STERLING RANCH COMMUNITY AUTHORITY BOARD
Douglas County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

STERLING RANCH COMMUNITY AUTHORITY BOARD
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YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors

Sterling Ranch Community Authority Board

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Sterling Ranch Community Authority Board as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Sterling Ranch Community Authority Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Sterling Ranch Community Authority Board, as of December 31, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund and Special Revenue – Water and Wastewater Service Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sterling Ranch Community Authority Board and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sterling Ranch Community Authority Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sterling Ranch Community Authority Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sterling Ranch Community Authority Board's ability to continue as a going concern for a reasonable period of time.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sterling Ranch Community Authority Board's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information section, as listed in the table of contents, not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Haynie & Company

Littleton, Colorado
July 21, 2021

BASIC FINANCIAL STATEMENTS

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and Investments	$ 822,518
Cash and Investments - Restricted	41,773,128
Due from Dominion Water & Sanitation	428
Prepaid Expenses	34,694
Receivables, Net	1,798,043
Interest Receivable	192,051
Deposit - SIA/Douglas County	498,447
Capital Assets, Not Being Depreciated	159,206,691
Capital Assets, Net of Accumulated Depreciation	837,769
Total Assets	205,163,769
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	473,935
Total Deferred Outflow of Resources	473,935
LIABILITIES	
Accounts Payable	4,635,711
Retainage Payable	2,449,314
Payable - Tap Fees Credits	215,220
Hydrant Meter Deposit	34,000
Due to Dominion Water & Sanitation	116,520
Accrued Interest Payable - Bonds	5,926,253
Long-Term Liabilities	
Due Within One Year	630,532
Due in More Than One Year	185,121,519
Total Liabilities	199,129,069
NET POSITION	
Net Investment in Capital Assets	837,769
Restricted For:	
Emergency Reserves	49,000
Debt Service	647,743
Unrestricted	4,974,123
Total Net Position	$ 6,508,635

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF ACTIVITIES
DECEMBER 31, 2020

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 8,294,324	$ 3,019,248	$ -	$ -	$ (5,275,076)
Public Works	-	-	-	4,538,060	4,538,060
Finished Lots/Builders Improvements	17,564,891	-	-	17,530,150	(34,741)
Interest and Related Costs on Long-Term Debt	11,078,350	-	1,603,075	1,665,000	(7,810,275)
Total Governmental Activities	$ 36,937,565	$ 3,019,248	$ 1,603,075	$ 23,733,210	(8,582,032)
GENERAL REVENUES					
Transfer from Sterling Ranch District No. 2					848,953
Transfer from Sterling Ranch District No. 3					112,842
Transfer from Sterling Ranch District No. 4					42
Transfer from Sterling Ranch District No. 7					52,904
Reimbursed Expenditures					2,917,270
Public Improvement Fees					8,358
Other Income					8,316
Net Investment Income					803,942
Total General Revenues					4,752,627
CHANGE IN NET POSITION					(3,829,405)
Net Position - Beginning of Year					10,338,040
NET POSITION - END OF YEAR					$ 6,508,635

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Special Revenue - Water and Wastewater Services	Debt Service	Capital Projects - General and Preconstruction	Capital Projects - Filing 1 Trunk Improvements	Capital Projects - Filing 1 Finished Lots	Capital Projects - Filing 2-7 Trunk Improvements	Capital Projects - Filing 2-7 Finished Lots	Total Governmental Funds
ASSETS									
Cash and Investments	$ 679,222	$ 143,296	$ -	$ -	$ -	$ -	$ -	$ -	$ 822,518
Cash and Investments - Restricted	49,000	-	27,698,632	49,387	426,570	495,520	10,753,742	2,300,277	41,773,128
Due from Dominion Water & Sanitation District	428	-	-	-	-	-	-	-	428
Prepaid Expenses	24,510	-	-	-	-	-	-	-	24,510
Prepaid Insurance	10,184	-	-	-	-	-	-	-	10,184
Receivables, Net	142,690	248,676	11,586	1,823	17,216	-	11,563	1,381,705	1,815,259
Interest Receivable	-	-	192,051	-	-	-	-	-	192,051
Deposits - SIA/Douglas County	-	-	-	-	-	-	498,447	-	498,447
Due from Other Funds	-	-	-	-	-	-	305,741	-	305,741
Total Assets	$ 906,034	$ 391,972	$ 27,902,269	$ 51,210	$ 443,786	$ 495,520	$ 11,569,493	$ 3,681,982	$ 45,442,266
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	$ 306,325	$ 170,546	$ -	$ 795,571	$ 4,419	$ -	$ 2,056,234	$ 1,302,616	$ 4,635,711
Retainage Payable	-	-	-	-	423	2,346	1,675,310	771,235	2,449,314
Due to Other Funds	-	-	-	-	63,851	95,226	-	146,664	305,741
Due to Dominion Water & San	-	-	-	-	-	-	116,520	-	116,520
Payable - Tap Fees Credits	-	-	-	-	-	-	215,220	-	215,220
Hydrant Meter Deposits	-	34,000	-	-	-	-	-	-	34,000
Allowance for Uncollectible	-	-	-	-	17,216	-	-	-	17,216
Total Liabilities	306,325	204,546	-	795,571	85,909	97,572	4,063,284	2,220,515	7,773,722
FUND BALANCES									
Nonspendable:									
Prepaid Expenses	34,694	-	-	-	-	-	-	-	34,694
Restricted For:									
Emergency Reserve	49,000	-	-	-	-	-	-	-	49,000
Debt Service	-	-	27,902,269	-	-	-	-	-	27,902,269
Capital Projects	-	-	-	-	357,877	397,948	7,506,209	1,461,467	9,723,501
Unassigned:									
General Government	516,015	187,426	-	-	-	-	-	-	703,441
Capital Projects	-	-	-	(744,361)	-	-	-	-	(744,361)
Total Fund Balances	599,709	187,426	27,902,269	(744,361)	357,877	397,948	7,506,209	1,461,467	37,668,544
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 906,034	$ 391,972	$ 27,902,269	$ 51,210	$ 443,786	$ 495,520	$ 11,569,493	$ 3,681,982	
Amounts reported for governmental activities in the statement of net position are different because:									
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.									160,044,460
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.									
Cost of Refunding									473,935
Long-term liabilities are not due and payable in the current period; therefore, are not recorded as liabilities in the funds.									
Bonds Payable									(156,792,624)
Accrued Interest Payable - Bonds									(5,926,253)
Promissory Notes									(17,328,190)
Accrued Interest Payable - Promissory Notes									(120,532)
Advances Payable to SR Entities									(2,549,155)
Accrued Interest Payable - Advances from SR Entities									(8,961,550)
Net Position of Governmental Activities									$ 6,508,635

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Special Revenue - Water and Wastewater Services	Debt Service - 2015 Bonds	Debt Service - 2017 Bonds	Debt Service - 2019 Bonds	Debt Service - 2020 Bonds	Debt Service - O&M Note	Debt Service - Facilities Note	Capital Projects - General & Preconstruction	Capital Projects - Filing 1 Trunk	Capital Projects - Filing 1 Intract	Capital Projects - Filing 2-7 Trunk	Capital Projects - Filing 2-7 Intract	Total Governmental Funds
REVENUES														
Design Review Fees - Builders	$ 323,361	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 323,361
Design Review Fees - Residents	88,220	-	-	-	-	-	-	-	-	-	-	-	-	88,220
Other Income	6,936	-	-	-	-	-	-	-	-	-	-	1,380	-	8,316
Net Investment Income	1,334	-	15,232	773,877	-	131	-	-	-	1,065	1,108	8,820	2,375	803,942
Reimbursed Expenditures	175	-	-	-	-	-	-	-	102	169,191	-	1,917,242	830,560	2,917,270
Street Lighting Fees	85,155	-	-	-	-	-	-	-	-	-	-	-	-	85,155
Transfer from Sterling Ranch District No. 2	848,953	-	1,414,938	-	-	-	-	-	-	-	-	-	-	2,263,891
Transfer from Sterling Ranch District No. 3	112,842	-	-	188,137	-	-	-	-	-	-	-	-	-	300,979
Transfer from Sterling Ranch District No. 4	42	-	-	-	-	-	-	-	-	-	-	-	-	42
Transfer from Sterling Ranch District No. 7	52,904	-	-	-	-	-	-	-	-	-	-	-	-	52,904
Trash Collection Charges	111,611	-	-	-	-	-	-	-	-	-	-	-	-	111,611
Account Setup / Admin Fees	-	36,300	-	-	-	-	-	-	-	-	-	-	65,010	101,310
Wastewater Service Fees	-	487,469	-	-	-	-	-	-	-	-	-	-	-	487,469
Storm Drainage Service Fees	-	58,346	-	-	-	-	-	-	-	-	-	-	-	58,346
Water Service - Residential	-	746,742	-	-	-	-	-	-	-	-	-	-	-	746,742
Water Service - Construction	-	1,003,894	-	-	-	-	-	-	-	-	-	-	-	1,003,894
Water and Sewer Permit Connection Fees	-	78,150	-	-	-	-	-	-	-	-	-	-	-	78,150
Facilities Fees	-	-	-	925,000	-	-	-	-	-	21,890	-	2,471,800	-	3,418,690
Tap Fees	-	-	-	740,000	-	-	-	-	-	32,710	-	2,011,660	-	2,784,370
Builder Damage Deposit	-	-	-	-	-	-	-	-	-	-	-	-	201,000	201,000
Builder Funds	-	-	-	-	-	-	-	-	-	-	35,615	-	17,228,525	17,264,140
Public Improvement Fees	-	-	-	-	-	-	-	-	8,358	-	-	-	-	8,358
Total Revenues	1,631,533	2,410,901	1,430,170	2,627,014	-	131	-	-	8,460	224,856	36,723	6,410,902	18,327,470	33,485,285
EXPENDITURES														
General, Administrative, Operations and Maintenance:														
Accounting	45,390	-	-	-	-	-	-	-	156,714	-	-	1,410	-	203,514
Audit	10,900	-	-	-	-	-	-	-	-	-	-	-	-	10,900
Banking Fees	636	-	-	-	-	-	-	-	-	-	-	-	240	876
Recruiting	2,527	-	-	-	-	-	-	-	-	-	-	-	-	2,527
Civic Center Improvements	-	-	-	-	-	-	-	-	193	-	-	-	-	193
Costs Verification/Certification	-	-	-	-	-	-	-	-	25,550	-	-	-	-	25,550
Miscellaneous	-	-	-	-	-	-	-	-	84	-	-	-	-	84
Project Management Fee	-	-	-	-	-	-	-	-	-	-	-	231,947	229,783	461,730
CDOT Fees	-	-	-	-	-	-	-	-	-	-	-	1,557,766	-	1,557,766
Dues and Membership	4,219	-	-	-	-	-	-	-	-	-	-	-	-	4,219
Insurance and Bonds	194,342	-	-	-	-	-	-	-	5,850	-	-	-	-	200,192
Promotional Activities	19,280	-	-	-	-	-	-	-	-	-	-	-	-	19,280
CAB Management	32,400	-	-	-	-	-	-	-	112,834	-	-	-	-	145,234
Legal	486,484	-	-	-	-	-	-	-	413,045	21,611	-	11,708	-	932,848
Miscellaneous	9,578	-	-	-	-	-	-	-	-	-	-	500	100	10,178
Rates and Fees Studies	103,113	-	-	-	-	-	-	-	-	-	-	-	-	103,113
Permits	-	-	-	-	-	-	-	-	3,401	204	-	2,598	1,022	7,225
IT Equipment and Software	86,939	-	-	-	-	-	-	-	-	-	-	-	-	86,939
Salaries / Benefits / Payroll Tax	636,137	-	-	-	-	-	-	-	662,655	-	-	-	-	1,298,792
Janitorial	4,165	-	-	-	-	-	-	-	-	-	-	-	-	4,165
Investment Advisory Fee	47,594	-	-	-	-	-	-	-	-	-	-	-	-	47,594
Parks / Landscape / Streets Maintenance	379,307	-	-	-	-	-	-	-	630,144	-	-	-	-	1,009,451
IT Support	1,185	-	-	-	-	-	-	-	-	-	-	-	-	1,185
Rent	180,265	-	-	-	-	-	-	-	-	-	-	-	-	180,265
Parks Passes	40,000	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Back Charge	-	-	-	-	-	-	-	-	-	-	-	42,129	1,980	44,109
Design and Landscape Review	10,572	-	-	-	-	-	-	-	-	-	-	-	-	10,572
GIS Licensing	268,560	-	-	-	-	-	-	-	11,250	-	-	-	-	279,810
Community Support Services	771,238	-	-	-	-	-	-	-	-	-	-	-	-	771,238
Office Supplies	13,424	-	-	-	-	-	-	-	-	-	-	-	-	13,424
Vehicle Maintenance	16,897	-	-	-	-	-	-	-	-	-	-	-	-	16,897
Recreation Center Operations	1,208	-	-	-	-	-	-	-	-	-	-	-	-	1,208

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Special Revenue - Water and Wastewater Services	Debt Service - 2015 Bonds	Debt Service - 2017 Bonds	Debt Service - 2019 Bonds	Debt Service - 2020 Bonds	Debt Service - O&M Note	Debt Service - Facilities Note	Capital Projects - General & Preconstruction	Capital Projects - Filing 1 Trunk	Capital Projects - Filing 1 Intract	Capital Projects - Filing 2-7 Trunk	Capital Projects - Filing 2-7 Intract	Total Governmental Funds
EXPENDITURES (CONTINUED)														
General, Administrative, Operations and Maintenance (Continued):														
Resident Resource Center	$ 4,891	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,891
Furniture and Equipment	97,598	-	-	-	-	-	-	-	-	-	-	-	-	97,598
Lifestyle Events	31,049	-	-	-	-	-	-	-	-	-	-	-	-	31,049
Meals	4,374	-	-	-	-	-	-	-	-	-	-	-	-	4,374
Utilities	132,440	-	-	-	-	-	-	-	-	-	-	-	-	132,440
Waste Management Collection Services	48,130	-	-	-	-	-	-	-	-	-	-	-	-	48,130
Billing and Administration	-	95,286	-	-	-	-	-	-	-	-	-	-	-	95,286
Billing System	-	15,605	-	-	-	-	-	-	-	-	-	-	-	15,605
Technology Integration	-	-	-	-	-	-	-	-	135,461	8,973	-	-	-	144,434
Contingency	-	-	-	-	-	-	-	-	-	-	-	56,202	38,119	94,321
Parks and Rec (Landscaping)	-	-	-	-	-	-	-	-	-	975	18,905	5,503,390	39,619	5,562,889
Utilities - Water	-	677	-	-	-	-	-	-	-	-	-	-	-	677
Warranty	-	-	-	-	-	-	-	-	-	-	13,336	-	-	13,336
Dominion - Residential/Commercial/Irrigation Water	-	630,188	-	-	-	-	-	-	-	-	-	-	-	630,188
Dominion - Construction Water	-	1,194,287	-	-	-	-	-	-	-	-	-	-	-	1,194,287
Dominion - Residential Wastewater	-	322,047	-	-	-	-	-	-	-	-	-	-	-	322,047
Dominion - Irrigation Taps	-	141,674	-	-	-	-	-	-	-	-	-	-	-	141,674
Debt Service:														
Trustee / Paying Agent Fees	-	-	5,250	5,250	3,750	-	-	-	-	-	-	-	-	14,250
Bond Issue Costs	-	-	-	-	-	952,264	-	-	-	-	-	-	-	952,264
Interest Payment	-	-	2,860,042	3,751,498	-	102,061	723,185	388,159	-	-	-	-	-	7,824,945
Principal Payment	-	-	23,590,000	-	-	-	2,296,951	11,841	-	-	-	-	-	25,898,792
Capital Outlay:														
Engineering and Management	-	3,997	-	-	-	-	-	-	1,414,479	31,105	-	3,390,830	1,755,582	6,595,993
Waterton Road	-	-	-	-	-	-	-	-	6,947	-	-	-	-	6,947
Sidewalk	-	-	-	-	-	-	-	-	-	4,419	50,411	-	-	54,830
Streets	-	-	-	-	-	-	-	-	205,901	-	-	7,126,997	6,416,553	13,749,451
Streets - Grading and Erosion	-	-	-	-	-	-	-	-	-	-	-	3,481,149	1,229,530	4,710,679
Storm Sewer	-	-	-	-	-	-	-	-	-	-	-	4,629,644	1,177,820	5,807,464
Sanitation	-	-	-	-	-	-	-	-	173,776	1,459	-	1,333,739	2,360,839	3,869,813
Dry Utilities	-	-	-	-	-	-	-	-	-	-	-	26,316	2,001,708	2,028,024
Traffic and Safety Control	-	-	-	-	-	-	-	-	6,156	-	-	276,072	219	282,447
Water	-	-	-	-	-	-	-	-	327,795	-	-	5,633,485	2,229,125	8,190,405
Total Expenditures	3,684,842	2,403,761	26,455,292	3,756,748	3,750	1,054,325	3,020,136	400,000	4,292,235	68,746	82,652	33,305,882	17,482,239	96,010,608
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,053,309)	7,140	(25,025,122)	(1,129,734)	(3,750)	(1,054,194)	(3,020,136)	(400,000)	(4,283,775)	156,110	(45,929)	(26,894,980)	845,231	(62,525,323)
OTHER FINANCING SOURCES (USES)														
Bond Issuance	-	-	-	-	-	40,000,000	-	-	-	-	-	-	-	40,000,000
Bond Premium	-	-	-	-	-	488,760	-	-	-	-	-	-	-	488,760
SR Entities Advances:														
Installment Gap Funds	-	-	-	-	-	-	-	-	-	377,125	-	-	-	377,125
Note Proceeds	3,926,061	2,072,385	5,250	5,250	3,750	-	-	-	2,075,521	45,702	-	77,573	-	8,211,492
Transfers from Other Funds	-	8,828	21,179,650	-	-	-	3,020,136	400,000	1,868,175	-	-	23,920,648	283,914	50,681,351
Transfers to Other Funds	(1,307,955)	(2,421,534)	-	(21,768,085)	-	(24,394,674)	-	-	-	(400,078)	-	(324,015)	(65,010)	(50,681,351)
Total Other Financing Sources (Uses)	2,618,106	(340,321)	21,184,900	(21,762,835)	3,750	16,094,086	3,020,136	400,000	3,943,696	22,749	-	23,674,206	218,904	49,077,377
NET CHANGE IN FUND BALANCES	564,797	(333,181)	(3,840,222)	(22,892,569)	-	15,039,892	-	-	(340,079)	178,859	(45,929)	(3,220,774)	1,064,135	(13,825,071)
Fund Balances - Beginning of Year	34,912	520,607	3,886,213	35,708,955	-	-	-	-	(404,282)	179,018	443,877	10,726,983	397,332	51,493,615
FUND BALANCES - END OF YEAR	$ 599,709	$ 187,426	$ 45,991	$ 12,816,386	$ -	$ 15,039,892	$ -	$ -	$ (744,361)	$ 357,877	$ 397,948	$ 7,506,209	$ 1,461,467	$ 37,668,544

