

Founders Village Metropolitan District  
Financial Statements

October 31, 2019

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 October 31, 2019 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 Founders Village Metropolitan District because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler, PC*

November 6, 2019  
Englewood, Colorado

FOUNDERS VILLAGE METROPOLITAN DISTRICT  
 Balance Sheet  
 October 31, 2019

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Total Funds</u>
Assets		
Current assets		
Cash in MMKT	\$ 192,068	\$ 192,068
Cash in Checking - CTF Funds	276,494	276,494
County taxes receivable	43,698	43,698
	<hr/>	<hr/>
Total Assets	\$ <u>512,260</u>	\$ <u>512,260</u>
Liabilities and Equity		
Current liabilities		
Due to District #4	\$ 235,766	\$ 235,766
	<hr/>	<hr/>
Total liabilities	<u>235,766</u>	<u>235,766</u>
Fund Equity		
Fund balance	<u>276,494</u>	<u>276,494</u>
	<hr/>	<hr/>
	<u>276,494</u>	<u>276,494</u>
	<hr/>	<hr/>
	\$ <u>512,260</u>	\$ <u>512,260</u>

FOUNDERS VILLAGE METROPOLITAN DISTRICT

Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
General Fund  
For the Ten Months Ended October 31, 2019

See Accountants' Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Property taxes	\$ 4,435,039	\$ 4,425,025	\$ (10,014)
Ownership taxes	404,125	369,356	(34,769)
System Development fees	265,000	170,088	(94,912)
Town SDF rebates	150,000	-	(150,000)
Interest/other income	2,000	4,365	2,365
Conservation Trust	40,000	37,933	(2,067)
	<u>5,296,164</u>	<u>5,006,767</u>	<u>(289,397)</u>
Expenditures:			
Transfer to District #4	5,189,626	4,902,418	287,208
Treasurer's fees	66,538	66,416	122
CTF expense	50,000	-	50,000
	<u>5,306,164</u>	<u>4,968,834</u>	<u>337,330</u>
Excess (deficiency) of revenues over expenditures	(10,000)	37,933	47,933
Beginning fund balance	<u>240,105</u>	<u>238,561</u>	<u>(1,544)</u>
Ending fund balance	<u>\$ 230,105</u>	<u>\$ 276,494</u>	<u>\$ 46,389</u>

Villages at Castle Rock Metropolitan District #4  
Financial Statements

October 31, 2019

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 October 31, 2019, 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 Villages at Castle Rock Metropolitan District #4 because we performed certain accounting services that impaired our independence.

*Simmons Wheeler, PC*

November 19, 2019  
Englewood, Colorado

Villages at Castle Rock Metropolitan District #4  
 Combined Balance Sheet  
 October 31, 2019

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
<b>Assets</b>					
<b>Current assets</b>					
Cash in Checking	\$ 423,357	\$ -	\$ -	\$ -	\$ 423,357
Cash in COLOTRUST	1,244,510	1,266,149	1,216,751	-	3,727,410
Taxes receivable	45	-	-	-	45
A/R Other	1,500	-	-	-	1,500
Accounts receivable	-	-	235,766	-	235,766
	<u>1,669,412</u>	<u>1,266,149</u>	<u>1,452,517</u>	<u>-</u>	<u>4,388,078</u>
<b>Other assets</b>					
Improvements	-	-	-	4,575,928	4,575,928
Amount available in debt service fund	-	-	-	1,452,517	1,452,517
Amount to be provided for retirement of debt	-	-	-	130,256,049	130,256,049
	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,284,494</u>	<u>136,284,494</u>
	<u>\$ 1,669,412</u>	<u>\$ 1,266,149</u>	<u>\$ 1,452,517</u>	<u>\$ 136,284,494</u>	<u>\$ 140,672,572</u>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 125,876	\$ -	\$ -	\$ -	\$ 125,876
941 Payroll Liability	214	-	-	-	214
Retainage payable	30,731	-	-	-	30,731
	<u>156,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,821</u>
Revenue Bonds Payable	-	-	-	25,911,000	25,911,000
Revenue Bonds Interest	-	-	-	105,797,566	105,797,566
<b>Total liabilities</b>	<u>156,821</u>	<u>-</u>	<u>-</u>	<u>131,708,566</u>	<u>131,865,387</u>
<b>Fund Equity</b>					
Investment in improvements	-	-	-	4,575,928	4,575,928
Fund balance	1,512,591	1,266,149	1,452,517	-	4,231,257
	<u>1,512,591</u>	<u>1,266,149</u>	<u>1,452,517</u>	<u>4,575,928</u>	<u>8,807,185</u>
	<u>\$ 1,669,412</u>	<u>\$ 1,266,149</u>	<u>\$ 1,452,517</u>	<u>\$ 136,284,494</u>	<u>\$ 140,672,572</u>

