

Founders Village Metropolitan District  
Financial Statements

February 28, 2021

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Founders Village Metropolitan District

Management is responsible for the accompanying financial statements of each major fund of Founders Village Metropolitan District, as of and for the period ended February 28, 2021, 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 two 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 Founders Village Metropolitan District because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

March 12, 2021  
Englewood, Colorado

FOUNDERS VILLAGE METROPOLITAN DISTRICT  
 Balance Sheet  
 February 28, 2021

See Accountant's Compilation Report

|                              | <u>General<br/>Fund</u>    | <u>Total<br/>Funds</u>     |
|------------------------------|----------------------------|----------------------------|
| Assets                       |                            |                            |
| Current assets               |                            |                            |
| Cash in MMKT                 | \$ 192,649                 | \$ 192,649                 |
| Cash in Checking - CTF Funds | 324,229                    | 324,229                    |
| County taxes receivable      | 2,366,452                  | 2,366,452                  |
|                              |                            |                            |
| Total Assets                 | \$ <u><u>2,883,330</u></u> | \$ <u><u>2,883,330</u></u> |
| Liabilities and Equity       |                            |                            |
| Current liabilities          |                            |                            |
| Due to District #4           | \$ 2,559,101               | \$ 2,559,101               |
|                              |                            |                            |
| Total liabilities            | <u>2,559,101</u>           | <u>2,559,101</u>           |
| Fund Equity                  |                            |                            |
| Fund balance                 | 324,229                    | 324,229                    |
|                              |                            |                            |
|                              | <u>324,229</u>             | <u>324,229</u>             |
|                              |                            |                            |
|                              | \$ <u><u>2,883,330</u></u> | \$ <u><u>2,883,330</u></u> |

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
General Fund

For the Two Months Ended February 28, 2021

See Accountants' Compilation Report

|  | Annual<br><u>Budget</u> | <u>Actual</u>     | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|-------------------------|-------------------|---|
| Revenues:  |                         |                   |   |
| Property taxes                                       | \$ 5,327,226            | \$ 2,441,340      | \$ (2,885,886)                                |
| Ownership taxes                                      | 479,956                 | 74,562            | (405,394)                                     |
| System Development fees                              | 488,040                 | -                 | (488,040)                                     |
| Interest/other income                                | 5,800                   | 9                 | (5,791)                                       |
| Conservation Trust                                   | 45,000                  | -                 | (45,000)                                      |
|  | <u>6,346,022</u>        | <u>2,515,911</u>  | <u>(3,830,111)</u>                            |
|  |                         |                   |   |
| Expenditures:  |                         |                   |   |
| Transfer to District #4                              | 5,583,065               | 2,479,291         | 3,103,774                                     |
| Transfer to District #4 Capital                      | 488,040                 | -                 | 488,040                                       |
| Treasurer's fees                                     | 79,920                  | 36,620            | 43,300  |
| CTF program Expenditures                             | 150,000                 | -                 | 150,000                                       |
|  | <u>6,301,025</u>        | <u>2,515,911</u>  | <u>3,785,114</u>                              |
|  |                         |                   |   |
| Excess (deficiency) of revenues<br>over expenditures | 44,997                  | -                 | (44,997)                                      |
|  |                         |                   |   |
| Beginning fund balance                               | <u>328,718</u>          | <u>324,229</u>    | <u>(4,489)</u>                                |
|  |                         |                   |   |
| Ending fund balance                                  | <u>\$ 373,715</u>       | <u>\$ 324,229</u> | <u>\$ (49,486)</u>                            |

Villages at Castle Rock Metropolitan District #4  
Financial Statements

February 28, 2021

ACCOUNTANT'S COMPILATION REPORT

Board of Directors

Villages at Castle Rock Metropolitan District #4

Management is responsible for the accompanying financial statements of each major fund of Villages at Castle Rock Metropolitan District #4, as of and for the period ended February 28, 2021, 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 two 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 Villages at Castle Rock Metropolitan District #4 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

March 16, 2021  
Englewood, Colorado

Villages at Castle Rock Metropolitan District #4  
 Combined Balance Sheet  
 February 28, 2021