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Governmental Funds	$ (13,825,071)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset.	
Capital Outlay - Current Year	35,582,121
Current Year Depreciation	(120,979)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Bond Issuance - Series 2020	(40,000,000)
Bond Premium - Series 2020	(488,760)
Cost of Refunding - Current Year Refunding	500,959
Bond Discount - Series 2015	(204,868)
Advances from SR Entities	(377,125)
Bond Principal Payment - Series 2015	23,590,000
Promissory Note Proceeds	(8,211,492)
Promissory Note Payments	2,308,792
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	
Cost of Refunding - Amortization	(27,024)
2017 Bond Discount - Amortization	(23,116)
2020 Bond Premium - Amortization	1,676
Accrued Interest on Advances from SR Entities - Change in Liability	(195,351)
Accrued Interest on Promissory Notes - Change in Liability	194,365
Accrued Interest on Bonds - Change in Liability	(2,533,532)
Change in Net Position of Governmental Activities	$ (3,829,405)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Other Income	$ -	$ 6,936	$ 6,936
Net Investment Income	1,581	1,334	(247)
Reimbursed Expenditures	20,600	175	(20,425)
Transfer from Sterling Ranch District No. 2	851,905	848,953	(2,952)
Transfer from Sterling Ranch District No. 3	113,469	112,842	(627)
Transfer from Sterling Ranch District No. 4	756	42	(714)
Transfer from Sterling Ranch District No. 7	53,407	52,904	(503)
Street Lighting Fees	74,400	85,155	10,755
Trash Collection Charges	139,600	111,611	(27,989)
Design Review Fees - Builders	422,100	323,361	(98,739)
Design Review Fees - Residents	187,600	88,220	(99,380)
Total Revenues	1,865,418	1,631,533	(233,885)
EXPENDITURES			
Accounting	46,500	45,390	1,110
Audit	8,200	10,900	(2,700)
Recruiting	20,000	2,527	17,473
Dues and Membership	7,500	4,219	3,281
Insurance and Bonds	182,300	194,342	(12,042)
Website / Video Production	20,000	-	20,000
CAB Management	75,000	32,400	42,600
Promotional Activities	8,200	19,280	(11,080)
Legal	330,000	486,484	(156,484)
Miscellaneous	-	9,578	(9,578)
Rates and Fees Studies	40,000	103,113	(63,113)
Banking Fees	-	636	(636)
IT Equipment and Software	60,000	86,939	(26,939)
Salaries / Benefits / Payroll Tax	676,200	636,137	40,063
Janitorial	8,200	4,165	4,035
Parks / Landscape / Streets Maintenance	606,900	379,307	227,593
IT Support	10,300	1,185	9,115
Rent	220,400	180,265	40,135
Design and Landscape Review	25,800	10,572	15,228
Resident Resource Center	109,000	4,891	104,109
Furniture and Equipment	223,600	97,598	126,002
GIS Licensing	100,000	268,560	(168,560)
Community Support Services	697,400	771,238	(73,838)
Office Supplies	15,500	13,424	2,076
Vehicle Maintenance	10,000	16,897	(6,897)
Investment Advisory Fee	40,000	47,594	(7,594)
Parks Passes	62,000	40,000	22,000
Recreation Center Operations	118,800	1,208	117,592
Lifestyle Events	91,000	31,049	59,951
Meals	-	4,374	(4,374)
Utilities	65,900	132,440	(66,540)
Contingency	150,000	-	150,000
Waste Management Collection Services	125,600	48,130	77,470
Total Expenditures	4,154,300	3,684,842	469,458
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,288,882)	(2,053,309)	235,573
OTHER FINANCING SOURCES (USES)			
Note Proceeds	4,162,059	3,926,061	(235,998)
Transfers to Other Funds	(1,753,000)	(1,307,955)	445,045
Total Other Financing Sources (Uses)	2,409,059	2,618,106	209,047
NET CHANGE IN FUND BALANCE	120,177	564,797	444,620
Fund Balance - Beginning of Year	(105,699)	34,912	140,611
FUND BALANCE - END OF YEAR	$ 14,478	$ 599,709	$ 585,231

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SPECIAL REVENUE FUND – WATER AND WASTEWATER SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Water Service - Residential	$ 1,005,483	$ 746,742	$ (258,741)
Water Service - Commercial	36,000	-	(36,000)
Water Service - Construction	1,104,635	1,003,894	(100,741)
Wastewater Service Fees	544,914	487,469	(57,445)
Storm Drainage Service Fees	141,917	58,346	(83,571)
Account Setup / Admin Fees	46,900	36,300	(10,600)
Water and Sewer Permit Connection Fees	93,800	78,150	(15,650)
Total Revenues	2,973,649	2,410,901	(562,748)
EXPENDITURES			
Billing and Administration	48,000	95,286	(47,286)
Billing System	10,000	15,605	(5,605)
Utilities - Water	10,000	677	9,323
Utilities - Wastewater	10,000	-	10,000
Utilities - Storm	25,000	-	25,000
Contingency	5,000	-	5,000
Dominion - Residential/Commercial/Irrigation Water	829,000	630,188	198,812
Dominion - Construction Water	1,010,000	1,194,287	(184,287)
Dominion - Residential Wastewater	158,000	322,047	(164,047)
Dominion - Irrigation Taps	472,000	141,674	330,326
Engineering and Management	-	3,997	(3,997)
Total Expenditures	2,577,000	2,403,761	173,239
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	396,649	7,140	(389,509)
OTHER FINANCING SOURCES (USES)			
Note Proceeds	2,428,318	2,072,385	(355,933)
Transfers from Other Funds	-	8,828	8,828
Transfers to Other Funds	(2,825,000)	(2,421,534)	403,466
Total Other Financing Sources (Uses)	(396,682)	(340,321)	56,361
NET CHANGE IN FUND BALANCE	(33)	(333,181)	(333,148)
Fund Balance - Beginning of Year	1,585,661	520,607	(1,065,054)
FUND BALANCE - END OF YEAR	$ 1,585,628	$ 187,426	$ (1,398,202)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Sterling Ranch Community Authority Board (CAB) was organized in January 2014 to own, operate, and maintain all public improvements within the boundaries of the Sterling Ranch Colorado Metropolitan District Nos. 1 through 7 (collectively, the Districts), under the Sterling Ranch Community Authority Board Establishment Agreement (the CABEA) entered into by the Districts. See Note 10 – Agreements for additional information on the CABEA.

The CAB follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The members of the Board of Directors for the CAB are appointed by the Districts, and the CAB is financially accountable for the Districts but the CAB is not considered a component unit of any other primary governmental entity, including the Districts, nor are any of the Districts considered a component unit of the CAB.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the CAB are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the CAB. The difference between the assets and liabilities of the CAB is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Other revenues not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CAB considers revenues to be measurable and available (hence recognized at year-end) if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are service fees and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the CAB. The CAB has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The CAB reports the following major governmental funds:

The General Fund is the CAB's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with the water, wastewater, and stormwater drainage services of the CAB.

The Debt Service Fund – 2015 Bonds, Debt Service Fund – 2017 Bonds, the Debt Service Fund – 2019 Bonds, and the Debt Service Fund – 2020 Bonds are used to account for the resources accumulated and payments made for principal and interest on bonds issued by the CAB.

The Debt Service Fund – O&M Note and the Debt Service Fund – Facilities Note are used to account for the resources accumulated and payments made for principal and interest on the 2016 Promissory Notes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Capital Projects Fund – General and Preconstruction is used to account for financial resources to be used for the acquisition and construction of public improvements related to all filings within the Districts.

The Capital Projects Fund – Filing 1 – Trunk Improvements and the Capital Projects Fund – Filing 2-7 – Trunk Improvements are used to account for financial resources to be used for the acquisition and construction of public improvements within Filings 1 and 2 through 7.

The Capital Projects Fund – Filing 1 – Finished Lots Improvements and the Capital Projects Fund – Filing 2-7 – Finished Lots Improvements are used to account for financial resources to be used for the acquisition and construction of finished lots or builder improvements within Filings 1 and 2 through 7, which are being accounted for and administered by the CAB.

Budgets

In accordance with the State Budget Law, the CAB's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and financing uses level and lapses at year-end. The CAB's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The CAB has amended its annual budget for the year ended December 31, 2020.

Pooled Cash and Investments

The CAB follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in total cash.

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the CAB as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the CAB may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the CAB's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense is computed using the straight-line method over the estimated useful lives as follows:

Vehicles	5 Years
Furniture and Fixtures/Equipment	6 to 7 Years
Information Trailer	10 Years
Parks and Recreation	15 Years

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the CAB's practice to use restricted resources first, then unrestricted resources as they are needed (see Note 6).

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the CAB's practice to use the most restrictive classification first.

Deficits

The Capital Projects – General and Preconstruction Fund reported a deficit in the fund financial statements as of December 31, 2020. The deficits will be eliminated by the receipt of O&M Note proceeds in 2021.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 822,518
Cash and Investments - Restricted	41,773,128
Total Cash and Investments	$ 42,595,646

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	$ 14,930,753
Investments	27,664,893
Total Cash and Investments	$ 42,595,646

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. $250,000 is insured through the FDIC and the balance is collateralized in single institution pools pursuant to PDPA.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, the District's cash deposits had a bank balance of $20,941,309 and a carrying balance of $14,930,753. $250,000 is insured through the FDIC and the balance is collateralized in single institution pools pursuant to PDPA.

Investments

The CAB has adopted a formal investment policy by which it follows state statutes regarding investments.

The CAB generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the CAB is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- * Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- * General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2020, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	$ 198,743
Morgan Stanley Treasury	Weighted Average Under 60 Days	17,306,515
U.S. Treasury/Government-Sponsored Enterprises (GSEs)	Average 1.21 Years	6,842,770
Corporate Bonds	Average 0.43 Years	1,564,865
Municipal Bonds	Average 0.83 Years	1,752,000
Total		$ 27,664,893

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAm by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

U.S. Treasury/Government-Sponsored Enterprises, Corporate and Municipal Bonds, and Morgan Stanley Treasury

Debt service monies held in trust by UMB Bank in the Senior Capitalized Interest Fund, Senior Project Fund, Subordinate Project Fund, Senior Reserve Fund and Senior Surplus Reserve Fund were invested in U.S. Treasury/Government-Sponsored Enterprise Bonds (AA+ ratings), Corporate Bonds (AA- to AA+ ratings), Municipal Bonds (AA- to AAA ratings) and Morgan Stanley Treasury (AAA ratings). Average maturities by fund are as follows: Senior Capitalized Interest Fund – 0.48 years, Senior Project Fund – 0.49 year, Senior Reserve Fund – 1.61 years, and Senior Surplus Reserve Fund – 1.21 years. The District has engaged the services of a registered Investment Advisor (providing financial advisory and asset management services) to receive financial advice and to assist in the management of these funds, including the buying and selling of securities held in such portfolio.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

U.S. Treasury/Government-Sponsored Enterprises, Corporate and Municipal Bonds, and Morgan Stanley Treasury (Continued)

The funds' December 31, 2020 statements indicated that, (i) the major source for security ratings is a composite rating provided by Bloomberg Information Services, which a blend of ratings from the major rating agencies, (ii) when only one agency rating is available, that rating will be used, (iii) when no rating is available, the security will be classified as non-rated (NR), (iv) securities that hold ratings below investment grade (lower than BBB) will be referenced as BIG, (v) regardless of a security's rating, if it is pre-funded, it is shown as PREF, (vi) short-term Federal Agency Obligations are obligations of U.S. government-sponsored enterprises (GSEs), which are typically rated AAA, (vii) GSEs have a long-term AAA rating by the major rating agencies, and (viii) short-term obligation of GSEs that are not explicitly rated are regarded as AAA quality.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress:				
Streets	$ 52,832,806	$ 14,564,014	$ -	$ 67,396,820
Sanitation	16,648,193	1,758,117	-	18,406,310
Storm Sewer	19,661,717	5,433,726	-	25,095,443
Water	15,260,245	6,956,481	-	22,216,726
Traffic and Safety	7,664,500	330,491	-	7,994,991
Parks and Recreation (Landscaping)	11,630,449	6,465,952	-	18,096,401
Total Capital Assets, Not Being Depreciated	123,697,910	35,508,781	-	159,206,691
Capital Assets, Being Depreciated:				
Furniture and Fixtures/Equipment	32,321	-	-	32,321
Vehicle	128,609	-	-	128,609
Information Trailer	357,217	-	-	357,217
Technology Integration	182,248	-	-	182,248
Civic Center Improvements	86,385	-	-	86,385
Recreation Center Improvements	-	73,340	-	73,340
Parks and Recreation	225,744	-	-	225,744
Less Accumulated Depreciation For:				
Furniture and Fixtures/Equipment	(7,563)	-	5,236	(12,799)
Vehicle	(16,154)	-	25,723	(41,877)
Information Trailer	(71,444)	-	35,722	(107,166)
Technology Integration	(8,678)	-	26,035	(34,713)
Civic Center Improvements	(8,227)	-	12,341	(20,568)
Recreation Center Improvements	-	-	873	(873)
Parks and Recreation	(15,050)	-	15,049	(30,099)
Total Capital Assets, Being Depreciated, Net	885,408	73,340	120,979	837,769
Governmental Activities Capital Assets, Net	$ 124,583,318	$ 35,582,121	$ 120,979	$ 160,044,460

