

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, 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 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, PC

March 7, 2019
Englewood, Colorado

FOUNDERS VILLAGE METROPOLITAN DISTRICT
 Balance Sheet
 February 28, 2019

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Total Funds</u>
Assets		
Current assets		
Cash in MMKT	\$ 190,729	\$ 190,729
Cash in Checking - CTF Funds	238,561	238,561
County taxes receivable	2,036,367	2,036,367
	<hr/>	<hr/>
Total Assets	\$ <u>2,465,657</u>	\$ <u>2,465,657</u>
Liabilities and Equity		
Current liabilities		
Due to District #4	\$ 2,227,096	\$ 2,227,096
	<hr/>	<hr/>
Total liabilities	<u>2,227,096</u>	<u>2,227,096</u>
Fund Equity		
Fund balance	<u>238,561</u>	<u>238,561</u>
	<hr/>	<hr/>
	<u>238,561</u>	<u>238,561</u>
	<hr/>	<hr/>
	\$ <u>2,465,657</u>	\$ <u>2,465,657</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, 2019

See Accountants' Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 4,435,039	\$ 2,093,121	\$ (2,341,918)
Ownership taxes	404,125	68,343	(335,782)
System Development fees	265,000	38,088	(226,912)
Town SDF rebates	150,000	-	(150,000)
Interest/other income	2,000	284	(1,716)
Conservation Trust	40,000	-	(40,000)
	<hr/>	<hr/>	<hr/>
Total revenues	<u>5,296,164</u>	<u>2,199,836</u>	<u>(3,096,328)</u>
Expenditures:			
Transfer to District #4	5,189,626	2,168,439	3,021,187
Treasurer's fees	66,538	31,397	35,141
CTF expense	50,000	-	50,000
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>5,306,164</u>	<u>2,199,836</u>	<u>3,106,328</u>
Excess (deficiency) of revenues over expenditures	(10,000)	-	10,000
Beginning fund balance	<hr/> <u>240,105</u>	<hr/> <u>238,561</u>	<hr/> <u>(1,544)</u>
Ending fund balance	\$ <u><u>230,105</u></u>	\$ <u><u>238,561</u></u>	\$ <u><u>8,456</u></u>

Villages at Castle Rock Metropolitan District #4
Financial Statements

February 28, 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 February 28, 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 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, PC