See Accountant's Compilation Report

|  | <u>General</u><br><u>Fund</u> | <u>Capital</u><br><u>Fund</u> | <u>Debt</u><br><u>Service</u><br><u>Fund</u> | <u>Account</u><br><u>Groups</u> | <u>Total</u><br><u>All Funds</u> |
|--|-------------------------------|-------------------------------|--|---------------------------------|----------------------------------|
| <b>Assets</b>                                |                               |                               |  |                                 |                                  |
| <b>Current assets</b>                        |                               |                               |  |                                 |                                  |
| Cash in Checking                             | \$ 221,615                    | \$ -                          | \$ -   | \$ -                            | \$ 221,615                       |
| Cash in COLOTRUST                            | 2,055,475                     | 2,493,592                     | -  | -                               | 4,549,067                        |
| Taxes receivable                             | 2,094                         | -                             | -  | -                               | 2,094                            |
| Accounts receivable                          | 680,469                       | -                             | 1,878,632                                    | -                               | 2,559,101                        |
|  | 2,959,653                     | 2,493,592                     | 1,878,632                                    | -                               | 7,331,877                        |
| <b>Other assets</b>                          |                               |                               |  |                                 |                                  |
| Improvements                                 | -                             | -                             | -  | 4,575,928                       | 4,575,928                        |
| Amount available in debt service fund        | -                             | -                             | -  | 1,878,632                       | 1,878,632                        |
| Amount to be provided for retirement of debt | -                             | -                             | -  | 136,511,435                     | 136,511,435                      |
|  | -                             | -                             | -  | 142,965,995                     | 142,965,995                      |
|  | \$ 2,959,653                  | \$ 2,493,592                  | \$ 1,878,632                                 | \$ 142,965,995                  | \$ 150,297,872                   |
| <b>Liabilities and Equity</b>                |                               |                               |  |                                 |                                  |
| <b>Current liabilities</b>                   |                               |                               |  |                                 |                                  |
| Accounts payable                             | \$ 68,008                     | \$ -                          | \$ -   | \$ -                            | \$ 68,008                        |
|  | 68,008                        | -                             | -  | -                               | 68,008                           |
| Revenue Bonds Payable                        | -                             | -                             | -  | 25,911,000                      | 25,911,000                       |
| Revenue Bonds Interest                       | -                             | -                             | -  | 112,479,067                     | 112,479,067                      |
|  | 68,008                        | -                             | -  | 138,390,067                     | 138,458,075                      |
| <b>Fund Equity</b>                           |                               |                               |  |                                 |                                  |
| Investment in improvements                   | -                             | -                             | -  | 4,575,928                       | 4,575,928                        |
| Fund balance                                 | 2,891,645                     | 2,493,592                     | 1,878,632                                    | -                               | 7,263,869                        |
|  | 2,891,645                     | 2,493,592                     | 1,878,632                                    | 4,575,928                       | 11,839,797                       |
|  | \$ 2,959,653                  | \$ 2,493,592                  | \$ 1,878,632                                 | \$ 142,965,995                  | \$ 150,297,872                   |

Villages at Castle Rock Metropolitan District #4  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Governmental Funds  
For the Two Months Ended February 28, 2021  
General Fund

See Accountant's Compilation Report

|  | Annual<br><u>Budget</u> | Current<br><u>Month</u> | Year to<br><u>Date</u> | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|-------------------------|-------------------------|------------------------|---|
| <b>Revenues</b>                                      |                         |                         |                        |   |
| Property taxes                                       | \$ 5,248                | \$ 2,091                | \$ 2,091               | \$ (3,157)                                    |
| Specific Ownership taxes                             | 365                     | 33                      | 73                     | (292)   |
| Reimbursements                                       | 9,500                   | -                       | -                      | (9,500)                                       |
| Interest/Miscellaneous                               | 500                     | -                       | 2                      | (498)   |
| Transfer-Founders Village                            | 2,008,065               | 851,145                 | 891,728                | (1,116,337)                                   |
|  | <u>2,023,678</u>        | <u>853,269</u>          | <u>893,894</u>         | <u>(1,129,784)</u>                            |
| <b>Expenditures</b>                                  |                         |                         |                        |   |
| Legal  | 70,000                  | 13,812                  | 13,812                 | 56,188  |
| Special council                                      | 16,500                  | -                       | -                      | 16,500  |
| Accounting   | 22,000                  | 3,829                   | 3,829                  | 18,171  |
| Audit  | 9,500                   | -                       | -                      | 9,500   |
| Insurance  | 16,000                  | -                       | 20,467                 | (4,467)                                       |
| Administrative                                       | 43,000                  | 3,520                   | 7,060                  | 35,940  |
| District management - Founders & #4                  | 45,000                  | 2,713                   | 5,145                  | 39,855  |
| Director's fees & mileage                            | 7,000                   | -                       | -                      | 7,000   |
| Payroll tax expense                                  | 536                     | -                       | -                      | 536   |
| Development assistance & referrals                   | 9,500                   | 905                     | 2,138                  | 7,362   |
| Community outreach and website                       | 5,000                   | 450                     | 450                    | 4,550   |
| SDA dues & conference                                | 5,000                   | -                       | -                      | 5,000   |
| Miscellaneous/reprographic                           | 500                     | 228                     | 250                    | 250   |
| Utilities-Electrical                                 | 7,000                   | 523                     | 1,075                  | 5,925   |
| Utilities-Irrigation Water                           | 210,000                 | -                       | -                      | 210,000                                       |
| Operations & maintenance programs                    | 2,475,000               | 37,820                  | 83,475                 | 2,391,525                                     |
| Other enhancements and improvements                  | 250,000                 | -                       | -                      | 250,000                                       |
| Project/Engineering GF projects                      | 22,000                  | 1,366                   | 2,953                  | 19,047  |
| District #9 - Legal/Engineering                      | 80,000                  | 1,325                   | 2,235                  | 77,765  |
| Snowplow damage-repairs                              | 6,000                   | -                       | -                      | 6,000   |
| Weather damage-repairs                               | 5,000                   | -                       | -                      | 5,000   |
| Treasurer's fees                                     | 84                      | 31                      | 31                     | 53  |
| Contingency (2 month carryover)                      | 434,373                 | -                       | -                      | 434,373                                       |
| Emergency reserve                                    | 99,139                  | -                       | -                      | 99,139  |
|  | <u>3,838,132</u>        | <u>66,522</u>           | <u>142,920</u>         | <u>3,695,212</u>                              |
| Excess (deficiency) of revenues<br>over expenditures | (1,814,454)             | 786,747                 | 750,974                | (4,824,996)                                   |
| Beginning Fund Balance                               | <u>1,814,454</u>        |                         | <u>2,140,671</u>       | <u>326,217</u>                                |
| Ending Fund Balance                                  | <u>\$ -</u>             |                         | <u>\$ 2,891,645</u>    | <u>\$ (4,498,779)</u>                         |