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020	Due Within One Year
Limited Tax Supported Revenue Bonds:					
Senior - Series 2015A	$ 21,500,000	$ -	$ 21,500,000	$ -	$ -
Senior - Bond Issue Discount	(204,868)	-	(204,868)	-	-
Subordinate - Series 2015B	2,090,000	-	2,090,000	-	-
Limited Tax Supported & Special Revenue Bonds:					
Senior - Series 2017A	75,030,000	-	-	75,030,000	435,000
Senior - Bond Issue Discount	(454,508)	-	(23,116)	(431,392)	-
Subordinate - Series 2017B	14,090,000	-	-	14,090,000	-
Limited Tax Supported Districts 1-7 Junior Subordinate Bonds:	27,616,932	-	-	27,616,932	-
Limited Tax Supported Revenue Bonds:					
Senior - Series 2020A	-	35,555,000	-	35,555,000	75,000
Senior - Bond Issue Premium	-	488,760	1,676	487,084	-
Subordinate - Series 2020B	-	4,445,000	-	4,445,000	-
Total Bonds Payable	139,667,556	40,488,760	23,363,692	156,792,624	510,000
Promissory Notes:					
O&M Note	8,686,307	8,211,492	2,296,951	14,600,848	-
Revenue Note	2,739,183	-	11,841	2,727,342	-
Accrued Interest	314,897	916,979	1,111,344	120,532	120,532
Total Promissory Notes Payable	11,740,387	9,128,471	3,420,136	17,448,722	120,532
Advances Payable to SR Entities:					
Operations	1,082,918	-	-	1,082,918	-
Capital - General	860,083	-	-	860,083	-
Capital - Trunk	131,849	377,125	-	508,974	-
Operations - Paid by SR Entities	97,180	-	-	97,180	-
Capital - General - Paid by SR Entities	-	-	-	-	-
Capital - Trunk - Paid by SR Entities	-	-	-	-	-
Capital - General - Certified and Acquired	-	-	-	-	-
Capital - Trunk - Certified and Acquired	-	-	-	-	-
Accrued Interest	8,766,199	195,351	-	8,961,550	-
Total Advances Payable to SR Entities	10,938,229	572,476	-	11,510,705	-
Total	$ 162,346,172	$ 50,189,707	$ 26,783,828	$ 185,752,051	$ 630,532

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$21,500,000 Limited Tax Supported Revenue Senior Bonds, Series 2015A

On December 30, 2015, the District issued Limited Tax Supported Revenue Senior Bonds, Series 2015A (the 2015 Senior Bonds), which bear interest at annual rates ranging from 5.50% and 5.75%, with interest payable semi-annually on June 1 and December 1, beginning on June 1, 2016. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The 2015 Senior Bonds mature on December 1, 2035, and December 1, 2045, and are subject to optional redemption as described in the 2015 Senior Indenture.

The proceeds from the sale of the 2015 Senior and 2015 Subordinate Bonds (as defined below and collectively with the 2015 Senior Bonds, the Series 2015 Bonds) were used for the purposes of: (i) funding and reimbursing a portion of the costs of acquiring, constructing, and installing certain public infrastructure improvements; (ii) funding a restricted project account with respect to the 2015 Senior Bonds; (iii) providing capitalized interest for the 2015 Senior Bonds; (iv) funding a Reserve Fund securing the 2015 Senior Bonds; and (v) paying costs of issuance of the 2015 Senior Bonds and the 2015 Subordinated Bonds.

The 2015 Senior Bonds are secured by and payable from Senior Pledged Revenues consisting of moneys derived from the following sources, net of any costs of collection: (i) the Sterling Ranch Colorado Metropolitan District No. 2 Senior Required Mill Levy Revenue and all other Required Mill Levy Revenues (but excluding the District No. 2 Subordinate Required Mill Levy Revenue pledged to the Series 2015B Subordinate Bonds and any other Subordinate Bonds); (ii) the portion of the Specific Ownership Taxes attributable to the imposition by District No. 2 of the District No. 2 Senior Required Mill Levy; (iii) Pledged Facilities Fee Revenues; (iv) any other legally available amounts that the Issuer may designate by resolution of the Board, to be paid to the Trustee for deposit into the Senior Revenue Fund; or otherwise held under the Senior Indenture; and (v) all income or other gain, if any, from investment of the foregoing. The 2015 Senior Bonds are also secured by amounts held in the Senior Reserve Fund, which was funded upon issuance of the 2015 Senior Bonds in the amount of the Required Reserve equal to $1,798,863, and amounts accumulated in the Surplus Fund, if any.

The CAB as Issuer covenants in the Senior Indenture to require District No. 2 to impose (under the Pledge Agreement) the District No. 2 Senior Required Mill Levy upon all taxable property of District No. 2 in accordance with the Pledge Agreement. The Senior Indenture requires that a Senior Required Mill Levy be imposed in an amount sufficient (net of collection costs and taking into account amounts then on deposit in the Surplus Fund and Senior Bond Fund) to pay the principal of, premium if any, and interest on the 2015 Senior Bonds and any other Senior Bonds, as the same become due and payable, and to replenish the Senior Reserve Fund to the Senior Reserve Fund Requirement, but not in excess of 50 mills, subject to adjustment for changes occurring after August 27, 2013, in the method of calculating assessed valuation and, for so long as the Surplus Fund is less than the Maximum Surplus Amount (or if any portion of the Surplus Fund is taken into account in setting the District No. 2 Senior Required Mill Levy), not less than 45 mills (subject to adjustment).

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$2,090,000 Limited Tax Supported Revenue Subordinate Bonds, Series 2015B

On December 30, 2015, the District issued Limited Tax Supported Revenue Subordinate Bonds, Series 2015B (the 2015 Subordinate Bonds), which bear interest at an annual rate of 7.75%, with interest payable annually from Subordinate Pledged Revenues on December 15, beginning on December 15, 2016. The 2015 Subordinate Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of interest or principal prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The 2015 Subordinate Bonds are also subject to optional and mandatory redemption prior to maturity as described in the 2015 Subordinate Indenture.

The 2015 Subordinate Bonds are secured by and payable solely from Subordinate Pledged Revenue, consisting of monies derived from the following sources, net of any costs of collection: (i) the District No. 2 Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Taxes attributable to the imposition by District No. 2 of the District No. 2 Subordinate Required Mill Levy; and (iii) any other legally available monies (other than Pledged Facilities Fees Revenues) which the Issuer determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

The Issuer covenants to require District No. 2 to impose (under the Pledge Agreement) the District No. 2 Subordinate Required Mill Levy. The Subordinate Indenture requires that a Subordinate Required Mill Levy be imposed in an amount equal to 45 mills (subject to adjustment) less the amount of the Senior Bond Mill Levy or such lesser mill levy which, when combined with other Subordinate Pledged Revenue legally available in the Subordinate Bond Fund, will permit the 2015 Subordinate Bonds to be fully funded for the next Bond Year and pay all of the principal and interest due on the 2015 Subordinate Bonds in full. As a result, the Subordinate Required Mill Levy will be zero until such time as the Senior Required Mill Levy and any other mill levy imposed to pay the 2015 Senior Bonds are less than 45 mills.

Refunding

On November 5, 2020, the CAB refunded $21,500,000 of its outstanding 2015 Senior Bonds, dated December 30, 2015, with interest rates ranging from 5.50% to 5.75% and $2,090,000 of its outstanding 2015 Subordinate Bonds, dated December 30, 2015, with an interest rate of 7.750% by the issuance of it 2020 Senior Bonds with interest rates ranging from 3.375% to 4.250%. The Series 2015 Subordinate Bonds were structured as cash flow bonds, meaning that no regularly scheduled principal payments were due prior to their maturity date. Instead, the 2015 Subordinate Bonds were payable on December 15 of each year to the extent of Pledged Revenues. Because the 2015 Subordinate Bonds did not have regularly scheduled principal payments, the District is not able to determine the reduction in its total debt service payments or the economic gain (difference between the present values of the debt service payments on the old and new debt) on the refunding. Sufficient funds in the amount of $25,841,154 were deposited with a trustee and invested in State and Local Government Securities for the purpose of paying the principal, accrued interest, and premium due on the 2015 Senior Bonds and 2015 Subordinate Bonds on their respective call dates of December 1, 2020 and December 15, 2020.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$75,030,000 Limited Tax Supported and Special Revenue Senior Bonds, Series 2017A

On December 14, 2017, the District issued Limited Tax Supported and Special Revenue Senior Bonds, Series 2017A (the 2017 Senior Bonds), which bear interest at an annual rate of 5.00%, with interest payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. Unpaid interest on the 2017 Senior Bonds compounds semi-annually on each June 1 and December 1. The 2017 Senior Bonds mature on December 1, 2030, December 1, 2038 and December 1, 2047, and are subject to optional redemption as described in the 2017 Senior Indenture.

The proceeds from the sale of the 2017 Senior and 2017 Subordinate Bonds (as defined below and collectively with the 2017 Senior Bonds, the Series 2017 Bonds) were used for the purposes of (i) funding and reimbursing a portion of the costs of designing, acquiring, constructing, and installing certain public infrastructure improvements and paying certain other related costs, including the payment of certain impact fees charged by the County in connection with the Sterling Ranch Development, (ii) paying the costs of issuance of the 2017 Senior Bonds and the 2017 Subordinate Bonds, and (iii) with respect to the 2017 Senior Bonds only: (a) funding the 2017 Senior Reserve Fund, and (b) and funding capitalized interest on the 2017 Senior Bonds to come due through December 1, 2020.

The 2017 Senior Bonds are secured by and payable solely from Senior Pledged Revenues, which includes property taxes generated by the imposition of the District No. 3 Senior Required Mill Levy (in accordance with the Pledge Agreement) net of the cost of collection, all other Required Mill Levy Revenue (pursuant to the Pledge Agreement), Specific Ownership Taxes attributable to the District No. 3 Senior Required Mill Levy, Pledged Facilities Fees, Pledged Storm Water Tap Fees, and any other legally available amounts that the Issuer may designate by resolution of the Board to be deposited with the Trustee for deposit into the 2017 Senior Revenue Fund. The 2017 Senior Bonds are also secured by amounts held in the 2017 Senior Reserve Fund, in the amount of the Required Reserve equal to $6,237,000, and amounts accumulated in the 2017 Surplus Fund, if any.

The District's long-term 2017 Senior Bonds will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 435,000	$ 3,751,500	$ 4,186,500
2022	310,000	3,729,750	4,039,750
2023	100,000	3,714,250	3,814,250
2024	345,000	3,709,250	4,054,250
2025	855,000	3,692,000	4,547,000
2026-2030	8,395,000	17,484,500	25,879,500
2031-2035	12,250,000	15,008,250	27,258,250
2036-2040	17,225,000	11,474,250	28,699,250
2041-2045	23,520,000	6,570,500	30,090,500
2046-2047	11,595,000	876,750	12,471,750
Total	$ 75,030,000	$ 70,011,000	$ 145,041,000

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$14,090,000 Limited Tax Supported and Special Revenue Subordinate Bonds, Series 2017B

On December 14, 2017, the District issued Limited Tax Supported and Special Revenue Subordinate Bonds, Series 2017B (the 2017 Subordinate Bonds), which bear interest at an annual rate of 7.50%, with interest payable annually from available Subordinate Pledged Revenue on December 15, beginning on December 15, 2018. The 2017 Subordinate Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of interest or principal prior to the final maturity date. Unpaid interest on the 2017 Subordinate Bonds compounds annually on each December 15. The 2017 Subordinate Bonds are subject to optional and mandatory redemption prior to maturity as described in the 2017 Subordinate Indenture.

The 2017 Subordinate Bonds are secured by and payable from Subordinate Pledged Revenues derived by the Issuer from the following sources, net of any cost of collection: a) the District No. 3 Subordinate Required Mill Levy Revenues; b) Specific Ownership Tax Revenues, attributable to the Subordinate Required Mill Levy; c) Subordinate Pledged Facilities Fee Revenues and Subordinate Pledged Storm Water Tap Fee Revenues; and d) any other legally available moneys which the Issuer determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

$27,616,932 Limited Tax Supported District Nos. 1 – 7 Junior Subordinate Bonds Series 2019A

On December 1, 2019, the District issued a Limited Tax Supported Districts Nos. 1 – 7 Junior Subordinate Bond Series 2019A (the 2019 Subordinate Bonds), which bears interest at an annual rate of 7.00%, payable annually from available Junior Subordinate Pledged Revenue on December 15, commencing on December 15, 2020. The 2019 Subordinate Bonds were issued to repay SR Entities Advances and are junior and subordinate to all other obligations of the District.

Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds, Series 2020A (the 2020 Senior Bonds) **and Limited Tax Supported District No. 2 Subordinate Bonds, Series 2020B** (the 2020 Subordinate Bonds and together with the 2020 Senior Bonds, the 2020 Bonds)

Bond Proceeds

The CAB issued the 2020 Bonds on November 5, 2020 (the Closing Date), in the par amounts of $35,555,000 and $4,445,000 for the 2020 Senior Bonds and the 2020 Subordinate Bonds, respectively.

Proceeds from the sale of the 2020 Senior Bonds were used to: (i) refund all of the CAB's outstanding Limited Tax Supported Revenue Senior and Subordinate Series 2015A (the 2015 Senior Bonds) and 2015B Bonds (the 2015 Subordinate Bonds); (ii) finance, refinance, or reimburse the cost of public improvements benefitting a master planned community known as "Sterling Ranch"; (iii) pay capitalized interest on the 2020 Senior Bonds; (iv) fund a deposit to the 2020 Senior Bonds Reserve Fund in the amount of the Reserve Requirement; and (v) pay other costs in connection with the issuance of the 2020 Senior Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Proceeds (Continued)

Proceeds of the 2020 Subordinate Bonds were to: (i) finance or reimburse the cost of additional public improvements benefitting Sterling Ranch; and (ii) pay other costs in connection with the issuance of the 2020 Subordinate Bonds.

2020 Senior Bonds Details

The 2020 Senior Bonds bear interest at rates ranging from 3.375% to 4.250% (yield 4.300%), and are payable semiannually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. Unpaid interest on the 2020 Senior Bonds compounds semiannually on each June 1 and December 1. The 2020 Senior Bonds mature on December 1, 2050.

2020 Senior Bonds Optional Redemption

The 2020 Senior Bonds are subject to redemption by the CAB prior to maturity, at the option of the CAB, on any business day on and after December 1, 2025, at a redemption price equal to the principal amount of the 2020 Senior Bonds called for redemption, a redemption premium equal to a percentage of the principal amount redeemed (as follows), plus accrued interest to such date.

Date of Redemption	Redemption Premium
December 1, 2025, to November 30, 2026	2.00%
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

2020 Senior Bonds Pledged Revenue

The 2020 Senior Bonds are secured by and payable solely from and to the extent of 2020 Senior Bonds Pledged Revenues, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County, after the payment of any required rebate of the 2020 Senior Bonds and the payment of the Trustee’s fees and expenses: (a) all District No. 2 Senior Required Mill Levy Revenue, generally meaning all revenue derived from the imposition by District No. 2 of the District No. 2 Senior Required Mill Levy; (b) all Specific Ownership Taxes related to the District No. 2 Senior Required Mill Levy; and (c) any other legally available amounts that the CAB may designate to be paid to the Trustee for deposit into the Senior Bonds Revenue Fund.

District No. 2 Senior Required Mill Levy

Pursuant to an Amended and Restated Pledge Agreement between the CAB and District No. 2 dated November 1, 2020 (the Pledge Agreement), the CAB covenants and agrees to require District No. 2, and District No. 2 covenants and agrees, to levy the Senior Required Mill Levy upon all taxable property of District No. 2 in accordance with the Pledge Agreement.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

District No. 2 Senior Required Mill Levy (Continued)

Pursuant to the Senior Indenture, District No. 2 has covenanted to impose a Senior Required Mill Levy on all taxable property of District No. 2 each year in an amount sufficient (taking into account amounts then on deposit in the Senior Bonds Fund) to pay the principal of, premium if any, and interest on the 2020 Senior Bonds as they become due and payable, and to replenish the Senior Reserve Fund to the Senior Reserve Fund Requirement, but not in excess of 55.664 mills (subject to adjustment for changes in the method of calculating assessed valuation after the Closing Date).

Additional Security

The 2020 Senior Bonds are additionally secured by the following: (i) capitalized interest funded from proceeds of the 2020 Senior Bonds in the amount of $102,061 deposited into the Interest Account of the 2020 Senior Bonds Fund, which will be used to pay interest on the 2020 Senior Bonds; and (ii) amounts on deposit in the 2020 Senior Bonds Reserve Fund up to the Reserve Requirement of $2,000,000. On the date of issuance of the 2020 Senior Bonds, a portion of the bond proceeds equal to the Reserve Requirement was deposited into the 2020 Senior Bonds Reserve Fund. The balances in the capitalized interest account and the 2020 Senior Bonds Reserve Fund as of December 31, 2020 is $-0- and $2,000,000, respectively.

