

Sierra Ridge Metropolitan District #1
Financial Statements

October 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 October 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 ten 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.

November 20, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #1
Balance Sheet - Governmental Funds and Account Groups
October 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	\$ 599,754	\$ -	\$ -	\$ 599,754
Cash - HOA	49,690	-	-	49,690
Colostrust	201,433	-	-	201,433
Prepaid Expenses	4,135	-	-	4,135
Accounts Receivable - Mgmt	62,928	-	-	62,928
Receivable District #2	786,886	-	-	786,886
	1,704,826	-	-	1,704,826
Other assets				
Improvements	-	-	8,481,516	8,481,516
Amount to be provided for retirement of debt	-	-	3,422,293	3,422,293
	-	-	11,903,809	11,903,809
	\$ 1,704,826	\$ -	\$ 11,903,809	\$ 13,608,635
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 244,691	\$ -	\$ -	\$ 244,691
Lennar contingency deposit	9,789	-	-	9,789
Prepaid Assessments	42,760	-	-	42,760
	297,240	-	-	297,240
Interest payable	-	-	1,114,913	1,114,913
Note Payable	-	-	2,307,380	2,307,380
Total Liabilities	297,240	-	3,422,293	3,719,533
Fund Equity				
Investment in fixed assets	-	-	8,481,516	8,481,516
Fund balance (deficit)	1,407,586	-	-	1,407,586
	1,407,586	-	8,481,516	9,889,102
	\$ 1,704,826	\$ -	\$ 11,903,809	\$ 13,608,635

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Ten Months Ended October 31, 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	\$ 25,430	989,424	\$ 137,249
District Fee	680,478	169,812	682,250	1,772
Working Capital Fee	32,500	1,300	15,600	(16,900)
Miscellaneous	25,000	-	98,866	73,866
Misc Income - Late Fees	13,000	1,785	8,732	(4,268)
Misc Income - Homeowner Interest	4,000	563	3,772	(228)
Misc Income - Clubhouse Rental/Billback	10,000	1,575	9,175	(825)
Misc Income - Fines/Fees	15,000	(300)	16,150	1,150
Misc Income - Legal Fees	595	-	215	(380)
Misc Income - Credit Cards/Fees	150	(170)	223	73
Hail Damage Insurance Proceeds	-	18,801	212,138	212,138
Interest Income	1,200	946	8,435	7,235
	<u>1,634,098</u>	<u>219,742</u>	<u>2,044,980</u>	<u>410,882</u>
Expenditures				
Operating Expenditures:				
Accounting and auditing	44,500	4,646	39,911	4,589
Legal	85,800	13,836	81,949	3,851
Election	50,000	-	33,689	16,311
Insurance	26,469	-	31,025	(4,556)
Miscellaneous expense	225	29	105	120
Director's Fees	9,600	600	7,500	2,100
Developer repayment	-	-	305,085	(305,085)
Administrative Costs	167,105	14,137	129,463	37,642
Common Area	623,931	32,383	702,994	(79,063)
Common Area Utilities	376,454	27,091	241,210	135,244
Clubhouse	132,689	2,091	116,696	15,993
Planning & Engineering	45,000	1,225	5,929	39,071
Subtotal	<u>1,561,773</u>	<u>96,038</u>	<u>1,695,556</u>	<u>(133,783)</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>96,038</u>	<u>1,695,556</u>	<u>929,324</u>
Excess (deficiency) of revenues over expenditures	(990,782)	123,704	349,424	1,340,206
Fund balance - beginning	<u>990,782</u>	<u>1,283,882</u>	<u>1,058,162</u>	<u>67,380</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,407,586</u>	<u>\$ 1,407,586</u>	<u>\$ 1,407,586</u>

Sierra Ridge Metropolitan District #1
 Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
 Budget and Actual
 For the Ten Months Ended October 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 Ten Months Ended October 31, 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>
Administrative Expense				
Collections	\$ 12,000	\$ 465	7,420	\$ 4,580
Communication - Newsletter/message boards	2,000	-	1,103	897
Administrative (Posting Printing)	5,500	529	2,250	3,250
Misc Administrative	3,500	51	3,853	(353)
Management Fees	120,305	10,025	100,254	20,051
Community Events	23,500	3,067	14,583	8,917
Meeting Expense	300	-	-	300
Total Administrative	<u>\$ 167,105</u>	<u>\$ 14,137</u>	<u>\$ 129,463</u>	<u>\$ 37,642</u>
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	-	4,888	5,812
Irrigation Repairs 1B	10,800	471	4,893	5,907
Irrigation Repairs Park/Pool	15,200	89	5,682	9,518
Irrigation Repairs Filing 2	6,900	-	3,632	3,268
Irrigation Repairs Filing 3	14,900	-	-	14,900
Landscape Maintenance 1A	46,140	4,614	39,219	6,921
Landscape Maintenance 1B	44,440	4,444	37,774	6,666
Landscape Maintenance Park/Pool	43,670	4,367	37,120	6,550
Landscape Maintenance Filing 2	27,350	2,752	23,400	3,950
Landscape Maintenance Filing 3	47,290	-	-	47,290
Landscape Repairs/Improvements	134,258	-	149,728	(15,470)
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	1,519	5,204	(71)
Insect Control 1B	3,451	1,235	3,479	(28)
Insect Control Park/Pool	4,026	1,399	2,776	1,250
Insect Control Filing 2	1,363	703	1,385	(22)
Insect Control Filing 3	6,130	-	-	6,130
Pet Stations	9,500	677	6,903	2,597
Snow Removal	25,000	2,005	13,530	11,470
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	-	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	-	7,797	272,625	(272,625)
Miscellaneous	4,000	311	2,795	1,205
Total Common Area	<u>\$ 623,931</u>	<u>\$ 32,383</u>	<u>\$ 702,994</u>	<u>\$ (79,063)</u>