Villages at Castle Rock Metropolitan District #4  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Governmental Funds  
For the Ten Months Ended October 31, 2019  
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Beginning Fund Balance	\$ 937,985	\$ -	\$ 1,217,978	\$ 279,993
<b>Revenues</b>				
Property taxes	4,541	-	4,541	-
Specific Ownership taxes	496	45	378	(118)
Reimbursements	9,500	-	-	(9,500)
Miscellaneous	500	27	722	222
Transfer-Founders Village	1,924,626	17,670	1,907,577	(17,049)
Total revenues	<u>1,939,663</u>	<u>17,742</u>	<u>1,913,218</u>	<u>(26,445)</u>
Total available	<u>2,877,648</u>	<u>17,742</u>	<u>3,131,196</u>	<u>253,548</u>
<b>Expenditures</b>				
Legal	68,000	1,983	19,490	48,510
Special council	5,000	-	-	5,000
Accounting	18,835	2,069	17,824	1,011
Audit	9,500	-	8,800	700
Insurance	13,500	-	12,457	1,043
Administrative	38,870	3,266	32,811	6,059
District management - Founders & #4	40,000	2,713	35,802	4,198
Director's fees & mileage	7,000	-	4,400	2,600
Payroll tax expense	600	-	337	263
Development assistance & referrals	12,000	801	6,710	5,290
Community outreach	8,500	-	1,064	7,436
SDA dues & conference	4,500	-	5,579	(1,079)
Miscellaneous/reprographic	2,000	-	-	2,000
Utilities-Electrical	8,500	574	5,342	3,158
Utilities-Irrigation Water	195,000	23,433	175,452	19,548
Operations & maintenance programs	1,925,000	71,257	1,237,402	687,598
District #9 - Legal/Engineering	40,000	3,431	55,067	(15,067)
Snowplow damage-repairs	8,250	-	-	8,250
Weather damage-repairs	6,000	-	-	6,000
Treasurer's fees	76	-	68	8
Contingency (2 month carryover)	394,183	-	-	394,183
Emergency reserve	<u>72,334</u>	<u>-</u>	<u>-</u>	<u>72,334</u>
Total expenditures	<u>2,877,648</u>	<u>\$ 109,527</u>	<u>1,618,605</u>	<u>1,259,043</u>
Ending Fund Balance	<u>\$ -</u>		<u>\$ 1,512,591</u>	<u>\$ 1,512,591</u>



Villages at Castle Rock Metropolitan District #4  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Governmental Funds  
For the Ten Months Ended October 31, 2019  
Capital Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Beginning Fund Balance	\$ 859,633	\$ -	\$ 1,000,026	\$ 140,393
Revenues				
Interest income	15,000	6,684	72,027	57,027
Tap Agreement with District #7	67,044	-	2,667	(64,377)
Transfer from Founders (Dev fees)	265,000	-	170,088	(94,912)
Development fee rebates from Town	150,000	-	36,988	(113,012)
	<u>497,044</u>	<u>6,684</u>	<u>281,770</u>	<u>(215,274)</u>
Total revenues				
Total available	<u>1,356,677</u>	<u>6,684</u>	<u>1,281,796</u>	<u>(74,881)</u>
Expenditures				
Capital construction	182,000	-	502	181,498
Project management	6,500	-	-	6,500
Planning/engineering-Founders	25,000	1,132	15,145	9,855
Planning/engineering-District #9	15,000	-	-	15,000
Miscellaneous projects	10,000	-	-	10,000
	<u>238,500</u>	<u>1,132</u>	<u>15,647</u>	<u>222,853</u>
Total expenditures				
Ending Fund Balance	\$ <u><u>1,118,177</u></u>		\$ <u><u>1,266,149</u></u>	\$ <u><u>147,972</u></u>

Villages at Castle Rock Metropolitan District #4  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Governmental Funds  
For the Ten Months Ended October 31, 2019  
Debt Service Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Beginning Fund Balance	\$ <u>51,448</u>	\$ <u>-</u>	\$ <u>127,763</u>	\$ <u>76,315</u>
Revenues				
Transfer-Founders Village	<u>2,850,000</u>	<u>26,166</u>	<u>2,824,754</u>	<u>(25,246)</u>
Total revenues	<u>2,850,000</u>	<u>26,166</u>	<u>2,824,754</u>	<u>(25,246)</u>
Total available	<u>2,901,448</u>	<u>26,166</u>	<u>2,952,517</u>	<u>51,069</u>
Expenditures				
Payment to trustee	<u>2,850,000</u>	<u>-</u>	<u>1,500,000</u>	<u>1,350,000</u>
Total expenditures	<u>2,850,000</u>	<u>\$ -</u>	<u>1,500,000</u>	<u>1,350,000</u>
Ending Fund Balance	\$ <u><u>51,448</u></u>		\$ <u><u>1,452,517</u></u>	\$ <u><u>1,401,069</u></u>