Subordinate Bond Details

The 2020 Subordinate Bonds are term bonds that bear interest at the rate of 7.125% per annum and are payable annually on December 15, beginning December 15, 2020, from and to the extent of available Subordinate Pledged Revenue, if any. The 2020 Subordinate Bonds mature on December 15, 2050. The 2020 Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2020 Subordinate Bonds compounds annually on each December 15.

2020 Subordinate Bonds Optional Redemption

The 2020 Subordinate Bonds are subject to redemption by the CAB prior to maturity, at the option of the CAB, on any business day on and after December 15, 2025, at a redemption price equal to the principal amount of the 2020 Subordinate Bonds called for redemption, a redemption premium equal to a percentage of the principal amount redeemed (as follows), plus accrued and unpaid interest to such date.

Date of Redemption	Redemption Premium
December 15, 2025, to December 14, 2026	2.00%
December 15, 2026, to December 14, 2027	1.00
December 15, 2027, and thereafter	0.00

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2020 Subordinate Bonds Pledged Revenue

The 2020 Subordinate Bonds are secured by and payable solely from and to the extent of 2020 Subordinate Bonds Pledged Revenues, net of any cost of collection: (a) all District No. 2 Subordinate Required Mill Levy Revenue, generally meaning all revenue derived from the imposition by District No. 2 of the District No. 2 Subordinate Required Mill Levy; (b) all Specific Ownership Taxes related to the District No. 2 Subordinate Required Mill Levy; and (c) any other legally available amounts that the Issuer may designate to be paid to the Trustee for deposit into the 2020 Subordinate Bonds Revenue Fund.

District No. 2 Subordinate Required Mill Levy

The CAB covenants and agrees to require District No. 2, and District No. 2 covenants and agrees, to impose the Subordinate Required Mill Levy in accordance with the Pledge Agreement.

Pursuant to the Subordinate Indenture, District No. 2 has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in District No. 2 each year in an amount equal to (i) 55.664 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after the Closing Date) less the amount of the District No. 2 Senior Required Mill Levy, or (ii) such lesser mill levy which, when combined with moneys then on deposit in the Subordinate Bond Fund, will permit the Subordinate Bonds Fund to be fully funded for the next Bond Year and pay all of the principal and interest on the 2020 Subordinate Bonds in full.

2020 Senior Bonds Debt Service

The annual debt service requirements on the 2020 Senior Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 75,000	$ 1,413,156	$ 1,488,156
2022	380,000	1,410,625	1,790,625
2023	465,000	1,397,800	1,862,800
2024	515,000	1,382,106	1,897,106
2025	535,000	1,364,725	1,899,725
2026-2030	3,305,000	6,523,757	9,828,757
2031-2035	4,435,000	5,862,688	10,297,688
2036-2040	5,920,000	4,924,439	10,844,439
2041-2045	7,740,000	3,612,714	11,352,714
2046-2050	12,185,000	1,769,277	13,954,277
Total	$ 35,555,000	$ 29,661,287	$ 65,216,287

The annual debt service requirements on the 2020 Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Sterling Ranch Community Authority Board Taxable Subordinate Limited Service Fee Revenue Promissory Note, Series 2016

On December 29, 2016, the CAB issued the Sterling Ranch Community Authority Board Taxable Subordinate Limited Service Fee Revenue Promissory Note, Series 2016 (the 2016 O&M Note) to Sterling Ranch LLC (SR LLC) in the maximum principal amount of $21,000,000. The 2016 O&M Note is a fill-up note, has a maturity date of December 1, 2018, subject to two one-year extensions, and interest on the outstanding principal amount accrues at a rate of 6.5% per annum. Interest payments are due on the 15th day of each calendar month. Principal and interest payments on the 2016 O&M Note are made on the 15th day of each calendar month primarily from 95% of the Service Fees collected by the CAB. On November 15, 2019, the maturity date of the 2016 O&M Note was extended from December 1, 2019 to December 1, 2020.

At December 31, 2020, the balance outstanding on the 2016 O&M Note totaled $14,640,620, consisting of $14,600,848 in principal and $39,772 of accrued interest.

Sterling Ranch Community Authority Board Taxable Limited Revenue Promissory Note, Series 2016

On December 29, 2016, the CAB issued the Taxable Subordinate Limited Revenue Promissory Note, Series 2016 (the 2016 Revenue Note) to SR LLC in the maximum principal amount of $84,000,000. In December 2017, the CAB's Board of Directors approved a resolution amending the maximum principal amount to $7,000,000, which may be increased upon the satisfaction of certain conditions. The 2016 Revenue Note is a fill-up note, has a maturity date of December 1, 2018, subject to two one-year extensions, and interest on the outstanding principal amount accrues at a rate of 6.5% per annum. Interest payments are due on the 15th day of each calendar month. Principal and interest payments on the 2016 Revenue Note are made on the 15th day of each calendar month primarily from 95% of the Tap Fees and Facilities Fees collected by the CAB from within the boundaries of the Districts, excluding District No. 3. On November 15, 2019, the maturity date of the 2016 Revenue Note was extended from December 1, 2019 to December 1, 2020.

At December 31, 2020, the balance outstanding on the 2016 Revenue Note totaled $2,808,102, consisting of $2,727,342 in principal and $80,760 of accrued interest.

Funding and Reimbursement Agreements

See Note 10 for a summary of various funding and reimbursement agreements.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2020, with the issuance of the Series 2015 Bonds and Series 2020 Bonds, District No. 2 had authorized but unissued indebtedness remaining in the amount of $21,533,159,099 for public improvements and refunding.

At December 31, 2020, with the issuance of the Series 2017 Bonds, District No. 3 had authorized but unissued indebtedness remaining in the amount of $23,310,880,000 for public improvements and refunding.

In the future, the CAB may issue a portion or all of the remaining authorized but unissued general obligation debt on behalf of the Districts for purposes of providing public improvements to support development as it occurs within the Districts' service areas. The Service Plans for the Districts limit the aggregate amount of debt that they may issue together with any debt issued by the CAB to $1,800,000,000.

NOTE 6 NET POSITION

As of December 31, 2020, the CAB had net position consisting of three components – net investment in capital assets, restricted and unrestricted.

The restricted component of net position consists of assets that are restricted for use as imposed either by external parties (i.e., creditors, grantors or contributors) or laws and regulations of other governments or laws through constitutional provisions or enabling legislation. The CAB had restricted net position as of December 31, 2020, as follows:

Restricted Net Position:		
Emergencies	$	49,000
Debt Service		647,743
Total Restricted Net Position	$	696,743

The CAB’s unrestricted net position as of December 31, 2020, is $4,974,123.

NOTE 7 COMMITMENTS

Major Construction Commitment

As of December 31, 2020, the CAB had unexpended commitments from contracts with various contractors.

NOTE 8 RELATED PARTIES

SR LLC and Sterling Ranch Development Company (Developer) are the owners of or hold options to acquire a significant portion of the properties comprising the service areas of the Districts. SR LLC, the Developer and Hobbs Investments LLC (Hobbs), a single member LLC for which the Developer is the manager and sole member (collectively with SR LLC and the Developer, the SR Entities) have each advanced funds to the CAB (See Note 5 and Note 10). Certain members of the Board of Directors of the CAB and the Districts hold direct or indirect ownership interests in the SR Entities or are otherwise associated with the SR Entities and may have conflicts of interest in dealing with the CAB and the Districts.

NOTE 9 ECONOMIC DEPENDENCY

The CAB has not yet established a revenue base sufficient to pay for most of its operational and certain capital expenditures. Until a sufficient revenue base is established, continuation of the CAB's operation and financing of certain capital improvements are dependent upon funding from the SR Entities.

NOTE 10 AGREEMENTS

Sterling Ranch Community Authority Board Establishment Agreement (CABEA)

The Districts exist for the purposes of designing, acquiring, constructing, installing, financing, operating, and maintaining certain streets, traffic and safety controls, water, sanitation, stormwater, parks and recreation, TV relay and translation, mosquito control, limited fire protection and security, all in accordance with their Service Plans.

Their Service Plans contemplated that the Districts, with the approval of their electors would enter into the CABEA. On November 5, 2013, the Districts' qualified electors voted in favor of the Districts entering into the CABEA pursuant to which the Districts established the CAB. The CABEA was amended and restated on June 29, 2015, pursuant to the First Amended and Restated Sterling Ranch Community Authority Board Establishment Agreement, as the same may be amended from time to time. Pursuant to the CABEA, the CAB will furnish, operate, and plan for certain Public Improvements and each District shall transfer certain revenues received by it in order to fund the operation and maintenance costs and capital costs of the Public Improvements. Each District has agreed, and their Service Plans provide, that the CAB will own, operate, maintain, finance, and construct Public Improvements benefiting the Districts, and that the Districts will contribute to the costs of construction, operation and maintenance of such Public Improvements. It is the intent of the Districts that either the CAB or any of the Districts may, from time to time, issue its own debt and use proceeds to finance the Public Improvements and that the CAB will enter into contracts to construct the Public Improvements.

NOTE 10 AGREEMENTS (CONTINUED)

Operation Funding Agreement with Hobbs Investments LLC

On December 17, 2015, with an effective date of January 1, 2016, the CAB entered into the 2016-2019 Operation Funding Agreement with Hobbs, as amended and restated in its entirety by that certain 2016-2025 Amended and Restated Operation Funding Agreement, entered into on November 15, 2016, with an effective date of January 1, 2016 (collectively, the Hobbs OFA), pursuant to which Hobbs agrees to advance funds to the CAB for certain operation and maintenance expenses on a periodic basis as needed for fiscal years 2016 through 2025. The maximum amount to be advanced for Operations and Maintenance Expenses pursuant to this agreement is Six Million Eight Hundred Fifty Thousand Dollars ($6,850,000). The CAB agrees to repay these advances, pursuant to the priority established in the agreement, together with accrued interest at the rate of 8% per annum accruing from the date of deposit into the CAB's bank account or from the date of direct payment by Hobbs.

2017-2019 Operation Funding Agreement with Sterling Ranch, LLC

On November 15, 2016, with an effective date of January 1, 2017, the CAB entered into the 2017-2019 Operation Funding Agreement with SR LLC (the 2017-2019 OFA), pursuant to which SR LLC agrees to advance funds to the CAB or pay consultants directly on CAB's behalf for operation and maintenance expenses on a periodic basis as incurred from January 1, 2017 through December 31, 2019. The CAB agrees to repay these advances together with accrued interest at the rate of 6.5% per annum accruing from the date the funds were advanced directly to the CAB by SR LLC and annotated on the 2016 O&M Note. For amounts advanced to a third party on behalf of the CAB, the amount due for repayment by the CAB shall be annotated on the 2016 O&M Note upon verification by the CAB's accountant or the CAB's engineer, as appropriate, that the amount expended was paid on a cost that would be eligible for funding by the CAB, and in an amount that is customary for such product or service. Interest shall accrue on amounts advanced to a third party on behalf of the CAB from the date of verification. The maximum amount to be advanced for operation and maintenance expenses pursuant to the 2017-2019 OFA is Twenty-One Million Dollars ($21,000,000). The CAB and SR LLC extended the term through December 31, 2021, by a First Amendment to the OFA, dated September 18, 2019. Under the First Amendment, SR LLC has the option to extend the term of its obligation to advance funds to the CAB up to two times for additional one-year terms.

On November 18, 2020, the CAB approved a resolution authorizing the extension of the maturity date of the 2016 O&M Note to December 31, 2021 with the option by CAB to extend the maturity date by one year, with the written consent of the owner, which option may be exercised two times, through December 31, 2023.

NOTE 10 AGREEMENTS (CONTINUED)

Operations Funding Agreement with Sterling Ranch Development Company

On November 21, 2014, with an effective date of January 6, 2014, the CAB entered into the 2014-2015 Operation Funding Agreement with the Developer, as amended and restated in its entirety on June 29, 2015 with an effective date of January 6, 2014 (the Developer OFA), pursuant to which the Developer agrees to advance funds to the CAB or pay directly on CAB's behalf for operation and maintenance expenses on a periodic basis as incurred from January 1, 2014 through August 1, 2015, up to the amount of $800,000. The CAB agrees to repay these advances together with accrued interest at the rate of 8% per annum, accruing from the date of deposit into the CAB's account or from the date of direct payment by the Developer, subject to annual budget and appropriation. A First Amendment to Amended and Restated Developer OFA extended the term for the obligation of Developer to advance the funds through December 1, 2015.

Facilities Funding and Acquisition Agreement with Sterling Ranch Development Company

On September 17, 2014, with an effective date of January 6, 2014, the CAB entered into a Facilities Funding and Acquisition Agreement with the Developer, as amended and restated by that certain Amended and Restated Facilities Funding and Acquisition Agreement entered into on June 29, 2015, as further amended and restated by that certain Second Amended and Restated Facilities Funding and Acquisition Agreement entered into on August 11, 2015, and as amended by that certain First Amendment to Second Amended and Restated Facilities Funding and Acquisition Agreement entered into on December 17, 2015 (collectively, the Developer FFAA), pursuant to which the Developer agrees to make advances not to exceed $30,000,000 to the CAB for the following purposes: organizational expenses and public improvements. Interest on funds advanced or to pay for improvements (from the date of verification) accrue at 8% per annum. The Developer FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through future bond issuances. The CAB and Developer extended the term of the Developer FFAA through December 31, 2021, by a Second Amendment to the Developer FFAA, dated September 18, 2019. Under the Second Amendment, the Developer's obligation to advance funds to the CAB shall end on December 31, 2021. On October 21, 2020, the CAB and the Developer entered into a Third Amendment to Second Amended and Restated FFAA, by which the parties increased the maximum amount to $50,000,000 which may be relied upon by the CAB to pay construction costs, with advances made by either the Developer under the Developer FFAA or by Hobbs under the Hobbs FFAA. The third amendment also allowed for the extension of the term by one year, with written consent of the Developer, which option may be exercised two times, through December 31, 2023.

NOTE 10 AGREEMENTS (CONTINUED)

Facilities Funding and Acquisition Agreement with Hobbs Investments LLC

On June 29, 2015, with an effective date of June 29, 2015, the CAB entered into the Facilities Funding and Acquisition Agreement with Hobbs, as amended and restated in its entirety by that certain Amended and Restated Facilities Funding and Acquisition Agreement entered into on August 11, 2015, with an effective date of July 31, 2015 (collectively, the Hobbs FFAA) pursuant to which Hobbs agrees to make advances not to exceed $30,000,000 to the CAB for the purpose of funding the construction and/or acquisition of public improvements. Hobbs agrees to make such advances on a periodic basis as needed beginning July 31, 2015, through December 31, 2019. The Hobbs FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through future bond issuances. The CAB and Hobbs extended the term of the Hobbs FFAA through December 31, 2021, by First Amendment to the Hobbs FFAA, dated September 18, 2019. Under the First Amendment, Hobbs' obligation to advance funds shall end on December 31, 2021. The CAB and Hobbs entered into a Second Amendment, dated December 18, 2019, for the purpose of clarifying and providing additional assurance related to CAB's obligations to fund certain costs. The parties agreed to increase the amount of advances which may be made to a cap not to exceed $50,000,000, and to allow for extension of the term by one year, with written consent of Hobbs, which option may be exercised two times, through December 31, 2023.

Facilities Funding Agreement with Sterling Ranch, LLC

On November 15, 2016, the CAB entered into a Facilities Funding Agreement with SR LLC (the 2016 – 2019 SR LLC FFA), pursuant to which SR LLC agrees to make advances not to exceed $84,000,000 to the CAB for the following purposes: organizational expenses and public improvements. In December 2017, the CAB's Board of Directors approved a resolution amending the maximum principal amount to $7,000,000, which may be increased upon satisfaction of certain conditions. Interest on funds advanced or to pay for improvements (from the date of verification) accrue at 6.5% per annum. The CAB agrees that its obligation to repay the advances to SR LLC shall be as set forth in the 2016 Revenue Note. The SR LLC FAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through future bond issuances. The CAB and SR LLC extended the term of the SR LLC FFA through December 31, 2021, by First Amendment to the Facilities Funding Agreement, dated September 18, 2019. Under the First Amendment, SR LLC's obligation to advance funds shall end on December 31, 2021. In addition, the parties agreed to reduce the shortfall amount to $30,000,000. Under the First Amendment to SR LLC FFA, the SR LLC has the option to extend the term of its obligation to advance funds to the CAB up to two times for additional one-year terms.

