

Sierra Ridge Metropolitan District #1
Financial Statements

June 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 June 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 six 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.

July 20, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #1
Balance Sheet - Governmental Funds and Account Groups
June 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	\$ 558,607	\$ -	\$ -	\$ 558,607
Cash - HOA	50,248	-	-	50,248
Colostrust	197,770	-	-	197,770
Accounts Receivable/Mgmt Receivable District #2	32,679	-	-	32,679
	1,050,518	-	-	1,050,518
	1,889,822	-	-	1,889,822
Other assets				
Improvements	-	-	8,481,516	8,481,516
Amount to be provided for retirement of debt	-	-	3,363,977	3,363,977
	-	-	11,845,493	11,845,493
	\$ 1,889,822	\$ -	\$ 11,845,493	\$ 13,735,315
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 132,339	\$ -	\$ -	\$ 132,339
Prepaid Assessments	120,862	-	-	120,862
	253,201	-	-	253,201
Interest payable	-	-	1,056,597	1,056,597
Note Payable	-	-	2,307,380	2,307,380
	-	-	3,363,977	3,617,178
Total Liabilities	253,201	-	3,363,977	3,617,178
Fund Equity				
Investment in fixed assets	-	-	8,481,516	8,481,516
Fund balance (deficit)	1,636,621	-	-	1,636,621
	1,636,621	-	8,481,516	10,118,137
	\$ 1,889,822	\$ -	\$ 11,845,493	\$ 13,735,315

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Six Months Ended June 30, 2023
General Fund

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>
Revenues				
Transfer from District 2	\$ 852,175	\$ 310,899	884,989	\$ 32,814
District Fee	680,478	500	341,625	(338,853)
Working Capital Fee	32,500	650	10,400	(22,100)
Miscellaneous/Water Reimbursement	25,000	-	-	(25,000)
Misc Income - Late Fees	13,000	255	4,517	(8,483)
Misc Income - Homeowner Interest	4,000	250	1,965	(2,035)
Misc Income - Clubhouse Rental/Billback	10,000	225	4,925	(5,075)
Misc Income - Fines/Fees	15,000	350	4,725	(10,275)
Misc Income - Legal Fees	595	-	-	(595)
Misc Income - Credit Cards/Fees	150	24	166	16
Other Income	-	-	974	974
Hail Damage Insurance Proceeds	-	193,337	193,337	193,337
Interest Income	1,200	848	4,773	3,573
	<u>1,634,098</u>	<u>507,338</u>	<u>1,452,396</u>	<u>(181,702)</u>
Expenditures				
Operating Expenditures:				
Accounting and auditing	44,500	12,660	26,187	18,313
Legal	85,800	8,373	43,114	42,686
Election	50,000	69	33,493	16,507
Insurance	26,469	-	31,025	(4,556)
Miscellaneous expense	225	3	54	171
Director's Fees	9,600	700	4,200	5,400
Developer repayment	-	-	305,085	(305,085)
Administrative Costs	167,105	10,720	71,776	95,329
Common Area	623,931	36,856	137,875	486,056
Common Area Utilities	376,454	23,323	111,416	265,038
Clubhouse	132,689	16,547	73,074	59,615
Planning & Engineering	45,000	2,873	4,704	40,296
Subtotal	<u>1,561,773</u>	<u>112,124</u>	<u>842,003</u>	<u>719,770</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>112,124</u>	<u>842,003</u>	<u>1,782,877</u>
Excess (deficiency) of revenues over expenditures	(990,782)	395,214	610,393	1,601,175
Fund balance - beginning	<u>990,782</u>	<u>1,241,407</u>	<u>1,026,228</u>	<u>35,446</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,636,621</u>	<u>\$ 1,636,621</u>	<u>\$ 1,636,621</u>

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Six Months Ended June 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 Six Months Ended June 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	\$ 380	4,785	\$ 7,215
Communication - Newsletter/message boards	2,000	-	613	1,387
Administrative (Posting Printing)	5,500	131	1,218	4,282
Misc Administrative	3,500	184	2,513	987
Management Fees	120,305	10,025	60,152	60,153
Community Events	23,500	-	2,495	21,005
Meeting Expense	300	-	-	300
Total Administrative	\$ 167,105	\$ 10,720	\$ 71,776	\$ 95,329
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	673	1,259	9,441
Irrigation Repairs 1B	10,800	280	2,168	8,632
Irrigation Repairs Park/Pool	15,200	82	2,875	12,325
Irrigation Repairs Filing 2	6,900	275	1,877	5,023
Irrigation Repairs Filing 3	14,900	-	-	14,900
Landscape Maintenance 1A	46,140	9,228	20,763	25,377
Landscape Maintenance 1B	44,440	8,888	19,998	24,442
Landscape Maintenance Park/Pool	43,670	8,734	19,652	24,018
Landscape Maintenance Filing 2	27,350	5,505	12,388	14,962
Landscape Maintenance Filing 3	47,290	-	-	47,290
Landscape Repairs/Improvements	134,258	1,837	17,043	117,215
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	1,354	4,195	5,305
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	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	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	-	1,900	2,100
Total Common Area	\$ 623,931	\$ 36,856	\$ 137,875	\$ 486,056

