

Sierra Ridge Metropolitan District #1
Financial Statements

August 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 August 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 eight 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.

September 26, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #1
Balance Sheet - Governmental Funds and Account Groups
August 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	\$ 649,907	\$ -	\$ -	\$ 649,907
Cash - HOA	18,594	-	-	18,594
Colostrust	199,581	-	-	199,581
Accounts Receivable/Mgmt Receivable District #2	46,597	-	-	46,597
	937,684	-	-	937,684
	1,852,363	-	-	1,852,363
Other assets				
Improvements	-	-	8,481,516	8,481,516
Amount to be provided for retirement of debt	-	-	3,393,372	3,393,372
	-	-	11,874,888	11,874,888
	\$ 1,852,363	\$ -	\$ 11,874,888	\$ 13,727,251
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 376,570	\$ -	\$ -	\$ 376,570
Prepaid Assessments	50,913	-	-	50,913
	427,483	-	-	427,483
Interest payable	-	-	1,085,992	1,085,992
Note Payable	-	-	2,307,380	2,307,380
	427,483	-	3,393,372	3,820,855
Fund Equity				
Investment in fixed assets	-	-	8,481,516	8,481,516
Fund balance (deficit)	1,424,880	-	-	1,424,880
	1,424,880	-	8,481,516	9,906,396
	\$ 1,852,363	\$ -	\$ 11,874,888	\$ 13,727,251

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Eight Months Ended August 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				
Transfer from District 2	\$ 852,175	\$ 26,430	940,221	\$ 88,046
District Fee	680,478	313	511,938	(168,540)
Working Capital Fee	32,500	650	12,350	(20,150)
Miscellaneous/Water Reimbursement	25,000	-	-	(25,000)
Misc Income - Late Fees	13,000	480	6,407	(6,593)
Misc Income - Homeowner Interest	4,000	375	2,811	(1,189)
Misc Income - Clubhouse Rental/Billback	10,000	1,400	7,600	(2,400)
Misc Income - Fines/Fees	15,000	4,875	13,825	(1,175)
Misc Income - Legal Fees	595	215	215	(380)
Misc Income - Credit Cards/Fees	150	200	391	241
Other Income	-	-	974	974
Hail Damage Insurance Proceeds	-	-	193,337	193,337
Interest Income	1,200	922	6,584	5,384
	<u>1,634,098</u>	<u>35,860</u>	<u>1,696,653</u>	<u>62,555</u>
Expenditures				
Operating Expenditures:				
Accounting and auditing	44,500	3,266	31,779	12,721
Legal	85,800	8,274	62,000	23,800
Election	50,000	-	33,493	16,507
Insurance	26,469	-	31,025	(4,556)
Miscellaneous expense	225	16	73	152
Director's Fees	9,600	800	6,200	3,400
Developer repayment	-	-	305,085	(305,085)
Administrative Costs	167,105	12,899	95,451	71,654
Common Area	623,931	265,201	470,985	152,946
Common Area Utilities	376,454	37,299	184,703	191,751
Clubhouse	132,689	18,108	104,437	28,252
Planning & Engineering	45,000	-	4,704	40,296
Subtotal	<u>1,561,773</u>	<u>345,863</u>	<u>1,329,935</u>	<u>231,838</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>345,863</u>	<u>1,329,935</u>	<u>1,294,945</u>
Excess (deficiency) of revenues over expenditures	(990,782)	(310,003)	366,718	1,357,500
Fund balance - beginning	<u>990,782</u>	<u>1,734,883</u>	<u>1,058,162</u>	<u>67,380</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,424,880</u>	<u>\$ 1,424,880</u>	<u>\$ 1,424,880</u>

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Eight Months Ended August 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 Eight Months Ended August 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 (Unfavorable)
Administrative Expense				
Collections	\$ 12,000	\$ 1,325	6,400	\$ 5,600
Communication - Newsletter/message boards	2,000	-	613	1,387
Administrative (Posting Printing)	5,500	159	1,621	3,879
Misc Administrative	3,500	203	2,932	568
Management Fees	120,305	10,025	80,203	40,102
Community Events	23,500	1,187	3,682	19,818
Meeting Expense	300	-	-	300
Total Administrative	\$ 167,105	\$ 12,899	\$ 95,451	\$ 71,654
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	796	4,071	6,629
Irrigation Repairs 1B	10,800	886	3,847	6,953
Irrigation Repairs Park/Pool	15,200	953	5,046	10,154
Irrigation Repairs Filing 2	6,900	370	2,696	4,204
Irrigation Repairs Filing 3	14,900	-	-	14,900
Landscape Maintenance 1A	46,140	4,614	29,991	16,149
Landscape Maintenance 1B	44,440	4,444	28,886	15,554
Landscape Maintenance Park/Pool	43,670	4,368	28,386	15,284
Landscape Maintenance Filing 2	27,350	2,754	17,895	9,455
Landscape Maintenance Filing 3	47,290	-	-	47,290
Landscape Repairs/Improvements	134,258	4,560	21,904	112,354
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	2,897
Insect Control 1B	3,451	-	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	677	5,549	3,951
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	(28,310)	17,124	(2,124)
Native Maintenance/Replanting 1B	4,000	13,135	13,135	(9,135)
Native Maintenance/Replanting Pool Park	10,000	13,377	13,377	(3,377)
Native Maintenance/Replanting Filing 2	3,000	1,798	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	24,241	5,759
Flag Installation	1,260	-	1,260	-
Common Area Lights	2,000	-	-	2,000
Hail Damage Expenses	-	218,356	218,356	(218,356)
Miscellaneous	4,000	(1,818)	1,900	2,100
Total Common Area	\$ 623,931	\$ 265,201	\$ 470,985	\$ 152,946

