

Sierra Ridge Metropolitan District #1
Financial Statements

July 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 July 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 seven 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.

August 23, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #1
Balance Sheet - Governmental Funds and Account Groups
July 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	\$ 443,447	\$ -	\$ -	\$ 443,447
Cash - HOA	129,415	-	-	129,415
Colostrust	198,660	-	-	198,660
Accounts Receivable/Mgmt Receivable District #2	55,204	-	-	55,204
	1,079,320	-	-	1,079,320
	1,906,046	-	-	1,906,046
Other assets				
Improvements	-	-	8,481,516	8,481,516
Amount to be provided for retirement of debt	-	-	3,378,674	3,378,674
	-	-	11,860,190	11,860,190
	\$ 1,906,046	\$ -	\$ 11,860,190	\$ 13,766,236
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 159,249	\$ -	\$ -	\$ 159,249
Prepaid Assessments	43,848	-	-	43,848
	203,097	-	-	203,097
Interest payable	-	-	1,071,294	1,071,294
Note Payable	-	-	2,307,380	2,307,380
	203,097	-	3,378,674	3,581,771
Fund Equity				
Investment in fixed assets	-	-	8,481,516	8,481,516
Fund balance (deficit)	1,702,949	-	-	1,702,949
	1,702,949	-	8,481,516	10,184,465
	\$ 1,906,046	\$ -	\$ 11,860,190	\$ 13,766,236

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Seven Months Ended July 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	\$ 28,802	913,791	\$ 61,616
District Fee	680,478	170,000	511,625	(168,853)
Working Capital Fee	32,500	1,300	11,700	(20,800)
Miscellaneous/Water Reimbursement	25,000	-	-	(25,000)
Misc Income - Late Fees	13,000	1,410	5,927	(7,073)
Misc Income - Homeowner Interest	4,000	471	2,436	(1,564)
Misc Income - Clubhouse Rental/Billback	10,000	1,275	6,200	(3,800)
Misc Income - Fines/Fees	15,000	4,225	8,950	(6,050)
Misc Income - Legal Fees	595	-	-	(595)
Misc Income - Credit Cards/Fees	150	25	191	41
Other Income	-	-	974	974
Hail Damage Insurance Proceeds	-	-	193,337	193,337
Interest Income	1,200	889	5,662	4,462
	<u>1,634,098</u>	<u>208,397</u>	<u>1,660,793</u>	<u>26,695</u>
Expenditures				
Operating Expenditures:				
Accounting and auditing	44,500	2,326	28,513	15,987
Legal	85,800	10,612	53,726	32,074
Election	50,000	-	33,493	16,507
Insurance	26,469	-	31,025	(4,556)
Miscellaneous expense	225	3	57	168
Director's Fees	9,600	1,200	5,400	4,200
Developer repayment	-	-	305,085	(305,085)
Administrative Costs	167,105	10,776	82,552	84,553
Common Area	623,931	67,909	205,784	418,147
Common Area Utilities	376,454	35,988	147,404	229,050
Clubhouse	132,689	13,255	86,329	46,360
Planning & Engineering	45,000	-	4,704	40,296
Subtotal	<u>1,561,773</u>	<u>142,069</u>	<u>984,072</u>	<u>577,701</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>142,069</u>	<u>984,072</u>	<u>1,640,808</u>
Excess (deficiency) of revenues over expenditures	(990,782)	66,328	676,721	1,667,503
Fund balance - beginning	<u>990,782</u>	<u>1,636,621</u>	<u>1,026,228</u>	<u>35,446</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,702,949</u>	<u>\$ 1,702,949</u>	<u>\$ 1,702,949</u>

Sierra Ridge Metropolitan District #1
 Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
 Budget and Actual
 For the Seven Months Ended July 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 Seven Months Ended July 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	\$ 290	5,075	\$ 6,925
Communication - Newsletter/message boards	2,000	-	613	1,387
Administrative (Posting Printing)	5,500	244	1,462	4,038
Misc Administrative	3,500	216	2,729	771
Management Fees	120,305	10,026	70,178	50,127
Community Events	23,500	-	2,495	21,005
Meeting Expense	300	-	-	300
Total Administrative	<u>\$ 167,105</u>	<u>\$ 10,776</u>	<u>\$ 82,552</u>	<u>\$ 84,553</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	2,016	3,275	7,425
Irrigation Repairs 1B	10,800	793	2,961	7,839
Irrigation Repairs Park/Pool	15,200	1,218	4,093	11,107
Irrigation Repairs Filing 2	6,900	449	2,326	4,574
Irrigation Repairs Filing 3	14,900	-	-	14,900
Landscape Maintenance 1A	46,140	4,614	25,377	20,763
Landscape Maintenance 1B	44,440	4,444	24,442	19,998
Landscape Maintenance Park/Pool	43,670	4,366	24,018	19,652
Landscape Maintenance Filing 2	27,350	2,753	15,141	12,209
Landscape Maintenance Filing 3	47,290	-	-	47,290
Landscape Repairs/Improvements	134,258	301	17,344	116,914
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	4,872	4,628
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	44,460	45,434	(30,434)
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	1,818	3,718	282
Total Common Area	<u>\$ 623,931</u>	<u>\$ 67,909</u>	<u>\$ 205,784</u>	<u>\$ 418,147</u>