On November 18, 2020, the CAB approved a resolution authorizing an extension of the maturity date of the 2016 Revenue Note to December 31, 2021 with the option by CAB to extend the maturity date by one year, with the written consent of the owner, which option may be exercised two times, through December 31, 2023.

NOTE 10 AGREEMENTS (CONTINUED)

Facilities Funding Agreement (Filing No. 1 Completion)

On November 20, 2018, the CAB entered into a Facilities Funding Agreement (Fling No. 1 Completion) with SR LLC (Filing 1 Completion FFA), under which SR LLC agreed to deposit additional sums as needed by the CAB, up to the shortfall amount of $1,750,000, to complete the public improvements necessary to serve Sterling Ranch Filing No. 1 (Filing 1 Improvements) in the construction account established pursuant to that certain Construction Disbursement Agreement between Sterling Ranch Development Company, Hobbs Investments, LLC, the CAB, First American Title Insurance Company and CliftonLarsonAllen LLP, dated November 5, 2015 (Filing 1 CDA, discussed below).

The CAB and SR LLC agreed that advances under the Filing 1 Completion FFA would not be considered advances under the 2016-2019 SR LLC FFA, and that the CAB would reimburse SR LLC for any advances made under the Filing 1 Completion FFA. Advances made by SR LLC to the CAB under the Filing 1 Completion FFA accrue simple interest at 8% per annum.

Any reimbursements made by the CAB to SR LLC under the Filing 1 Completion FFA shall be made after payments owed under the 2016-2019 SR LLC FFA, and prior to any payments under the Hobbs FFAA and the Developer FFAA.

Water and Wastewater Service Agreement for Sterling Ranch

The CAB entered into an agreement, dated January 6, 2014, with Dominion Water & Sanitation District, a quasi-municipal corporation and political subdivision of the state of Colorado, acting by and through its Sterling Ranch Water Activity Enterprise and its Sterling Ranch Wastewater Activity Enterprise (Dominion), pursuant to which Dominion will provide wholesale water, wastewater, and stormwater services to the CAB. The CAB will serve as the retail provider of water and wastewater to customers located in the Sterling Ranch development. The agreement sets forth the terms and conditions regarding the provision of the services, the financing of construction and operation of the facilities, and establishing rates, fees, charges, and reimbursements.

Water, Wastewater, and Stormwater Operations Intergovernmental Agreement (for Service to Sterling Ranch)

On December 7, 2016, with an effective date of November 15, 2016 the CAB entered into a Water, Wastewater, and Stormwater Operations Intergovernmental Agreement (for Service to Sterling Ranch) (Operations IGA) with Dominion, which sets forth the terms for the administration, operation, maintenance, repair and replacement of the water and wastewater facilities prior to the provision of water and wastewater service to a water and/or wastewater retail customer of the CAB within Sterling Ranch.

On October 17, 2017, the Operations IGA was amended and restated pursuant to the First Amended and Restated Water, Wastewater, and Stormwater Operations Intergovernmental Agreement (for Service to Sterling Ranch) (Amended Operations IGA). The Amended Operations IGA clarified and implemented the terms for water and wastewater operations as development progresses in Sterling Ranch by describing a process by which water usage and demand can be quantified.

NOTE 10 AGREEMENTS (CONTINUED)

Intergovernmental Agreement Regarding Financial Payment for Sterling Gulch Design

On August 14, 2018, the CAB and the Board of County Commissioners (County Commissioners) of Douglas County, Colorado (the County), entered into an Intergovernmental Agreement Regarding Financial Payment for Sterling Gulch Design (Sterling Gulch Design IGA). Pursuant to the Sterling Gulch Design IGA, the County agreed to manage the design of Sterling Gulch, and the CAB agreed to contribute $260,906 to assist in funding the design. The Sterling Gulch Design IGA expires 12 months after the completion of the design and any unused sums contributed by the CAB shall be returned to the CAB within six months of completion of the design.

Intergovernmental Agreement for Financing, Design and Construction of the Castle Rock Pipeline Project

On October 4, 2018, the CAB and Dominion entered into an Intergovernmental Agreement for the Financing, Design and Construction of the Castle Rock Pipeline Project (CRPP IGA). Under the CRPP IGA, Dominion agreed to design and construct the Castle Rock Pipeline (also referred to as the Eastern Regional Pipeline Project) using Dominion funds, and in accordance with applicable law. The funds to pay for the Castle Rock Pipeline were deposited in an escrow account in accordance with the CRPP IGA and the Construction Disbursement Agreement Castle Rock Pipeline Project (discussed below). In the event Dominion defaults under the CRPP IGA, the CAB is entitled assume Dominion's obligations under the CRPP IGA.

Intergovernmental Agreement Regarding the Design, Construction, and Maintenance of Titan Road (Intersection Improvements at Roxborough Park Road) Improvement Project

On June 12, 2018, the CAB and County entered into an Intergovernmental Agreement Regarding the Design, Construction and Maintenance of Titan Road (Intersection Improvements at Roxborough Park Road) Improvement Project (the Titan Road Improvements IGA), which addressed the design, construction, and maintenance of certain road improvements at the Titan Road and Roxborough Park Road intersection in Douglas County, including without limitation, a traffic signal and other improvements. The CAB agreed to construct the improvements between June 1, 2018 and June 1, 2019, and to appropriate funds for the construction in an amount equal to 115% of the cost estimate and to maintain the improvements between initial acceptance and final acceptance. The CAB also agreed to provide a two-year warranty period. Once completed, the County will accept the improvements.

NOTE 10 AGREEMENTS (CONTINUED)

Intergovernmental Agreement between the Sterling Ranch Community Authority Board and the Doulas County Commissioners of the County of Douglas, State of Colorado, Regarding Financial Payment for Design of Willow Creek Improvements

On October 9, 2018, the CAB and County entered into an Intergovernmental Agreement between the Sterling Ranch Community Authority Board and the Douglas County Commissioners of the County of Douglas, state of Colorado, Regarding Financial Payment for Design of Willow Creek Improvements (the Willow Creek Design Payment IGA), under which the CAB agreed to contribute $297,019 toward the design of certain drainage improvements in Willow Creek. The County will manage the design through an engineer reasonably acceptable to the CAB.

Mortenson Master Agreement

Effective as of March 3, 2014, the CAB entered into the First Amended Sterling Ranch Community Authority Board (CAB) Infrastructure Master Agreement for Construction Contracting – Specified Public Infrastructure Projects for the Sterling Ranch Development Awarded Through December 31, 2024, with M.A. Mortenson Company, dba: Mortenson Construction (Mortenson). The Master Agreement sets forth the terms and conditions to govern the contractual relationship and work to be performed under several forms of sub-agreements and project-specific work orders.

The CAB and Mortenson, the master contractor for the construction of public infrastructure within Filing 1, settled their dispute in 2019 concerning the development of lots and change orders associated with the infrastructure improvements in Filing 1. The Master Agreement has been terminated, but work continues in 2020 pursuant to Mortenson's existing warranty obligations in Filing 1.

Letter of Intent to Serve

By a letter dated September 4, 2014, to SR LLC, the CAB committed to providing retail water and wastewater services to the real property contained within the Sterling Ranch Planned Development, which services will be in compliance with the CABEA.

Sterling Ranch Filing No. 1 Construction Administration, Financing, and Allotment Agreement

The CAB and Dominion entered into the Sterling Ranch Filing No. 1 Construction Administration, Financing and Allotment Agreement, dated June 17, 2015, pursuant to which the CAB will provide the financing and administration of the construction of certain water and wastewater facilities on behalf of Dominion; in exchange, Dominion will provide the CAB dedicated wholesale water and wastewater service in perpetuity. This agreement sets forth the terms and conditions regarding the CAB's obligation to design, construct, finance, and complete those certain water and wastewater facilities and the obligations of Dominion upon CAB's dedication of the same to Dominion.

NOTE 10 AGREEMENTS (CONTINUED)

Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 1

On January 27, 2015, the CAB entered into a Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 1 with the Developer, Dominion, Roxborough Water and Sanitation District (Roxborough) and County to provide for the construction of public improvements, landscape and park improvements, wholesale water and wastewater improvements, and water treatment improvements that are associated with Sterling Ranch Filing No. 1 in Douglas County, Colorado. This agreement was subsequently amended. The Fourth Amendment to Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 1 is dated October 10, 2017 (the Fourth Amendment). Among other amendments, the Fourth Amendment reflects the final design for certain improvements, includes additional improvements, and updates the construction phasing map for Filing No. 1. Additionally, the Fourth Amendment requires the CAB to deposit a bond with the County to secure completion of these improvements (see Warranty Security IGA, Subdivision Bond, and General Indemnity Agreement, below).

Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 2

On October 10, 2017, the CAB entered into a Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 2 with the Developer and the County to provide for the construction of the following public improvements associated with Sterling Ranch Filing No. 2 in Douglas County, Colorado: (i) all on and off-site grading, and streets and traffic facilities; (ii) the detached sidewalks adjacent to the streets; (iii) all on-site facilities for storm water drainage, water and water quality, and sanitary sewer; and (iv) landscape and park improvements.

First Amendment to Subdivision Improvement Agreement and Intergovernmental Agreement for Sterling Ranch Filing 2

On April 23, 2019, the CAB entered into an amendment to the Subdivision Improvement Agreement and Intergovernmental Agreement for Sterling Ranch Filing 2 with Sterling Ranch Development Company, LLC and the Board of County Commissioners of Douglas County, amending the original agreement to allow for the development of Filing 2 in phases, providing for additional improvements to Titan Road and stormwater, and adding improvements to Sterling Gulch.

NOTE 10 AGREEMENTS (CONTINUED)

Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 4A

On August 14, 2018, the CAB, Dominion, the Developer, and the County entered into the Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 4A (Filing 4A SIA) to provide for the construction of public improvements, landscape and park improvements and wholesale water improvements associated with Sterling Ranch Filing No. 4A, in Douglas County, Colorado. Under the Filing 4A SIA, the CAB is responsible for the construction of Improvements (including, without limitation: on- and off-site grading; streets and traffic facilities; on-site storm drainage; on-site water, water quality and sewer facilities; and off-site streets) and Landscape and Park Improvements (including, without limitation: landscape and hardscape improvements) at its sole expense. If the CAB is in default of its obligations to construct the Improvements and Landscape and Park Improvements, the Filing 4A SIA requires the Developer to assume the CAB's obligations under the Filing 4A SIA.

First Amendment to Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 4A

On August 27, 2019, the CAB entered into an amendment to the Subdivision Improvements Agreement and Intergovernmental Agreement with Sterling Ranch Development Company, LLC, Dominion Water and Sanitation District and the Board of County Commissioners of Douglas County, Colorado adjusting the methodology for the submittal and approval of administrative amendments to the subdivision improvement agreement.

Contract Administration Services (Sterling Ranch Filing No. 4A/Castle Rock Pipeline Project)

On October 23, 2018, the CAB entered into the Contract Administration Agreement (Sterling Ranch Filing No. 4A/Castle Rock Pipeline Project) with Richmond American Homes of Colorado, Inc. (Richmond), Developer, and Dominion, whereby if certain Events of Default (as defined in the agreement) occur, Richmond, at its option, has the right to assume the obligation of the CAB to assume Dominion's obligation to construct the Castle Rock Pipeline Project established in the Filing 4A SIA and the Castle Rock Pipeline IGA. In such instance, Richmond will have the right to draw upon the funds in the Castle Rock Pipeline Project Construction Account.

NOTE 10 AGREEMENTS (CONTINUED)

Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 4B

On October 23, 2018, the CAB, Dominion, the Developer, and the County entered into the Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 4B (Filing 4B SIA) to provide for the public improvements, landscape and park improvements, and wholesale water Improvements associated with Sterling Ranch Filing No. 4B in Douglas County, Colorado. Under the Filing 4B SIA, the CAB is responsible for the construction of Improvements (including, without limitation: on-and off-site grading; streets and traffic facilities; on-site storm drainage; on-site water, water quality and sewer facilities; and off-site streets) and Landscape and Park Improvements (including, without limitation: landscape and hardscape improvements) at its sole expense. If the CAB is in default of its obligations to construct the Improvements and Landscape and Park Improvements, the Filing 4B SIA requires the Developer to assume the CAB's obligations under the Filing 4B SIA.

Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 4C

On November 20, 2018, the CAB, Dominion, the Developer, and the County entered into the Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 4C (Filing 4C SIA) to provide for the construction of public improvements, landscape and park improvements and wholesale water improvements associated with Sterling Ranch Filing No. 4C, in Douglas County, Colorado. Under the Filing 4C SIA, the CAB is responsible for the construction of Improvements (including, without limitation: on- and off-site grading; streets and traffic facilities; attached and detached sidewalks; on-site storm drainage; and on-site water, water quality, and sewer facilities) and Landscape and Park Improvements (including, without limitation: landscape and hardscape improvements) at its sole expense. If the CAB is in default of its obligations to construct the Improvements and Landscape and Park Improvements, the Filing 4C SIA requires the Developer to assume the CAB's obligations under the Filing 4C SIA.

Subdivision Improvement Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 3A

On July 9, 2019, the CAB entered into an agreement with Sterling Ranch Development Company, Inc., Dominion Water & Sanitation District, and the Board of County Commissioners of Douglas County, Colorado regarding the development of Sterling Ranch Filing 3A. Under this agreement, the CAB is responsible for the development of certain public improvements, including on and off-site grading, streets, traffic control, sidewalks, on and off-site stormwater control improvements, Willow Creek channelization, Waterton Road waterline extension, and certain landscape and park improvements.

NOTE 10 AGREEMENTS (CONTINUED)

Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 5A

On May 26, 2020, the CAB entered into an agreement with Sterling Ranch Development Company, Inc., Dominion Water & Sanitation District, and the Board of County Commissioners of Douglas County, Colorado regarding the development of Sterling Ranch Filing No. 5A. Under this agreement, the CAB is responsible for the development of certain public improvements, including on and off-site grading, streets, traffic control, sidewalks, on and off-site stormwater control improvements, on-site water and sewer improvements, and the Middle Fork Extension improvements. The agreement includes an obligation of CAB to pay a fee in lieu of $305,445.36 for costs to complete the Sterling Gulch Phase II within the subdivision.

Subdivision Improvements Agreement and Intergovernmental Agreement for Sterling Ranch Filing No. 3B

On October 13, 2020, the CAB entered into an agreement with Sterling Ranch Development Company, Inc., Dominion Water & Sanitation District, and the Board of County Commissioners of Douglas County, Colorado regarding the development of Sterling Ranch Filing No. 3B. Under this agreement, the CAB is responsible for the development of certain public improvements, including on and off-site grading, streets, traffic control, sidewalks, on and off-site stormwater control improvements, on-site water and sewer improvements.

Intergovernmental Agreement between Douglas County and Sterling Ranch Community Authority Board, Concerning Subdivision Warranty Security for Obligations under Subdivision Improvements Agreements/Intergovernmental Agreements

On June 13, 2017, the CAB entered into an intergovernmental agreement with the County regarding the security the CAB is required to post with the County for warranty performance obligations related to subdivision improvements for Filing No. 1 and future subdivision improvement agreements (the Warranty Security IGA). As of the date of execution of the Warranty Security IGA, the CAB was required to post a letter of credit in the amount of $500,000 to secure performance of warranty obligations. However, as additional improvements are completed and accepted by the County, the CAB is required to post security in an amount equal to 15% of the total cost of improvements for each subdivision to secure warranty obligations (see Subdivision Bond, below).

General Indemnity Agreement

On July 21, 2017, the CAB entered into a General Indemnity Agreement with Atlantic Specialty Insurance Company, under which the CAB agreed to indemnify and hold harmless the surety from and against liability related to any bonds issued by the surety to secure the CAB's performance of certain obligation, including, for example, the CAB's warranty obligations under the Warranty Security IGA and the subdivision improvement agreements.