Villages at Castle Rock Metropolitan District #4  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Governmental Funds  
For the Two Months Ended February 28, 2021  
Capital Fund

See Accountant's Compilation Report

|  | <u>Annual</u><br><u>Budget</u> | <u>Current</u><br><u>Month</u> | <u>Year to</u><br><u>Date</u> | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|--------------------------------|--------------------------------|-------------------------------|---|
| Revenues   |                                |                                |                               |   |
| Interest income                                      | \$ 85,000                      | \$ 302                         | \$ 704                        | \$ (84,296)                                   |
| Tap Agreement with District #7                       | 5,587                          | -                              | -                             | (5,587)                                       |
| Development fees (Memmen)                            | 130,000                        | -                              | -                             | (130,000)                                     |
| Transfer from Founders (Dev fees)                    | 488,040                        | -                              | -                             | (488,040)                                     |
| Development fee rebates from Town                    | 135,000                        | -                              | -                             | (135,000)                                     |
|  | <u>843,627</u>                 | <u>302</u>                     | <u>704</u>                    | <u>(842,923)</u>                              |
| Total revenues                                       |                                |                                |                               |   |
| Expenditures   |                                |                                |                               |   |
| Capital construction                                 | 175,000                        | -                              | -                             | 175,000                                       |
| Project management                                   | 6,500                          | -                              | -                             | 6,500   |
| Planning/engineering-Founders                        | 24,500                         | 1,213                          | 2,207                         | 22,293  |
| Miscellaneous projects                               | 10,000                         | -                              | -                             | 10,000  |
| Developer reimbursemnts (Memmen)                     | 83,300                         | -                              | -                             | 83,300  |
|  | <u>299,300</u>                 | <u>1,213</u>                   | <u>2,207</u>                  | <u>297,093</u>                                |
| Total expenditures                                   |                                |                                |                               |   |
| Excess (deficiency) of revenues<br>over expenditures | 544,327                        | (911)                          | (1,503)                       | (1,140,016)                                   |
| Beginning Fund Balance                               | <u>2,054,014</u>               | -                              | <u>2,495,095</u>              | <u>441,081</u>                                |
| Ending Fund Balance                                  | <u>\$ 2,598,341</u>            |                                | <u>\$ 2,493,592</u>           | <u>\$ (698,935)</u>                           |

Villages at Castle Rock Metropolitan District #4  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Governmental Funds  
For the Two Months Ended February 28, 2021  
Debt Service Fund

See Accountant's Compilation Report

|  | <u>Annual<br/>Budget</u> | <u>Current<br/>Month</u> | <u>Year to<br/>Date</u>   | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|--------------------------|--------------------------|---------------------------|---|
| Revenues   |                          |                          |                           |   |
| Transfer-Founders Village                            | \$ 3,575,000             | \$ 1,515,312             | \$ 1,587,563              | \$ (1,987,437)                                  |
|  | <hr/>                    | <hr/>                    | <hr/>                     | <hr/>   |
| Total revenues                                       | 3,575,000                | 1,515,312                | 1,587,563                 | (1,987,437)                                     |
|  | <hr/>                    | <hr/>                    | <hr/>                     | <hr/>   |
| Expenditures   |                          |                          |                           |   |
| Payment to trustee                                   | 3,550,000                | -                        | -                         | 3,550,000                                       |
|  | <hr/>                    | <hr/>                    | <hr/>                     | <hr/>   |
| Total expenditures                                   | 3,550,000                | -                        | -                         | 3,550,000                                       |
|  | <hr/>                    | <hr/>                    | <hr/>                     | <hr/>   |
| Excess (deficiency) of revenues<br>over expenditures | 25,000                   | 1,515,312                | 1,587,563                 | (5,537,437)                                     |
| Beginning Fund Balance                               | <hr/> -                  | -                        | 291,069                   | 291,069   |
| Ending Fund Balance                                  | <hr/> <u>\$ 25,000</u>   |                          | <hr/> <u>\$ 1,878,632</u> | <hr/> <u>\$ (5,246,368)</u>                     |