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Ten Months Ended October 31, 2023
Operations & Maintenance Details

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual Month</u>	<u>Actual Year to Date</u>	YTD Variance Favorable (Unfavorable)
Common Area Utilities				
Water/Sewer 1A	\$ 50,000	\$ 4,614	36,545	\$ 13,455
Water/Sewer 1B	42,000	2,851	20,451	21,549
Water/Sewer Park/Pool	86,000	7,727	64,236	21,764
Water/Sewer Filing 2	7,750	72	3,273	4,477
Water/Sewer Filing 3	50,000	-	-	50,000
Gas/Electric	1,450	121	1,224	226
Trash Removal	139,254	11,706	115,481	23,773
Total Common Area Utilities	<u>\$ 376,454</u>	<u>\$ 27,091</u>	<u>\$ 241,210</u>	<u>\$ 135,244</u>
Clubhouse				
Access Cards	\$ 600	-	-	\$ 600
Surveillance System Monitoring	1,080	-	1,320	(240)
Internet/Cable	1,656	149	1,483	173
Cleaning	8,500	300	6,185	2,315
Gas/Electric	15,250	874	13,989	1,261
HVAC Maintenance	1,500	-	-	1,500
Pool Maintenance/Lifeguards	70,560	-	67,916	2,644
Pool Supplies	7,000	-	11,030	(4,030)
Supplies	-	-	-	-
Storage & Moving Pool Furniture	8,518	624	6,628	1,890
Furniture	5,000	-	-	5,000
Clubhouse/Furnishings/Signs/Cameras	1,500	-	713	787
Maintenance (Plumbing/lights/general)	5,000	-	2,696	2,304
Pest Control	800	-	600	200
Water/Sewer	5,725	144	4,136	1,589
Total Clubhouse expense	<u>\$ 132,689</u>	<u>\$ 2,091</u>	<u>\$ 116,696</u>	<u>\$ 15,993</u>

Sierra Ridge Metropolitan District #2
Financial Statements

October 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 October 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 ten 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.

November 20, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #2
Balance Sheet - Governmental Funds and Account Groups
October 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	\$ 779,563	\$ 2,913,416	\$ 96,626	\$ -	\$ 3,789,605
Vectra Bank	980	-	-	-	980
Cash with Trustee	-	-	1,230,296	-	1,230,296
Taxes receivable	7,133	-	12,482	-	19,615
	<u>787,676</u>	<u>2,913,416</u>	<u>1,339,404</u>	<u>-</u>	<u>5,040,496</u>
Other assets					
Amount available in debt service fund	-	-	-	1,339,404	1,339,404
Amount to be provided for retirement of debt	-	-	-	23,175,596	23,175,596
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>24,515,000</u>
	<u>\$ 787,676</u>	<u>\$ 2,913,416</u>	<u>\$ 1,339,404</u>	<u>\$ 24,515,000</u>	<u>\$ 29,555,496</u>
Liabilities and Equity					
Current liabilities					
Payable to District #1	\$ 786,886	\$ -	\$ -	\$ -	\$ 786,886
Other Liabilities	790	-	-	-	790
Total current liabilities	<u>787,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>787,676</u>
GO Bonds Srs 2022	-	-	-	24,515,000	24,515,000
Total liabilities	<u>787,676</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>25,302,676</u>
Fund Equity					
Fund balance (deficit)	<u>-</u>	<u>2,913,416</u>	<u>1,339,404</u>	<u>-</u>	<u>4,252,820</u>
	<u>-</u>	<u>2,913,416</u>	<u>1,339,404</u>	<u>-</u>	<u>29,555,496</u>
	<u>\$ 787,676</u>	<u>\$ 2,913,416</u>	<u>\$ 1,339,404</u>	<u>\$ 24,515,000</u>	<u>\$ 29,555,496</u>

Sierra Ridge Metropolitan District #2
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Ten Months Ended October 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	\$ 893	\$ 776,167	\$ -
Specific ownership taxes	38,000	6,195	60,984	22,984
Interest Income	50,000	18,356	163,929	113,929
	<u>864,167</u>	<u>25,444</u>	<u>1,001,080</u>	<u>136,913</u>
Expenditures				
Miscellaneous	-	-	10	(10)
Treasurer's fees	11,643	14	11,646	(3)
Emergency reserve (3%)	349	-	-	349
Transfer to District #1	852,175	25,430	989,424	(137,249)
	<u>864,167</u>	<u>25,444</u>	<u>1,001,080</u>	<u>(136,913)</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 Ten Months Ended October 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>

Sierra Ridge Metropolitan District #2
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Ten Months Ended October 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	\$ 1,564	\$ 1,358,293	\$ 1
Specific ownership taxes	81,498	10,842	106,723	25,225
Interest Income	<u>6,000</u>	<u>5,772</u>	<u>35,157</u>	<u>29,157</u>
Total revenues	<u>1,445,790</u>	<u>18,178</u>	<u>1,500,173</u>	<u>54,383</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	25	20,382	(8)
Trustee/paying agent fees	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total expenditures	<u>1,479,974</u>	<u>25</u>	<u>514,682</u>	<u>965,292</u>
Excess (deficiency) of revenues over expenditures	(34,184)	18,153	985,491	1,019,675
Fund balance - beginning	<u>326,845</u>	<u>1,321,251</u>	<u>353,913</u>	<u>27,068</u>
Fund balance - ending	<u>\$ 292,661</u>	<u>\$ 1,339,404</u>	<u>\$ 1,339,404</u>	<u>\$ 1,046,743</u>