NOTE 10 AGREEMENTS (CONTINUED)

Subdivision Bond

On July 31, 2017, the CAB obtained a Subdivision Bond from Atlantic Specialty Insurance Company in the amount of $5,000,000 to secure the CAB's warranty obligations under the Warranty Security IGA and subdivision improvement agreements. The Subdivision Bond is subject to the terms of the General Indemnity Agreement, discussed above.

Letter of Credit and Reimbursement Agreement with FirstBank

On March 16, 2018, FirstBank granted the CAB an irrevocable letter of credit in the amount of $500,000 (FirstBank LOC No. 1). Amounts owed under the LOC No. 1 accrue interest at a rate of 5.5%. The FirstBank LOC No. 1 is subject to the terms of a Reimbursement Agreement between the CAB and FirstBank, dated March 16, 2018. The FirstBank LOC No. 1 was to expire on December 31, 2018, and was extended for one-year periods through December 31, 2019, December 31, 2020, and extended again through December 31, 2021.

On July 27, 2018, FirstBank granted the CAB an irrevocable letter of credit in the amount of $45,844.58 (FirstBank LOC No. 2). Amounts owed under the LOC No. 2 accrue interest at the rate of 7.0%. The FirstBank LOC No. 2 is subject to the terms of a Reimbursement Agreement between the CAB and FirstBank, dated July 27, 2018. The FirstBank LOC No. 2 was to expire on December 31, 2018, and was extended through December 31, 2019. The FirstBank LOC No. 2 has expired.

The Board of County Commissioners of Douglas County, Colorado was entitled to draw on the FirstBank LOC No. 1 and FirstBank LOC No. 2 pursuant to the terms of the Warranty Security IGA (discussed below).

Agreement for Treated Water Emergency Interconnection

On June 17, 2020, the CAB entered into an intergovernmental agreement with Roxborough Water and Sanitation District regarding the installation of an interconnection between the CAB water system and the Roxborough water system to allow for the provision of continued water service in the event of an emergency.

Development and Cost-Sharing Agreement – Filing 1

On November 5, 2015, the CAB entered into an agreement with Developer, Hobbs and those entities listed and defined as Builders in Filing 1 (as defined below) in the agreement, pursuant to which the CAB is responsible for the financing and construction of certain improvements and the Builders and Developer are responsible for their pro rata share of the CAB's cost for the improvements associated with the lots acquired by each Builder, and/or retained by the Developer.

Development and Cost-Sharing Agreement – Filing No. 2

On December 27, 2017, the CAB entered into an agreement with the Developer, American Title Insurance Company, and CalAtlantic Group, Inc. (CalAtlantic), pursuant to which the CAB is responsible for certain finished lot improvements, trunk improvements, and shared roadway improvements, and CalAtlantic is responsible for construction of foundation drain systems and over-excavation of lots.

NOTE 10 AGREEMENTS (CONTINUED)

Joint Development Agreement (Sterling Ranch Filing No. 4A)

On October 30, 3018, the CAB entered into a Joint Development Agreement (Sterling Ranch Filing No. 4A) with Richmond, Taylor Morrison of Colorado, Inc., Tri Pointe Homes, Inc. (collectively, the Filing 4A Builders), the Developer and First American Title Insurance Company (First American), under which Richmond serves as the developer of the lots within Filing 4A (Lot Improvements), the CAB will cause construction of certain main trunk roads, utility mains, certain site grading and other major public infrastructure work serving the property within Filing 4A (Trunk Improvements), and First American serves as escrow agent.

The Filing 4A Builders have step-in rights in the event the CAB defaults with respect to its obligations to cause construction of the Trunk Improvements, and each respective builder has step-in rights in the event Richmond defaults with respect to the Lot Improvements. Each respective Filing 4A Builder contributes a pro rata share of the cost of the Lot Improvements.

Joint Development Agreement (Sterling Ranch Filing No. 4B)

On November 30, 2018, the CAB entered into a Joint Development Agreement (Sterling Ranch Filing No. 4B) with Richmond, Taylor Morrison of Colorado, Inc., Tri Pointe Homes, Inc. (collectively, the Filing 4B Builders), the Developer, and First American, under which Richmond serves as the contract administrator concerning the development of the lots within Filing 4B (Filing 4B Lot Finish Work), the CAB will cause the construction of certain main trunk roads, utility mains, site grading, and other major public infrastructure work serving the property with in Filing 4B (Filing 4B Trunk Improvements), and First American serves as the escrow agent.

The Filing 4B Builders have step-in rights in the event that the CAB defaults with respect to its obligations concerning causing the construction of the Filing 4B Trunk Improvements, and each respective builder has step-in rights in the event that Richmond defaults with respect to the Filing 4B Lot Finish Work. Each Filing 4B Builder contributes a pro rata share of the cost of the Filing 4B Lot Finish Work.

First Amendment to Joint Development Agreement – Filing 4B

On November 26, 2019, the CAB entered into an amendment to the Joint Development Agreement dated November 30, 2018 with Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., Tri Pointe Homes, Inc., Sterling Ranch Development Company, LLC, and American Title Insurance Co. to remove the CAB's obligation to build Fraser Road and the release of the associated funds.

NOTE 10 AGREEMENTS (CONTINUED)

Development and Cost-Sharing Agreement (Sterling Ranch – Filing 4C)

On December 27, 2018, the CAB, Lennar Colorado, LLC (Lennar), the Developer and First American entered into a Development and Cost-Sharing Agreement (Sterling Ranch – Filing 4C) which sets forth the terms and conditions for the construction of the Finished Lot Improvements and Trunk Improvements (as those terms are defined therein) within Sterling Ranch Filing No. 4C by the CAB. Pursuant to the agreement, the CAB is responsible for the costs associated with the Trunk Improvements and Lennar is responsible for the costs associated with the Finished Lot Improvements, up to the Builder's Cost Cap (as defined therein). In order to secure Lennar's obligation, Lennar issued a letter of credit in the amount of the Builder's Cost Cap and named the CAB as the beneficiary. Further, the CAB established a construction account and deposited $7,093,138 into the same to cover the costs associated with the Trunk Improvements. Lennar deposited an amount equal to the Builder's Cost Cap into the construction account. To the extent that the CAB does not have sufficient funds to pay for the Trunk Improvements or for any additional costs associated with the Finished Lot Improvements over the Builder's Cost Cap, the Developer will cause SR LLC to fund such costs pursuant to the 2016 – 2019 SR LLC FFA.

Shared Improvements Agreement Filing 4C

On December 27, 2018, the CAB and Lennar entered into the Shared Improvements Agreement which sets forth the terms and conditions relative to the construction, conveyance, warranty, operation, and maintenance of certain shared improvements within Sterling Ranch Filing No. 4C, including the Shared Driveway Improvements, the Shared Landscape Improvements and the Garage Aprons, as those terms are defined in the Shared Improvements Agreement.

In-Tract Improvements Agreement – Filing 2 Superblock

On March 13, 2019, the CAB entered into an agreement with Sterling Ranch Development Company, LLC, First American Title Insurance Company and DFC Sterling Ranch, LLC regarding the construction of certain improvements by the CAB required for the development of Sterling Ranch Filing No. 2. DFC Sterling Ranch, LLC will provide funding for the improvements up to $1,560,000 to be adjusted based on the final lot count. DFC Sterling Ranch, LLC's provided an initial $312,000 at execution of the agreement, with the remaining funding obligation secured by a performance bond and corporate guaranty issued by Dream Finders Homes, LLC.

In-Tract Improvements Agreement – Filing 4A Superblock

On March 13, 2019, the CAB entered into an agreement with DFC Sterling Ranch, LLC, Sterling Ranch Development Company, LLC and First American Title Insurance Company regarding the construction of certain improvements by the CAB needed for Sterling Ranch Filing 4A. DFC Sterling Ranch will provide funding for the improvements up to $1,440,000. DFC Sterling Ranch, LLC provided an initial $288,000 at the execution of the agreement, with the remaining funding obligation secured by a performance bond and corporate guaranty issued by Dream Finders Homes, LLC.

NOTE 10 AGREEMENTS (CONTINUED)

Development and Cost Sharing Agreement – Filing 4C (Richmond American Homes of Colorado, Inc.)

On July 30, 2019, the CAB entered into an agreement with Sterling Ranch Development Company, LLC, Land Title Guaranty Company, and Richmond American Homes of Colorado, Inc. under which the CAB will construct Trunk Improvements and Finished Lot Improvements needed for Sterling Ranch Filing 4C. The CAB is responsible for the costs of the Trunk Improvements and Richmond American Homes of Colorado, Inc. is responsible for the cost of the Finished Lot Improvements up to $3,290,000. Richmond American Homes of Colorado, Inc.'s obligation to fund is secured by an irrevocable letter of credit.

Development and Cost Sharing Agreement – Filing 4C (Parkwood Homes-Sterling Ranch, LLC)

On September 27, 2019, the CAB entered into an agreement with Sterling Ranch Development Company, LLC, Land Title Guaranty Company, and Parkwood Homes-Sterling Ranch, LLC under which the CAB will construct Trunk Improvements and Finished Lot Improvements needed for Sterling Ranch Filing 4C. The CAB is responsible for the costs of the Trunk Improvements and Parkwood Homes-Sterling Ranch, LLC is responsible for the cost of the Finished Lot Improvements up to $675,000. Parkwood Homes obligation to fund is secured by a promissory note and deed of trust on the lots for which tap and facility fees have not been paid as described in the Tap and Facilities Fees Purchase Agreement.

Public Improvements Agreement – Filing 4B, Amendment No. 1

On November 26, 2019, the CAB entered into an agreement with Tri Pointe Homes, Inc. and Sterling Ranch Development Company, LLC under which Tri Pointe Homes, Inc. will construct certain public improvements on CAB owned property, including sidewalks, landscaping, hardscape, drainage and irrigation, for ownership by the CAB once complete.

Development and Cost Sharing Agreement – Filing 3A, Phases 1C and 1D

On January 14, 2020, the CAB entered into an agreement with Sterling Ranch Development Company, LLC, William Lyon Homes, Inc. and Meritage Homes of Colorado, Inc. (Builders) under which CAB will construct Trunk Improvements, including the 3A Waterton Extension and Willow Creek Grading, and Finished Lot Improvements needed for Sterling Ranch Filing 3A, Phases 1C and 1D. The CAB is responsible for the costs of the Trunk Improvements and the Builders are responsible for their pro rata share of the costs of the Finished Lot Improvements up to the amount of $3,390,080 (William Lyons) and $2,950,417 (Meritage). The Builders' obligation to fund is secured by an irrevocable letter of credit. Lennar Colorado LLC became a party to this DCSA by Joinder to DCSA, dated March 26, 2020, with an obligation to fund its pro rata share of the costs of the Finished Lot Improvements up to the amount of $549,000, secured by irrevocable letter of credit.

NOTE 10 AGREEMENTS (CONTINUED)

Development and Cost Sharing Agreement – Filing 3A, Phase 1B

On December 11, 2019, the CAB entered into an agreement with Sterling Ranch Development Company, LLC and Meritage Homes of Colorado, Inc. under which CAB will construct Trunk Improvements and Finished Lot Improvements needed for Sterling Ranch Filing 3A. The CAB is responsible for the costs of the Trunk Improvements and Meritage Homes of Colorado, Inc. is responsible for the costs of the Finished Lot Improvements up to $4,103,642. Meritage Homes of Colorado, Inc.'s obligation to fund is secured by an irrevocable letter of credit.

Public Improvements Agreement – Filing 3A

On January 14, 2020, the CAB entered into an agreement with William Lyon Homes, Inc. and Sterling Ranch Development Company, LLC under which William Lyon Homes will construct certain public improvements on CAB owned property, including sidewalks, landscaping, hardscape, drainage and irrigation, for ownership by the CAB once complete.

Development and Cost Sharing Agreement – Filing 3A, Phases 1E and 1F

On March 26, 2020, the CAB entered into an agreement with Sterling Ranch Development Company, LLC, and Meritage Homes of Colorado, Inc. and Lennar Colorado LLC (Builders), under which CAB will construct Trunk Improvements and Finished Lot Improvements needed for Sterling Ranch Filing 3A Phases 1E and 1F, including the 3A Waterton Extension and the Willow Creek Grading. The CAB is responsible for the costs of the Trunk Improvements and the Builders are responsible for their pro rata share of the costs of the Finished Lot Improvements up to the amount of $2,787,452 (Meritage) and $1,708,000 (Lennar). The Builders' obligation to fund is secured by an irrevocable letter of credit.

Public Improvements Agreement – Filing 4B, Amendment No. 2

On October 23, 2020, the CAB entered into an agreement with Tri Pointe Homes, Inc. and Sterling Ranch Development Company, LLC under which Tri Pointe Homes, Inc. will construct certain public improvements on CAB owned property, including sidewalks, landscaping, hardscape, drainage and irrigation, for ownership by the CAB once complete.

Development and Cost Sharing Agreement – Filing 3B, Phases 3B-A, 3B-B and 3B-C

On November 20, 2020, the CAB entered into an agreement with Sterling Ranch Development Company, LLC, and Lennar Colorado, LLC, under which CAB will construct Trunk Improvements and Finished Lot Improvements needed for Sterling Ranch Filing 3B Phases 3B-A, 3B-B and 3B-C, including the Waterton Road Phase 1B and rough grading of Willow Creek Phase II. The CAB is responsible for the costs of the Trunk Improvements and Lennar is responsible for the costs of the Finished Lot Improvements up to the amount of $10,608,000. Lennar's obligation to fund is secured by an irrevocable letter of credit.

NOTE 10 AGREEMENTS (CONTINUED)

Development and Cost Sharing Agreement – Filing 3B, Phase 3B-N-A2

On December 17, 2020, the CAB entered into an agreement with Sterling Ranch Development Company, LLC, and TFCC Sterling LLC, under which CAB will construct Trunk Improvements and Finished Lot Improvements needed for Sterling Ranch Filing 3B Phase 3B-N-A2, including the Waterton Road Phase 1B and rough grading of Willow Creek Phase II. The CAB is responsible for the costs of the Trunk Improvements and TFCC is responsible for the costs of the Finished Lot Improvements up to the amount of $1,551,413. DFCC's obligation to fund is secured by an irrevocable letter of credit.

Public Improvements Agreement – Filing 3A, Phase 1B

On December 11, 2019, the CAB entered into an agreement with Meritage Homes of Colorado, Inc. and Sterling Ranch Development Company, LLC under which Meritage Homes of Colorado, Inc. will construct certain public improvements on CAB owned property, including sidewalks, landscaping, hardscape, drainage and irrigation, for ownership by the CAB once complete.

Development and Cost Sharing Agreement – Filing 3A, Phase 1A

On December 23, 2019, the CAB entered into an agreement with Sterling Ranch Development Company, LLC and DFH Mandarin, LLC (DreamFinder Homes) under which CAB will construct Trunk Improvements and Finished Lot Improvements needed for Sterling Ranch Filing 3A. The CAB is responsible for the costs of the Trunk Improvements and DFH Mandarin, LLC is responsible for the costs of the Finished Lot Improvements up to $2,014,000. DFH Mandarin's obligation to fund is secured by a performance bond and corporate guaranty issued by Dream Finders Homes, LLC. On February 14, 2020, the CAB, DFH Mandarin, LLC and Sterling Ranch Development Company entered into a First Amendment to DCSA, which modified the terms of the payment bond and payment guaranty.

Public Improvements Agreement – Filing 3A, Phase 1A

On December 23, 2019, the CAB entered into an agreement with DFH Mandarin, LLC and Sterling Ranch Development Company, LLC under which DFH Mandarin will construct certain public improvements on CAB owned property, including sidewalks, landscaping, hardscape, drainage and irrigation, for ownership by the CAB once complete.

Tap and Facilities Fee Purchase Agreement with Filing 1 Builders

On November 5, 2015, the CAB entered into agreements with each Builder (as defined below) whereby the Builders will pay certain tap fees and facilities fees (as specifically defined in the agreement) to the CAB as a partial funding source for certain on-site and off-site water and sewer improvements in Filing No. 1. Specifically, the CAB has an agreement with the Developer and each of the following Builders: CalAtlantic Group, Inc.; Brookfield Residential (Colorado), LLC; Richmond; Meritage Homes of Colorado, Inc.; and Lennar Colorado, LLC (two separate agreements).

