,098</u>	<u>69,667</u>	<u>2,143,071</u>	<u>508,973</u>
<b>Expenditures</b>				
Operating Expenditures:				
Accounting and auditing	44,500	3,462	46,748	(2,248)
Legal	85,800	15,050	117,010	(31,210)
Election	50,000	-	33,689	16,311
Insurance	26,469	-	31,025	(4,556)
Miscellaneous expense	225	16	124	101
Director's Fees	9,600	800	9,900	(300)
Developer repayment	-	-	305,085	(305,085)
Administrative Costs	167,105	18,193	165,065	2,040
Common Area	623,931	23,225	765,936	(142,005)
Common Area Utilities	376,454	14,555	270,426	106,028
Clubhouse	132,689	3,008	121,472	11,217
Planning & Engineering	45,000	-	5,929	39,071
Subtotal	<u>1,561,773</u>	<u>78,309</u>	<u>1,872,409</u>	<u>(310,636)</u>
Reserves and Contingencies:				
Reserve	641,887	-	-	641,887
Emergency reserve	46,853	-	-	46,853
Transfer to District #2	-	1,328,824	1,328,824	(1,328,824)
Contingency	374,367	-	-	374,367
Total Expenditures	<u>2,624,880</u>	<u>1,407,133</u>	<u>3,201,233</u>	<u>(576,353)</u>
Excess (deficiency) of revenues over expenditures	(990,782)	(1,337,466)	(1,058,162)	(67,380)
Fund balance - beginning	<u>990,782</u>	<u>1,337,466</u>	<u>1,058,162</u>	<u>67,380</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 Twelve Months Ended December 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 Twelve Months Ended December 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	\$ 260	\$ 9,450	\$ 2,550
Communication - Newsletter/message boards	2,000	884	1,987	13
Administrative (Posting Printing)	5,500	3,178	5,541	(41)
Misc Administrative	3,500	808	4,957	(1,457)
Management Fees	120,305	10,026	120,305	-
Community Events	23,500	3,037	22,825	675
Meeting Expense	300	-	-	300
<b>Total Administrative</b>	<b>\$ 167,105</b>	<b>\$ 18,193</b>	<b>\$ 165,065</b>	<b>\$ 2,040</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	-	5,054	5,646
Irrigation Repairs 1B	10,800	-	5,366	5,434
Irrigation Repairs Park/Pool	15,200	415	6,505	8,695
Irrigation Repairs Filing 2	6,900	-	3,763	3,137
Irrigation Repairs Filing 3	14,900	-	-	14,900
Landscape Maintenance 1A	46,140	2,307	46,140	-
Landscape Maintenance 1B	44,440	2,222	44,440	-
Landscape Maintenance Park/Pool	43,670	2,183	43,670	-
Landscape Maintenance Filing 2	27,350	1,376	27,530	(180)
Landscape Maintenance Filing 3	47,290	-	-	47,290
Landscape Repairs/Improvements	134,258	4,701	159,579	(25,321)
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	8,257	1,243
Snow Removal	25,000	2,631	16,161	8,839
Tree Wrap 1A	2,928	-	2,928	-
Tree Wrap 1B	2,753	-	2,753	-
Tree Wrap Park/Pool	4,861	-	4,862	(1)
Tree Wrap Filing 2	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	-	6,908	282,179	(282,179)
Miscellaneous	4,000	(195)	4,773	(773)
<b>Total Common Area</b>	<b>\$ 623,931</b>	<b>\$ 23,225</b>	<b>\$ 765,936</b>	<b>\$ (142,005)</b>

Sierra Ridge Metropolitan District #1  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Twelve Months Ended December 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	\$ 731	38,006	\$ 11,994
Water/Sewer 1B	42,000	522	21,494	20,506
Water/Sewer Park/Pool	86,000	1,461	67,157	18,843
Water/Sewer Filing 2	7,750	69	3,412	4,338
Water/Sewer Filing 3	50,000	-	-	50,000
Gas/Electric	1,450	65	1,463	(13)
Trash Removal	139,254	11,707	138,894	360
<b>Total Common Area Utilities</b>	<b>\$ 376,454</b>	<b>\$ 14,555</b>	<b>\$ 270,426</b>	<b>\$ 106,028</b>
<b>Clubhouse</b>				
Access Cards	\$ 600	-	-	\$ 600
Surveillance System Monitoring	1,080	-	1,320	(240)
Internet/Cable	1,656	298	1,781	(125)
Cleaning	8,500	450	6,635	1,865
Gas/Electric	15,250	447	14,757	493
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)	-	-
Storage & Moving Pool Furniture	8,518	1,083	8,335	183
Furniture	5,000	(173)	-	5,000
Clubhouse/Furnishings/Signs/Cameras	1,500	368	1,081	419
Maintenance (Plumbing/lights/general)	5,000	529	3,225	1,775
Pest Control	800	-	800	0
Water/Sewer	5,725	260	4,592	1,133
<b>Total Clubhouse expense</b>	<b>\$ 132,689</b>	<b>\$ 3,008</b>	<b>\$ 121,472</b>	<b>\$ 11,217</b>