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Eight Months Ended August 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>
Common Area Utilities				
Water/Sewer 1A	\$ 50,000	\$ 7,378	25,965	\$ 24,035
Water/Sewer 1B	42,000	3,372	14,218	27,782
Water/Sewer Park/Pool	86,000	13,456	46,029	39,971
Water/Sewer Filing 2	7,750	760	2,405	5,345
Water/Sewer Filing 3	50,000	-	-	50,000
Gas/Electric	1,450	120	982	468
Trash Removal	139,254	12,213	95,104	44,150
Total Common Area Utilities	<u>\$ 376,454</u>	<u>\$ 37,299</u>	<u>\$ 184,703</u>	<u>\$ 191,751</u>
Clubhouse				
Access Cards	\$ 600	-	-	\$ 600
Surveillance System Monitoring	1,080	-	1,320	(240)
Internet/Cable	1,656	149	1,186	470
Cleaning	8,500	710	5,150	3,350
Gas/Electric	15,250	1,883	10,898	4,352
HVAC Maintenance	1,500	-	-	1,500
Pool Maintenance/Lifeguards	70,560	5,250	62,250	8,310
Pool Supplies	7,000	7,770	11,563	(4,563)
Supplies	-	259	259	(259)
Storage & Moving Pool Furniture	8,518	1,172	5,380	3,138
Furniture	5,000	-	-	5,000
Clubhouse/Furnishings/Signs/Cameras	1,500	-	180	1,320
Maintenance (Plumbing/lights/general)	5,000	362	2,249	2,751
Pest Control	800	-	400	400
Water/Sewer	5,725	553	3,602	2,123
Total Clubhouse expense	<u>\$ 132,689</u>	<u>\$ 18,108</u>	<u>\$ 104,437</u>	<u>\$ 28,252</u>

Sierra Ridge Metropolitan District #2
Financial Statements

August 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 August 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 eight 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.

September 26, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #2
Balance Sheet - Governmental Funds and Account Groups
August 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>
Assets					
Current assets					
Colotrust	\$ 929,880	\$ 2,913,416	\$ 96,625	\$ -	\$ 3,939,921
Vectra Bank	627	-	-	-	627
Cash with Trustee	-	-	1,196,017	-	1,196,017
Taxes receivable	7,614	-	13,325	-	20,939
	<u>938,121</u>	<u>2,913,416</u>	<u>1,305,967</u>	<u>-</u>	<u>5,157,504</u>
Other assets					
Amount available in debt service fund	-	-	-	1,305,967	1,305,967
Amount to be provided for retirement of debt	-	-	-	23,209,033	23,209,033
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>24,515,000</u>
	<u>\$ 938,121</u>	<u>\$ 2,913,416</u>	<u>\$ 1,305,967</u>	<u>\$ 24,515,000</u>	<u>\$ 29,672,504</u>
Liabilities and Equity					
Current liabilities					
Payable to District #1	\$ 937,684	\$ -	\$ -	\$ -	\$ 937,684
Other Liabilities	437	-	-	-	437
Total current liabilities	<u>938,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>938,121</u>
GO Bonds Srs 2022	-	-	-	24,515,000	24,515,000
Total liabilities	<u>938,121</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>25,453,121</u>
Fund Equity					
Fund balance (deficit)	-	2,913,416	1,305,967	-	4,219,383
	<u>-</u>	<u>2,913,416</u>	<u>1,305,967</u>	<u>-</u>	<u>29,672,504</u>
	<u>\$ 938,121</u>	<u>\$ 2,913,416</u>	<u>\$ 1,305,967</u>	<u>\$ 24,515,000</u>	<u>\$ 29,672,504</u>

Sierra Ridge Metropolitan District #2
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Eight Months Ended August 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	\$ 869	\$ 775,274	\$ (893)
Specific ownership taxes	38,000	6,724	48,924	10,924
Interest Income	50,000	18,850	127,665	77,665
	<u>864,167</u>	<u>26,443</u>	<u>951,863</u>	<u>87,696</u>
Expenditures				
Miscellaneous	-	-	10	(10)
Treasurer's fees	11,643	13	11,632	11
Emergency reserve (3%)	349	-	-	349
Transfer to District #1	852,175	26,430	940,221	(88,046)
	<u>864,167</u>	<u>26,443</u>	<u>951,863</u>	<u>(87,696)</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance - beginning	-	-	-	-
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 Eight Months Ended August 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>2,913,416</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>