NOTE 10 AGREEMENTS (CONTINUED)

Tap and Facilities Fee Purchase Agreement with Filing 1 Builders (Continued)

The tap fees are to be used for the construction of: (i) certain wholesale water and sewer facilities and improvements which the CAB will construct on behalf of Dominion; and (ii) certain retail water and sewer improvements. When the water and sewer facilities and improvements are completed, the capital assets related to the wholesale water and sewer improvements will be conveyed, and the remaining tap fees, if any, will be transferred or otherwise owed, to Dominion.

Tap and Facilities Fee Purchase Agreements with Filing 4A Builders

On October 30, 2018, the CAB entered into agreements with each of the Filing 4A Builders, Richmond, Taylor Morrison and Tri-Pointe, whereby the Filing 4A Builders will pay certain tap fees and facilities fees (as specifically defined in each agreement) to the CAB as a partial funding source for certain Trunk Improvements within Filing 4A and other public infrastructure necessary for the development of Filing 4A. The letters of credit for Richmond, Taylor Morrison, and Tri-Pointe which secured those Builders' obligations, were cancelled in 2019 and 2020

Tap and Facilities Fee Purchase Agreements with Filing 4B Builders

On November 30, 2018, the CAB entered into agreements with each Filing 4B Builder whereby the Filing 4B Builders will pay certain tap fees and facilities fees (as specifically defined in each agreement) to the CAB as a partial funding source for certain Trunk Improvements within Filing 4B and other public infrastructure necessary for the development of Filing 4B. A portion of the tap fees and facilities fees are pledged for debt service on the 2017 Bonds.

First Amendment to Tap and Facilities Fee Purchase Agreement – Filing 4B

On April 12, 2019, the CAB amended the Tap and Facilities Fee Purchase Agreement with Taylor Morrison of Colorado, Inc. to amend the requirements related to Taylor Morrison's irrevocable letter of credit and the remedies available to the parties for a breach of the agreement.

Tap and Facilities Fee Purchase Agreement (Lennar – Sterling Ranch Filing No. 4C)

On December 27, 2018, the CAB, Lennar and First American entered into a Tap and Facilities Fee Purchase Agreement under which Lennar will pay certain Tap Fees and Facilities Fees (as defined in the agreement) to the CAB as a partial funding source for those certain trunk improvements, including but not limited to on and off-site water and sewer improvements. A portion of the tap fees and facilities fees are pledged for debt service on the 2017 Bonds. The builder's obligation under this agreement was paid and the letter of credit securing such obligation was cancelled on January 9, 2020.

NOTE 10 AGREEMENTS (CONTINUED)

Tap and Facilities Fees Purchase Agreement – Filing 2, Amendment No, 1

On March 13, 2019, the CAB entered into an agreement with DFC Sterling Ranch, LLC and First American Title Insurance Company regarding the payment of certain tap and facility fees by DFC Sterling Ranch, LLC for lots in Sterling Ranch Filing 2. Payment of fees for 16 lots were due no later than May 10, 2019, with the remaining fees for the remaining 26 lots due 180 days after the first payment. DFC Sterling Ranch, LLC deposited $471,820 in escrow with First American Title to be held until due, with the remaining fees secured by a payment bond and corporate guaranty issued by Dream Finders Homes, LLC. The builder's obligation under this agreement was paid and the bond securing such obligation was cancelled on January 9, 2020.

Tap and Facilities Fees Purchase Agreement – Filing 4C (Richmond American Homes of Colorado, Inc.)

On July 30, 2019, the CAB entered into an agreement with Richmond American Homes of Colorado, Inc. and Land Title Guaranty Company regarding the payment of certain tap and facility fees by Richmond American Homes of Colorado, Inc. for lots in Sterling Ranch Filing 4C. Richmond American Homes of Colorado, Inc. will pay 24 tap and facility fees on the date of purchase of the lots, with the remaining 23 tap and facility fees due 12 months later. Richmond American Homes of Colorado, Inc.'s obligation to pay the additional tap and facility fees is secured by an irrevocable letter of credit.

Tap and Facilities Fees Purchase Agreement – Filing 4C (Parkwood Homes-Sterling Ranch, LLC)

On September 27, 2019, the CAB entered into an agreement with Parkwood Homes-Sterling Ranch, LLC and Land Title Guaranty Company regarding the payment of certain tap and facility fees by Parkwood Homes-Sterling Ranch, LLC for lots in Sterling Ranch Filing 4C. Parkwood Homes-Sterling Ranch, LLC will pay nine tap and facility fees, with payments due on a schedule based on certain carryback note dates as defined in the purchase and sale agreements.

Tap and Facilities Fees Purchase Agreement – Filing 4B, Amendment No. 1

On November 26, 2019, the CAB entered into an agreement with Tri Pointe Homes, Inc. and Land Title Guaranty Company regarding the payment of certain tap and facility fees by Tri Pointe Homes, Inc. for lots in Sterling Ranch Filing 4B. Tri Pointe Homes, Inc. will pay 23 tap and facility fees on the date of purchase of the lots, with the remaining 23 tap and facility fees due nine months later. Tri Pointe Homes, Inc.'s obligation to pay the additional tap and facility fees is secured by an irrevocable letter of credit.

NOTE 10 AGREEMENTS (CONTINUED)

Tap and Facilities Fees Purchase Agreement – Filing 3A, Phase 1A

On December 23, 2019, the CAB entered into an agreement with DFH Mandarin, LLC and Land Title Guaranty Company regarding the payment of certain tap and facility fees by DFH Mandarin for lots in Sterling Ranch Filing 3A. DFH Mandarin deposited $177,130 in escrow with Land Title to be held until due, with the remaining fees secured by a payment bond and corporate guaranty issued by Dream Finders Homes, LLC. An amended and restated Tap and Facilities Fees Purchase Agreement was entered into by the parties on March 14, 2020 which restructured the tap purchase schedule, secured by a tap payment bond issued by NGM Insurance Company on behalf of DFH Mandarin, and a tap payment guaranty executed by Dream Finders Homes for the benefit of CAB.

Tap and Facilities Fees Purchase Agreement – Filing 3A, Phase 1B

On December 11, 2019, the CAB entered into an agreement with Meritage Homes of Colorado, Inc. and Land Title Guaranty Company regarding the payment of certain tap and facility fees by Meritage Homes of Colorado, Inc. for lots in Sterling Ranch Filing 3A. Meritage Homes of Colorado, Inc. will pay its fees in phases, with fees for 22 single family detached lots (SFD) and 48 single family attached lots (SFA) due upon closing of the purchase of the lots from Developer, 7 SFD and 12 SFA due on the first carryback date and the 28 SFD and 60 SFA due on the second carryback date, as those dates are defined in the purchase and sale agreement. Meritage's obligation to pay is secured by a promissory note and deed of trust against the lots for which the fees are owed.

Tap Pre-Purchase Agreement and Collateral Assignment – Filing 4B, Amendment No. 1, Lots 126 to 171

On December 20, 2019, the CAB entered into an agreement with Sterling Ranch Development Company, LLC and Land Title Guaranty Company under which Developer pre-paid $653,000 to the CAB in tap fees ultimately owed by Tri Pointe Homes, Inc. to be repaid when the tap fees are paid by Tri Pointe Homes, Inc. under the existing Tap and Facilities Pre Purchase Agreement. Developer pledged the right to receive the future tap fees as collateral for funds borrowed by Developer.

Tap and Facilities Fee Purchase Agreement – Filing 3A

On January 14, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with William Lyon Homes and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by William Lyon Homes for 64 single family detached lots in Sterling Ranch Filing No. 3A. William Lyon Homes will pay its fees in phases, with 16 of the lots due upon closing, and the remainder equally distributed over three deferral dates thereafter. William Lyon's obligation is secured by an irrevocable letter of credit.

On March 26, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with Lennar Colorado and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by Lennar for 37 single family detached lots in Sterling Ranch Filing 3A. Lennar will pay its fees for 19 of the lots upon closing, and defer payment of the fees for 18 of the lots to nine months thereafter. Lennar's obligation is secured by an irrevocable letter of credit.

NOTE 10 AGREEMENTS (CONTINUED)

Tap and Facilities Fee Purchase Agreements – Filing 5A

On July 30, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with Tri Pointe Homes and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by Tri Pointe for single family detached lots in Sterling Ranch Filing No. 5A, Phase 1. Tri Pointe will pay its fees for 37 of the lots upon closing, and defer payment of the fees for the remaining lots to nine months thereafter. Tri Pointe's obligation is secured by an irrevocable letter of credit.

On December 23, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with Tri Pointe Homes and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by Tri Pointe for single family detached lots in Sterling Ranch Filing No. 5A, Phase 2. Tri Pointe will pay its fees for 19 of the lots upon closing, and defer payment of the fees for the remaining lots to nine months thereafter. Tri Pointe's obligation will be secured by an irrevocable letter of credit due on the carryback payment date defined in the Purchase Contract.

On December 23, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with TFCC Sterling 5A LLC (Dream Finders) and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by TFCC for single family detached lots in Sterling Ranch Filing No. 5A. TFCC will pay its fees for 17 of the lots upon closing, and defer payment of the fees for the remaining lots to 12 months thereafter. TFCC's obligation is secured by a payment bond issued by Hartford Fire Insurance Company for the benefit of CAB.

On December 30, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with Pulte Home Company and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by Pulte for single family alley-loaded and single family detached lots in Sterling Ranch Filing No. 5A. Pulte will pay its fees for 20 of the lots upon closing, and defer payment of the fees for the remaining lots to 12 months thereafter. Pulte's obligation is secured by an irrevocable letter of credit.

Tap and Facilities Fee Purchase Agreement – Filing 4B – 2nd Amendment

On October 23, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with Tri Pointe Homes and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by Tri Pointe for single family attached lots in Sterling Ranch Filing No. 4B, 2nd Amendment. Tri Pointe will pay its fees for 24 of the lots upon closing, and defer payment of the fees for the remaining lots to nine months thereafter. Tri Pointe's obligation is secured by an irrevocable letter of credit.

Tap and Facilities Fee Purchase Agreement – Filing 3B

On November 20, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with Lennar Colorado and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by Lennar for 169 single family detached lots in Sterling Ranch Filing No. 3B. Lennar will pay its fees for 85 of the lots upon closing, and defer payment of the fees for the remaining lots to nine months thereafter. Lennar's obligation is secured by an irrevocable letter of credit.

NOTE 10 AGREEMENTS (CONTINUED)

Tap and Facilities Fee Purchase Agreement – Filing 3B (Continued)

On December 17, 2020, the CAB entered into a Tap and Facilities Fee Purchase Agreement with TFCC Sterling LLC (Dream Finders) and Land Title Guarantee Company regarding the payment of certain tap and facilities fees by TFCC for single family detached lots in Sterling Ranch Filing No. 3B. TFCC will pay its fees for eight of the lots upon closing, and defer payment of the fees for the remaining lots to 12 months thereafter. TFCC's obligation is secured by a payment bond issued by Hartford Fire Insurance Company for the benefit of CAB.

Construction Disbursement Agreement

On November 5, 2015, the CAB entered into an agreement with the Developer and Hobbs (Filing 1 CDA) whereby the CAB established a segregated account with a nationally or regionally recognized FDIC insured financial institution to be used to: (i) deposit Gap Funds (as defined in the agreement), water and sewer tap fees, facilities fees and builder funds associated with the finished lot improvements; and (ii) pay the costs of certain finished lot improvements, certain on-site and off-site infrastructure improvements and certain water treatment improvements that are being constructed by Roxborough pursuant to an Intergovernmental Agreement for Water Supply between Dominion and Roxborough. The agreement describes and confirms the Builder's and Developer's obligations (as defined in the Development and Cost-Sharing Agreement) to fund such improvements and the procedures that will be utilized to disburse the funds from the segregated account.

Construction Disbursement Agreement – Castle Rock Pipeline Project

On October 4, 2018, the CAB, Dominion, UMB Bank, n.a., and CliftonLarsonAllen, LLP entered into the Construction Disbursement Agreement Castle Rock Pipeline Project, under which UMB created a segregated bank account into which the funds necessary to design and construct the Castle Rock Pipeline pursuant to the CRPP IGA and that certain Water and Wastewater Service Agreement for Sterling Ranch, dated January 6, 2014, were deposited. CliftonLarsonAllen, LLP acts as the disbursing agent under the Construction Disbursement Agreement Castle Rock Pipeline Project, and pays various contractors or vendors providing work or services to the Castle Rock Pipeline Project upon receipt of a disbursement request approved by the CAB and Dominion.

On October 23, 2018, the parties entered into that First Amendment to Construction Disbursement Agreement – Castle Rock Pipeline Project, which provides Richmond, as the Contract Administrator, with the authority to submit disbursement requests under the terms set forth in the agreement.

Waterton Boulevard Infrastructure Development Agreement

On November 13, 2018, the CAB, the Developer and the County entered into the Waterton Boulevard Infrastructure Development Agreement whereby the County agreed to provide partial funding in the amount of $5,000,000 to the CAB to accelerate the construction of the extension of Waterton Boulevard as the same will alleviate demands on other roads leading out of the Chatfield Urban Area. In exchange, the CAB agrees to contribute $5,775,000 to the County pursuant to the terms of the agreement for use towards transportation projects within the County.

NOTE 10 AGREEMENTS (CONTINUED)

Waterton Boulevard Infrastructure Development Agreement (Continued)

On September 2, 2020, the CAB, Developer and the County entered into the Amended and Restated Waterton Boulevard Infrastructure Development Agreement, whereby the County agreed to perform certain pre-construction activities to be reimbursed by CAB, and to bid, manager and complete construction of Waterton Road. The County agreed to a contribution of up to $13,000,000 toward construction with the CAB funding any amount that exceeds $13,000,000. The CAB is also responsible for performing and funding certain pre-construction activities such as design, easement and right-of-way procurement, and site preparation (grading). In exchange for the County's contribution of up to $13,000,000, the CAB agreed to impose, collect, and remit to the County a Waterton Road fee in the amount of $4,000 per lot, which shall increase by 2% each year after certified completion of the project.

Facilities Funding Agreement – Waterton Boulevard IGA

On September 2, 2020, the CAB and the Developer entered into an agreement which provides for assurance of funding from Developer to advance funds to CAB to pay outstanding CAB financial obligations which may be owed under the Waterton Boulevard IGA. The Developer's obligation to fund any advances is limited to the CAB portion of the construction costs and the CAB contribution amounts. The CAB agrees to reimburse the Developer the advanced amounts with interest at the rate of 8%, to be paid upon the issuance of bonds which are able to pay prior advances owed to the Developer under the Developer FFAA.

In-Tract and Reimbursement Agreement

The CAB and Sterling Ranch Development Company entered into an In-Tract and Reimbursement Agreement on December 16, 2020 regarding the obligation of CAB to reimburse the Developer accrued costs of certain public improvements (In Tract Improvements) paid for by the Developer, at an interest rate of 8%. The amounts owed are subordinate to amounts due under the Hobbs FFAA, the Developer FFAA, the SRLLC FFAA, and the F1 Completion FFA. The In-Tract Reimbursement Agreement provides various conditions to be met prior to payment by CAB to the Developer.

Infrastructure Acquisition Agreement – Swimming Pool Acquisition

On May 20, 2020, the CAB and Sterling Ranch Development Company entered into an infrastructure acquisition agreement whereby the Developer agreed to construct a swimming pool at the CAB owned recreation center, and CAB agreed to purchase the completed swimming pool upon the completion of certain specified conditions. The purchase price will be the actual and reasonable costs of construction as certified by an engineer retained by CAB but is estimated to be approximately $340,350. Completion of the contract and final payment is contingent upon the Developer completing its warranty obligations as specified.