Sierra Ridge Metropolitan District #2  
Financial Statements

December 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 December 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 twelve 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 #2 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

January 23, 2024  
Englewood, Colorado

Sierra Ridge Metropolitan District #2  
Balance Sheet - Governmental Funds and Account Groups  
December 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					
Vectra Bank	\$ 358,070	\$ -	\$ -	\$ -	\$ 358,070
Colotrust	1,031,847	2,913,416	96,626	-	4,041,889
Cash - HOA	78,235	-	-	-	78,235
Cash with Trustee	-	-	295,141	-	295,141
Taxes receivable	4,655	-	8,147	-	12,802
Homeowner Receivables	42,809	-	-	-	42,809
Prepaid Expenses	37,765	-	-	-	37,765
	1,553,381	2,913,416	399,914	-	4,866,711
Other assets					
Improvements	-	-	-	28,183,537	28,183,537
Amount available in debt service fund	-	-	-	399,914	399,914
Amount to be provided for retirement of debt	-	-	-	23,640,086	23,640,086
	-	-	-	52,223,537	52,223,537
	\$ 1,553,381	\$ 2,913,416	\$ 399,914	\$ 52,223,537	\$ 57,090,248
<b>Liabilities and Equity</b>					
Current liabilities					
Accounts Payable	\$ 96,691	\$ -	\$ -	\$ -	\$ 96,691
AP - Lennar Contingency	9,789	-	-	-	9,789
Other Liabilities	3,274	-	-	-	3,274
Prepaid Assessments	114,803	-	-	-	114,803
Total current liabilities	224,557	-	-	-	224,557
GO Bonds Srs 2022	-	-	-	24,040,000	24,040,000
Total liabilities	224,557	-	-	24,040,000	24,264,557
Fund Equity					
Investment in Capital Assets	-	-	-	28,183,537	28,183,537
Fund balance (deficit)	1,328,824	2,913,416	399,914	-	4,642,154
	1,328,824	2,913,416	399,914	28,183,537	32,825,691
	\$ 1,553,381	\$ 2,913,416	\$ 399,914	\$ 52,223,537	\$ 57,090,248

Sierra Ridge Metropolitan District #2  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Twelve Months Ended December 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	\$ -	\$ 776,167	\$ -
Specific ownership taxes	38,000	4,656	71,978	33,978
Interest Income	50,000	18,106	199,423	149,423
Transfer from District #1	-	1,328,824	1,328,824	1,328,824
	<u>864,167</u>	<u>1,351,586</u>	<u>2,376,392</u>	<u>1,512,225</u>
Expenditures				
Miscellaneous	-	-	10	(10)
Treasurer's fees	11,643	1	11,647	(4)
Emergency reserve (3%)	349	-	-	349
Transfer to District #1	852,175	22,761	1,035,911	(183,736)
	<u>864,167</u>	<u>22,762</u>	<u>1,047,568</u>	<u>(183,401)</u>
Excess (deficiency) of revenues over expenditures	-	1,328,824	1,328,824	1,328,824
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,328,824</u>	<u>\$ 1,328,824</u>	<u>\$ 1,328,824</u>

Sierra Ridge Metropolitan District #2  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Twelve Months Ended December 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	_____ -	_____ -	_____ -	_____ -
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	_____ 2,913,416	_____ 2,913,416	_____ (31,934)
Fund balance - ending	\$ _____ -	\$ _____ 2,913,416	\$ _____ 2,913,416	\$ _____ 2,913,416

Sierra Ridge Metropolitan District #2  
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Budget and Actual  
For the Twelve Months Ended December 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	\$ -	\$ 1,358,293	\$ 1
Specific ownership taxes	81,498	8,146	125,960	44,462
Interest Income	<u>6,000</u>	<u>1,167</u>	<u>41,729</u>	<u>35,729</u>
Total revenues	<u>1,445,790</u>	<u>9,313</u>	<u>1,525,982</u>	<u>80,192</u>
Expenditures:				
Interest Expense 2022 Ref Bonds	980,600	490,300	980,600	-
Bond Principal 2022 Ref Bonds	475,000	475,000	475,000	-
Treasurer fees	20,374	-	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>965,300</u>	<u>1,479,981</u>	<u>(7)</u>
Excess (deficiency) of revenues over expenditures	(34,184)	(955,987)	46,001	80,185
Fund balance - beginning	<u>326,845</u>	<u>1,355,901</u>	<u>353,913</u>	<u>27,068</u>
Fund balance - ending	<u>\$ 292,661</u>	<u>\$ 399,914</u>	<u>\$ 399,914</u>	<u>\$ 107,253</u>