March 18, 2019
Englewood, Colorado

Villages at Castle Rock Metropolitan District #4
 Combined Balance Sheet
 February 28, 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>
Assets					
Current assets					
Cash in Checking	\$ 94,436	\$ -	\$ -	\$ -	\$ 94,436
Cash in COLOTRUST	1,053,154	1,044,273	-	-	2,097,427
Taxes receivable	1,797	-	-	-	1,797
Prepaid expense	-	-	-	-	-
A/R Town of Castle Rock	-	-	-	-	-
Accounts receivable	827,715	-	1,399,381	-	2,227,096
	<u>1,977,102</u>	<u>1,044,273</u>	<u>1,399,381</u>	<u>-</u>	<u>4,420,756</u>
Other assets					
Improvements	-	-	-	4,575,928	4,575,928
Amount available in debt service fund	-	-	-	1,399,381	1,399,381
Amount to be provided for retirement of debt	-	-	-	126,378,620	126,378,620
	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,353,929</u>	<u>132,353,929</u>
	<u>\$ 1,977,102</u>	<u>\$ 1,044,273</u>	<u>\$ 1,399,381</u>	<u>\$ 132,353,929</u>	<u>\$ 136,774,685</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 37,578	\$ -	\$ -	\$ -	\$ 37,578
941 Payroll Liability	275	-	-	-	275
Retainage payable	13,820	4,796	-	-	18,616
	<u>51,673</u>	<u>4,796</u>	<u>-</u>	<u>-</u>	<u>56,469</u>
Revenue Bonds Payable	-	-	-	25,911,000	25,911,000
Revenue Bonds Interest	-	-	-	101,867,001	101,867,001
Total liabilities	<u>51,673</u>	<u>4,796</u>	<u>-</u>	<u>127,778,001</u>	<u>127,834,470</u>
Fund Equity					
Investment in improvements	-	-	-	4,575,928	4,575,928
Fund balance	1,925,429	1,039,477	1,399,381	-	4,364,287
	<u>1,925,429</u>	<u>1,039,477</u>	<u>1,399,381</u>	<u>4,575,928</u>	<u>8,940,215</u>
	<u>\$ 1,977,102</u>	<u>\$ 1,044,273</u>	<u>\$ 1,399,381</u>	<u>\$ 132,353,929</u>	<u>\$ 136,774,685</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, 2019
Capital Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable (Unfavorable)
Beginning Fund Balance	\$ 859,633	\$ -	\$ 1,000,026	\$ 140,393
Revenues				
Interest income	15,000	4,260	8,833	(6,167)
Tap Agreement with District #7	67,044	-	-	(67,044)
Transfer from Founders (Dev fees)	265,000	13,200	38,088	(226,912)
Development fee rebates from Town	150,000	-	-	(150,000)
	<u>497,044</u>	<u>17,460</u>	<u>46,921</u>	<u>(450,123)</u>
Total revenues	497,044	17,460	46,921	(450,123)
Total available	<u>1,356,677</u>	<u>17,460</u>	<u>1,046,947</u>	<u>(309,730)</u>
Expenditures				
Capital construction	182,000	276	276	181,724
Project management	6,500	-	-	6,500
Planning/engineering-Founders	25,000	1,165	2,541	22,459
Planning/engineering-District #9	15,000	2,174	4,653	10,347
Miscellaneous projects	10,000	-	-	10,000
	<u>238,500</u>	<u>3,615</u>	<u>7,470</u>	<u>231,030</u>
Total expenditures	238,500	\$ 3,615	7,470	231,030
Ending Fund Balance	\$ <u><u>1,118,177</u></u>		\$ <u><u>1,039,477</u></u>	\$ <u><u>(78,700)</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 Two Months Ended February 28, 2019
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable (Unfavorable)
Beginning Fund Balance	\$ 937,985	\$ -	\$ 1,194,972	\$ 256,987
Revenues				
Property taxes	4,541	1,789	2,073	(2,468)
Specific Ownership taxes	496	35	70	(426)
Reimbursements	9,500	-	-	(9,500)
Miscellaneous	500	7	16	(484)
Transfer-Founders Village	1,924,626	820,913	858,733	(1,065,893)
Total revenues	<u>1,939,663</u>	<u>822,744</u>	<u>860,892</u>	<u>(1,078,771)</u>
Total available	<u>2,877,648</u>	<u>822,744</u>	<u>2,055,864</u>	<u>(821,784)</u>
Expenditures				
Legal	68,000	358	3,088	64,912
Special council 21 NO. 9	45,000	5,465	6,018	38,982
Accounting	18,835	2,026	2,026	16,809
Audit	9,500	-	-	9,500
Insurance	13,500	-	13,694	(194)
Administrative	38,870	3,239	6,531	32,339
District management - Founders & #4	40,000	3,470	7,260	32,740
Director's fees & mileage	7,000	-	-	7,000
Payroll tax expense	600	-	-	600
Development assistance & referrals	12,000	339	752	11,248
Community outreach	8,500	460	891	7,609
SDA dues & conference	4,500	-	-	4,500
Miscellaneous/reprographic	2,000	-	-	2,000
Utilities-Electrical	8,500	528	1,096	7,404
Utilities-Irrigation Water	195,000	5,104	9,828	185,172
Operations & maintenance programs	1,925,000	14,161	79,220	1,845,780
Snowplow damage-repairs	8,250	-	-	8,250
Weather damage-repairs	6,000	-	-	6,000
Treasurer's fees	76	27	31	45
Contingency (2 month carryover)	394,183	-	-	394,183
Emergency reserve	72,334	-	-	72,334
Total expenditures	<u>2,877,648</u>	<u>\$ 35,177</u>	<u>130,435</u>	<u>2,747,213</u>
Ending Fund Balance	\$ <u>-</u>	\$ <u>1,925,429</u>	\$ <u>1,925,429</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, 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>1,215,615</u>	<u>1,271,618</u>	<u>(1,578,382)</u>
Total revenues	<u>2,850,000</u>	<u>1,215,615</u>	<u>1,271,618</u>	<u>(1,578,382)</u>
Total available	<u>2,901,448</u>	<u>1,215,615</u>	<u>1,399,381</u>	<u>(1,502,067)</u>
Expenditures				
Payment to trustee	<u>2,850,000</u>	<u>-</u>	<u>-</u>	<u>2,850,000</u>
Total expenditures	<u>2,850,000</u>	<u>\$ -</u>	<u>-</u>	<u>2,850,000</u>
Ending Fund Balance	<u>\$ 51,448</u>		<u>\$ 1,399,381</u>	<u>\$ 1,347,933</u>