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Six Months Ended June 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>
Common Area Utilities				
Water/Sewer 1A	\$ 50,000	\$ 3,835	12,317	\$ 37,683
Water/Sewer 1B	42,000	1,889	6,949	35,051
Water/Sewer Park/Pool	86,000	5,013	19,738	66,262
Water/Sewer Filing 2	7,750	258	979	6,771
Water/Sewer Filing 3	50,000	-	-	50,000
Gas/Electric	1,450	114	755	695
Trash Removal	<u>139,254</u>	<u>12,214</u>	<u>70,678</u>	<u>68,576</u>
Total Common Area Utilities	<u>\$ 376,454</u>	<u>\$ 23,323</u>	<u>\$ 111,416</u>	<u>\$ 265,038</u>
Clubhouse				
Access Cards	\$ 600	-	-	\$ 600
Surveillance System Monitoring	1,080	-	1,320	(240)
Internet/Cable	1,656	148	888	768
Cleaning	8,500	870	3,570	4,930
Gas/Electric	15,250	3,153	6,476	8,774
HVAC Maintenance	1,500	-	-	1,500
Pool Maintenance/Lifeguards	70,560	11,000	49,000	21,560
Pool Supplies	7,000	-	3,793	3,207
Storage & Moving Pool Furniture	8,518	624	3,584	4,934
Furniture	5,000	-	-	5,000
Clubhouse/Furnishings/Signs/Cameras	1,500	-	180	1,320
Maintenance (Plumbing/lights/general)	5,000	-	1,341	3,659
Pest Control	800	-	400	400
Water/Sewer	<u>5,725</u>	<u>752</u>	<u>2,522</u>	<u>3,203</u>
Total Clubhouse expense	<u>\$ 132,689</u>	<u>\$ 16,547</u>	<u>\$ 73,074</u>	<u>\$ 59,615</u>

Sierra Ridge Metropolitan District #2
Financial Statements

June 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 June 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 six 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.

July 18, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #2
Balance Sheet - Governmental Funds and Account Groups
June 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	\$ 755,723	\$ 2,945,350	\$ 96,625	\$ -	\$ 3,797,698
Vectra Bank	301	-	-	-	301
Cash with Trustee	-	-	652,758	-	652,758
Taxes receivable	294,605	-	515,558	-	810,163
	<u>1,050,629</u>	<u>2,945,350</u>	<u>1,264,941</u>	<u>-</u>	<u>5,260,920</u>
Other assets					
Amount available in debt service fund	-	-	-	1,264,941	1,264,941
Amount to be provided for retirement of debt	-	-	-	23,250,059	23,250,059
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>24,515,000</u>
	<u>\$ 1,050,629</u>	<u>\$ 2,945,350</u>	<u>\$ 1,264,941</u>	<u>\$ 24,515,000</u>	<u>\$ 29,775,920</u>
Liabilities and Equity					
Current liabilities					
Payable to District #1	\$ 1,050,518	\$ -	\$ -	\$ -	\$ 1,050,518
Other Liabilities	111	-	-	-	111
Total current liabilities	<u>1,050,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,629</u>
GO Bonds Srs 2022	-	-	-	24,515,000	24,515,000
Total liabilities	<u>1,050,629</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>25,565,629</u>
Fund Equity					
Fund balance (deficit)	-	2,945,350	1,264,941	-	4,210,291
	<u>-</u>	<u>2,945,350</u>	<u>1,264,941</u>	<u>-</u>	<u>29,775,920</u>
	<u>\$ 1,050,629</u>	<u>\$ 2,945,350</u>	<u>\$ 1,264,941</u>	<u>\$ 24,515,000</u>	<u>\$ 29,775,920</u>

Sierra Ridge Metropolitan District #2
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Six Months Ended June 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	\$ 293,064	\$ 770,178	\$ (5,989)
Specific ownership taxes	38,000	5,870	35,979	(2,021)
Interest Income	50,000	16,362	90,396	40,396
	<u>864,167</u>	<u>315,296</u>	<u>896,553</u>	<u>32,386</u>
Expenditures				
Miscellaneous	-	-	10	(10)
Treasurer's fees	11,643	4,397	11,554	89
Emergency reserve (3%)	349	-	-	349
Transfer to District #1	852,175	310,899	884,989	(32,814)
	<u>864,167</u>	<u>315,296</u>	<u>896,553</u>	<u>(32,386)</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 Six Months Ended June 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 Six Months Ended June 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	\$ 512,862	\$ 1,347,811	\$ (10,481)
Specific ownership taxes	81,498	10,273	62,964	(18,534)
Interest Income	<u>6,000</u>	<u>2,529</u>	<u>14,773</u>	<u>8,773</u>
Total revenues	<u>1,445,790</u>	<u>525,664</u>	<u>1,425,548</u>	<u>(20,242)</u>
Expenditures:				
Interest Expense 2022 Ref Bonds	980,600	490,300	490,300	490,300
Bond Principal 2022 Ref Bonds	475,000	-	-	475,000
Treasurer fees	20,374	7,695	20,220	154
Trustee/paying agent fees	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total expenditures	<u>1,479,974</u>	<u>497,995</u>	<u>514,520</u>	<u>965,454</u>
Excess (deficiency) of revenues over expenditures	(34,184)	27,669	911,028	945,212
Fund balance - beginning	<u>326,845</u>	<u>1,237,272</u>	<u>353,913</u>	<u>27,068</u>
Fund balance - ending	<u>\$ 292,661</u>	<u>\$ 1,264,941</u>	<u>\$ 1,264,941</u>	<u>\$ 972,280</u>