Sierra Ridge Metropolitan District #1
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Seven Months Ended July 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	\$ 6,270	18,587	\$ 31,413
Water/Sewer 1B	42,000	3,897	10,846	31,154
Water/Sewer Park/Pool	86,000	12,835	32,573	53,427
Water/Sewer Filing 2	7,750	666	1,645	6,105
Water/Sewer Filing 3	50,000	-	-	50,000
Gas/Electric	1,450	107	862	588
Trash Removal	<u>139,254</u>	<u>12,213</u>	<u>82,891</u>	<u>56,363</u>
Total Common Area Utilities	<u>\$ 376,454</u>	<u>\$ 35,988</u>	<u>\$ 147,404</u>	<u>\$ 229,050</u>
Clubhouse				
Access Cards	\$ 600	-	-	\$ 600
Surveillance System Monitoring	1,080	-	1,320	(240)
Internet/Cable	1,656	149	1,037	619
Cleaning	8,500	870	4,440	4,060
Gas/Electric	15,250	2,539	9,015	6,235
HVAC Maintenance	1,500	-	-	1,500
Pool Maintenance/Lifeguards	70,560	8,000	57,000	13,560
Pool Supplies	7,000	-	3,793	3,207
Storage & Moving Pool Furniture	8,518	624	4,208	4,310
Furniture	5,000	-	-	5,000
Clubhouse/Furnishings/Signs/Cameras	1,500	-	180	1,320
Maintenance (Plumbing/lights/general)	5,000	546	1,887	3,113
Pest Control	800	-	400	400
Water/Sewer	<u>5,725</u>	<u>527</u>	<u>3,049</u>	<u>2,676</u>
Total Clubhouse expense	<u>\$ 132,689</u>	<u>\$ 13,255</u>	<u>\$ 86,329</u>	<u>\$ 46,360</u>

Sierra Ridge Metropolitan District #2
Financial Statements

July 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 July 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 seven 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.

August 23, 2023
Englewood, Colorado

Sierra Ridge Metropolitan District #2
Balance Sheet - Governmental Funds and Account Groups
July 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	\$ 1,068,654	\$ 2,945,350	\$ 96,625	\$ -	\$ 4,110,629
Vectra Bank	308	-	-	-	308
Cash with Trustee	-	-	1,172,400	-	1,172,400
Taxes receivable	10,476	-	18,332	-	28,808
	<u>1,079,438</u>	<u>2,945,350</u>	<u>1,287,357</u>	<u>-</u>	<u>5,312,145</u>
Other assets					
Amount available in debt service fund	-	-	-	1,287,357	1,287,357
Amount to be provided for retirement of debt	-	-	-	23,227,643	23,227,643
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>24,515,000</u>
	<u>\$ 1,079,438</u>	<u>\$ 2,945,350</u>	<u>\$ 1,287,357</u>	<u>\$ 24,515,000</u>	<u>\$ 29,827,145</u>
Liabilities and Equity					
Current liabilities					
Payable to District #1	\$ 1,079,320	\$ -	\$ -	\$ -	\$ 1,079,320
Other Liabilities	118	-	-	-	118
Total current liabilities	<u>1,079,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,079,438</u>
GO Bonds Srs 2022	-	-	-	24,515,000	24,515,000
Total liabilities	<u>1,079,438</u>	<u>-</u>	<u>-</u>	<u>24,515,000</u>	<u>25,594,438</u>
Fund Equity					
Fund balance (deficit)	-	2,945,350	1,287,357	-	4,232,707
	<u>-</u>	<u>2,945,350</u>	<u>1,287,357</u>	<u>-</u>	<u>29,827,145</u>
	<u>\$ 1,079,438</u>	<u>\$ 2,945,350</u>	<u>\$ 1,287,357</u>	<u>\$ 24,515,000</u>	<u>\$ 29,827,145</u>

Sierra Ridge Metropolitan District #2
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Seven Months Ended July 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	\$ 4,227	\$ 774,405	\$ (1,762)
Specific ownership taxes	38,000	6,221	42,200	4,200
Interest Income	50,000	18,419	108,815	58,815
	<u>864,167</u>	<u>28,867</u>	<u>925,420</u>	<u>61,253</u>
Expenditures				
Miscellaneous	-	-	10	(10)
Treasurer's fees	11,643	65	11,619	24
Emergency reserve (3%)	349	-	-	349
Transfer to District #1	852,175	28,802	913,791	(61,616)
	<u>864,167</u>	<u>28,867</u>	<u>925,420</u>	<u>(61,253)</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 Seven Months Ended July 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>2,945,350</u>	<u>2,945,350</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,945,350</u>	<u>\$ 2,945,350</u>	<u>\$ 2,945,350</u>

Sierra Ridge Metropolitan District #2
Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Budget and Actual
For the Seven Months Ended July 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	\$ 7,397	\$ 1,355,208	\$ (3,084)
Specific ownership taxes	81,498	10,886	73,850	(7,648)
Interest Income	<u>6,000</u>	<u>4,246</u>	<u>19,019</u>	<u>13,019</u>
Total revenues	<u>1,445,790</u>	<u>22,529</u>	<u>1,448,077</u>	<u>2,287</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	113	20,333	41
Trustee/paying agent fees	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total expenditures	<u>1,479,974</u>	<u>113</u>	<u>514,633</u>	<u>965,341</u>
Excess (deficiency) of revenues over expenditures	(34,184)	22,416	933,444	967,628
Fund balance - beginning	<u>326,845</u>	<u>1,264,941</u>	<u>353,913</u>	<u>27,068</u>
Fund balance - ending	<u>\$ 292,661</u>	<u>\$ 1,287,357</u>	<u>\$ 1,287,357</u>	<u>\$ 994,696</u>