NOTE 11 INTERFUND TRANSFERS

TRANSFER FROM

TRANSFER TO	General	Water and Wastewater Services	Debt Service Fund-2017 Bonds	Debt Service Fund-2020 Bonds	CPF-Filing 1 Trunk Improvements	CPF-Filing 2-7 Trunk Improvements	CPF-Filing 2-7 Intract Improvements	Total
Water and Wastewater Services	-	-	-	8,828 (6)	-	-	-	8,828
Debt Service Fund-O&M Note	1,307,955 (1)	1,712,181 (1)	-	-	-	-	-	3,020,136
Debt Service Fund-Facilities Note	-	-	-	-	400,000 (8)	-	-	400,000
Debt Service Fund-2015 Bonds	-	-	-	21,179,571 (5)	78 (5)	-	-	21,179,649
CPF - General & Preconst.	-	-	1,386,635 (2)	157,525 (2)	-	324,015 (4)	-	1,868,175
CPF-Filing 2-7 Trunk Improvements	-	425,439 (6)	20,381,450 (2)	3,048,750 (2)	-	-	65,010 (7)	23,920,649
CPF-Filing 2-7 Intract Improvements	-	283,914 (6)	-	-	-	-	-	283,914
Total	1,307,955	2,421,534	21,768,085	24,394,674	400,078	324,015	65,010	50,681,351

(1) Revenues required to be transferred for repayment of O&M Note
(2) Transfer bond proceeds to fund eligible capital costs in other Funds
(3) Transfer of bond proceeds to repay developer advance
(4) Transfer of tap/facilities fees for capital expenditures
(5) Transfer of bond proceeds related to bond refunding
(6) Transfer of funds for CAB portion of Water expenditures
(7) Transfer of 2020 Admin Fee paid by builders
(8) Revenues transferred for repayment of Facilities Note

NOTE 12 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the CAB may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The CAB is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The CAB pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 5, 2013, the Districts' voters passed an election question allowing the Districts to increase property taxes up to $50,000,000 annually, without limitation of rate, in order for the CAB to pay the Districts' operations, maintenance, and other expenses.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The CAB's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2015 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ 21,015	$ 21,659	$ 15,232	$ (6,427)
Transfers from SRMD 2	1,419,859	1,378,000	1,414,938	36,938
Total Revenues	1,440,874	1,399,659	1,430,170	30,511
EXPENDITURES				
Trustee / Paying Agent Fees	5,500	5,500	5,250	250
Interest Payment	1,802,730	2,154,196	2,860,042	(705,846)
Principal Payment	24,297,700	24,296,050	23,590,000	706,050
Total Expenditures	26,105,930	26,455,746	26,455,292	454
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,665,056)	(25,056,087)	(25,025,122)	30,965
OTHER FINANCING SOURCES (USES)				
Note Proceeds	-	5,250	5,250	-
Transfers from Other Funds	20,772,948	21,164,623	21,179,650	15,027
Total Other Financing Sources (Uses)	20,772,948	21,169,873	21,184,900	15,027
NET CHANGE IN FUND BALANCE	(3,892,108)	(3,886,214)	(3,840,222)	45,992
Fund Balance - Beginning of Year	3,892,108	3,886,214	3,886,213	(1)
FUND BALANCE - END OF YEAR	$ -	$ -	$ 45,991	$ 45,991

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2017 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ 338,503	$ 773,877	$ 435,374
Facilities Fees	776,000	925,000	149,000
Transfers from SRMD3	189,116	188,137	(979)
Tap Fees	970,000	740,000	(230,000)
Total Revenues	2,273,619	2,627,014	353,395
EXPENDITURES			
Trustee/Paying Agent Fees	6,000	5,250	750
Bond Interest	3,751,500	3,751,498	2
Total Expenditures	3,757,500	3,756,748	752
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,483,881)	(1,129,734)	354,147
OTHER FINANCING SOURCES (USES)			
Note Proceeds	-	5,250	5,250
Transfer to Other Funds	(23,018,471)	(21,768,085)	1,250,386
Total Other Financing Sources (Uses)	(23,018,471)	(21,762,835)	1,255,636
NET CHANGE IN FUND BALANCE	(24,502,352)	(22,892,569)	1,609,783
Fund Balance - Beginning of Year	38,975,679	35,708,955	(3,266,724)
FUND BALANCE - END OF YEAR	$ 14,473,327	$ 12,816,386	$ (1,656,941)

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2019 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Trustee / Paying Agent Fees	-	3,750	3,750	-
Total Expenditures	-	3,750	3,750	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,750)	(3,750)	-
OTHER FINANCING SOURCES (USES)				
Note Proceeds	-	3,750	3,750	-
Total Other Financing Sources (Uses)	-	3,750	3,750	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2020 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ -	$ 131	$ 131
Bond Premium	-	488,760	488,760
Bond Issuance	30,000,000	40,000,000	10,000,000
Total Revenues	30,000,000	40,488,891	10,488,891
EXPENDITURES			
Interest Payment	-	102,061	(102,061)
Cost of Issuance	675,000	952,264	(277,264)
Total Expenditures	675,000	1,054,325	(379,325)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,325,000	39,434,566	10,109,566
OTHER FINANCING SOURCES (USES)			
Transfers to other Funds	(28,125,000)	(24,394,674)	3,730,326
Total Other Financing Sources (Uses)	(28,125,000)	(24,394,674)	3,730,326
NET CHANGE IN FUND BALANCE	1,200,000	15,039,892	13,839,892
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ 1,200,000	$ 15,039,892	$ 13,839,892

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – O&M NOTE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	$ -	$ -	$ -
EXPENDITURES			
Interest	767,054	723,185	43,869
Principal	3,810,946	2,296,951	1,513,995
Total Expenditures	4,578,000	3,020,136	1,557,864
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,578,000)	(3,020,136)	1,557,864
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	4,578,000	3,020,136	(1,557,864)
Total Other Financing Sources (Uses)	4,578,000	3,020,136	(1,557,864)
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – FACILITIES NOTE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Interest Payment	$ -	$ 388,159	$ 388,159	$ -
Principal Payment	-	11,841	11,841	-
Total Expenditures	-	400,000	400,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(400,000)	(400,000)	-
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	400,000	400,000	-
Total Other Financing Sources (Uses)	-	400,000	400,000	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – GENERAL AND PRECONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Public Improvement Fees	$ 12,400	$ 8,358	$ (4,042)
Reimbursed Expenditures	-	102	102
Total Revenues	12,400	8,460	(3,940)
EXPENDITURES			
Accounting	127,500	156,714	(29,214)
Insurance and Bonds	-	5,850	(5,850)
CAB Management	90,000	112,834	(22,834)
Civic Center Improvements	-	193	(193)
Legal	156,600	413,045	(256,445)
Miscellaneous	20,000	84	19,916
Permits	-	3,401	(3,401)
Cost Verifications/Certifications	50,000	25,550	24,450
Salary / Benefits / Payroll Tax	785,800	662,655	123,145
Engineering and Management	415,000	1,414,479	(999,479)
Parks / Landscape / Streets Maintenance	-	630,144	(630,144)
GIS Licensing	-	11,250	(11,250)
Traffic and Safety Control	-	6,156	(6,156)
Technology Integration	-	135,461	(135,461)
Waterton Road	8,000,000	6,947	7,993,053
Streets	-	205,901	(205,901)
Sanitation	-	173,776	(173,776)
Water	-	327,795	(327,795)
Total Expenditures	9,644,900	4,292,235	5,352,665
OTHER FINANCING SOURCES (USES)			
Note Proceeds	6,644,900	2,075,521	(4,569,379)
Transfers from Other Funds	4,700,000	1,868,175	(2,831,825)
Total Other Financing Sources (Uses)	11,344,900	3,943,696	(7,401,204)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,712,400	(340,079)	(2,052,479)
NET CHANGE IN FUND BALANCE	1,712,400	(340,079)	(2,052,479)
Fund Balance - Beginning of Year	(306,534)	(404,282)	(97,748)
FUND BALANCE - END OF YEAR	$ 1,405,866	$ (744,361)	$ (2,150,227)

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – FILING 1 – TRUNK IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ 2,493	$ 2,493	$ 1,065	$ (1,428)
Facilities Fees	-	-	21,890	21,890
Reimbursed Expenditures	-	-	169,191	169,191
Water Service - Residential	-	-	-	-
Tap Fees	-	-	32,710	32,710
Installment Gap Funds	360,000	360,000	377,125	17,125
Total Revenues	362,493	362,493	601,981	239,488
EXPENDITURES				
Accounting	3,000	3,000	-	3,000
Insurance and Bonds	-	-	-	-
Legal	-	-	21,611	(21,611)
Permits	-	-	204	(204)
Engineering and Management	30,000	30,000	31,105	(1,105)
Parks and Rec (Landscaping)	100,000	100,000	975	99,025
Technology Integration	-	-	8,973	(8,973)
Streets - Other Engineering/Consulting	20,000	11,000	-	11,000
Sanitation	-	-	1,459	(1,459)
Sidewalk	-	-	4,419	(4,419)
Total Expenditures	153,000	144,000	68,746	75,254
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	209,493	218,493	533,235	314,742
OTHER FINANCING SOURCES (USES)				
Note Proceeds	-	2,489	45,702	43,213
Transfers to other Funds	-	(400,000)	(400,078)	(78)
Total Other Financing Sources (Uses)	-	(397,511)	(354,376)	43,135
NET CHANGE IN FUND BALANCE	209,493	(179,018)	178,859	357,877
Fund Balance - Beginning of Year	(1,078)	179,018	179,018	-
FUND BALANCE - END OF YEAR	$ 208,415	$ -	$ 357,877	$ 357,877

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – FILING 1 – FINISHED LOTS IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ 5,968	$ 1,108	$ (4,860)
Builder Funds	150,000	35,615	(114,385)
Total Revenues	155,968	36,723	(119,245)
EXPENDITURES			
Parks and Recreation (Landscaping)	-	18,905	(18,905)
Sidewalk	-	50,411	(50,411)
Warranty	200,000	13,336	186,664
Total Expenditures	200,000	82,652	117,348
NET CHANGE IN FUND BALANCE	(44,032)	(45,929)	(1,897)
Fund Balance - Beginning of Year	396,386	443,877	47,491
FUND BALANCE - END OF YEAR	$ 352,354	$ 397,948	$ 45,594

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – FILING 2-7 – TRUNK IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Other Income	$ -	$ 1,380	$ 1,380
Net Investment Income	237,545	8,820	(228,725)
Facilities Fees	3,569,600	2,471,800	(1,097,800)
Reimbursed Expenditures	-	1,917,242	1,917,242
Tap Fees	2,525,960	2,011,660	(514,300)
Total Revenues	6,333,105	6,410,902	77,797
EXPENDITURES			
Accounting	101,198	1,410	99,788
Legal	25,000	11,708	13,292
Miscellaneous	2,097,599	500	2,097,099
Contingency	-	56,202	(56,202)
CDOT Fees	1,137,000	1,557,766	(420,766)
Permits	-	2,598	(2,598)
Project Management Fee	-	231,947	(231,947)
Engineering and Management	6,852,498	3,390,830	3,461,668
Parks and Rec (Landscaping)	10,924,938	5,503,390	5,421,548
Traffic and Safety Control	854,144	276,072	578,072
Streets	10,413,744	7,126,997	3,286,747
Storm Sewer	3,229,503	4,629,644	(1,400,141)
Sanitation	918,345	1,333,739	(415,394)
Water	1,209,950	5,633,485	(4,423,535)
Dry Utilities	-	26,316	(26,316)
Streets - Grading and Erosion	2,742,128	3,481,149	(739,021)
Back Charge	-	42,129	(42,129)
Total Expenditures	40,506,047	33,305,882	7,200,165
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,172,942)	(26,894,980)	7,277,962
OTHER FINANCING SOURCES (USES)			
Note Proceeds	126,198	77,573	(48,625)
Sterling Ranch Entities Cash Advances	4,120,000	-	(4,120,000)
Transfers from Other Funds	25,670,523	23,920,648	(1,749,875)
Transfers to Other Funds	-	(324,015)	(324,015)
Total Other Financing Sources (Uses)	29,916,721	23,674,206	(6,242,515)
NET CHANGE IN FUND BALANCE	(4,256,221)	(3,220,774)	1,035,447
Fund Balance - Beginning of Year	12,773,587	10,726,983	(2,046,604)
FUND BALANCE - END OF YEAR	$ 8,517,366	$ 7,506,209	$ (1,011,157)

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – FILING 2-7 – FINISHED LOTS IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ 4,293	$ 2,375	$ (1,918)
Reimbursed expenditures	535,695	830,560	294,865
Account Setup / Admin Fees	-	65,010	65,010
Builder Funds	17,621,240	17,228,525	(392,715)
Builder Damage Deposit	-	201,000	201,000
Total Revenues	18,161,228	18,327,470	166,242
EXPENDITURES			
Legal	23,720	-	23,720
Miscellaneous	-	100	(100)
Contingency	1,646,484	38,119	1,608,365
Banking Fees	-	240	(240)
Permits	-	1,022	(1,022)
Project Management Fee	370,493	229,783	140,710
Engineering and Management	2,393,108	1,755,582	637,526
Parks and Rec (Landscaping)	-	39,619	(39,619)
Traffic and Safety Control	695,082	219	694,863
Streets	5,122,092	6,416,553	(1,294,461)
Storm Sewer	2,691,886	1,177,820	1,514,066
Sanitation	188,093	2,360,839	(2,172,746)
Water	1,062,482	2,229,125	(1,166,643)
Dry Utilities	1,992,272	2,001,708	(9,436)
Streets - Grading and Erosion	2,122,116	1,229,530	892,586
Other Construction Costs	49,107	-	49,107
Back Charge	-	1,980	(1,980)
Total Expenditures	18,356,935	17,482,239	874,696
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(195,707)	845,231	1,040,938
OTHER FINANCING SOURCES (USES)			
Transfer from other Funds	-	283,914	283,914
Transfers to other Funds	-	(65,010)	(65,010)
Total Other Financing Sources (Uses)	-	218,904	218,904
NET CHANGE IN FUND BALANCE	(195,707)	1,064,135	1,259,842
Fund Balance - Beginning of Year	3,191,345	397,332	(2,794,013)
FUND BALANCE - END OF YEAR	$ 2,995,638	$ 1,461,467	$ (1,534,171)

OTHER INFORMATION

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020

Bonds and Interest Maturing in the Year Ending December 31,	$75,030,000 Limited Tax Supported and Special Revenue Senior Bonds Series 2017A Dated December 14, 2017 Principal Due December 1, Interest Rate of 5.00% Payable June 1 and December 1		
	Principal	Interest	Total
2021	$ 435,000	$ 3,751,500	$ 4,186,500
2022	310,000	3,729,750	4,039,750
2023	100,000	3,714,250	3,814,250
2024	345,000	3,709,250	4,054,250
2025	855,000	3,692,000	4,547,000
2026	1,350,000	3,649,250	4,999,250
2027	1,535,000	3,581,750	5,116,750
2028	1,715,000	3,505,000	5,220,000
2029	1,800,000	3,419,250	5,219,250
2030	1,995,000	3,329,250	5,324,250
2031	2,095,000	3,229,500	5,324,500
2032	2,305,000	3,124,750	5,429,750
2033	2,420,000	3,009,500	5,429,500
2034	2,650,000	2,888,500	5,538,500
2035	2,780,000	2,756,000	5,536,000
2036	3,030,000	2,617,000	5,647,000
2037	3,185,000	2,465,500	5,650,500
2038	3,455,000	2,306,250	5,761,250
2039	3,630,000	2,133,500	5,763,500
2040	3,925,000	1,952,000	5,877,000
2041	4,120,000	1,755,750	5,875,750
2042	4,445,000	1,549,750	5,994,750
2043	4,665,000	1,327,500	5,992,500
2044	5,020,000	1,094,250	6,114,250
2045	5,270,000	843,250	6,113,250
2046	5,655,000	579,750	6,234,750
2047	5,940,000	297,000	6,237,000
Total	$ 75,030,000	$ 70,011,000	$ 145,041,000

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020

Bonds and Interest Maturing in the Year Ending December 31,	$35,555,000 Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds Series 2020A Dated November 05, 2020 Principal Due December 1, Interest Rate of 3.375% - 4.250% Payable June 1 and December 1		
	Principal	Interest	Total
2021	$ 75,000	$ 1,413,156	$ 1,488,156
2022	380,000	1,410,625	1,790,625
2023	465,000	1,397,800	1,862,800
2024	515,000	1,382,106	1,897,106
2025	535,000	1,364,725	1,899,725
2026	590,000	1,346,669	1,936,669
2027	610,000	1,326,756	1,936,756
2028	665,000	1,306,169	1,971,169
2029	690,000	1,283,725	1,973,725
2030	750,000	1,260,438	2,010,438
2031	775,000	1,235,125	2,010,125
2032	845,000	1,206,063	2,051,063
2033	880,000	1,174,375	2,054,375
2034	950,000	1,141,375	2,091,375
2035	985,000	1,105,750	2,090,750
2036	1,065,000	1,068,813	2,133,813
2037	1,105,000	1,028,875	2,133,875
2038	1,190,000	987,438	2,177,438
2039	1,235,000	942,813	2,177,813
2040	1,325,000	896,500	2,221,500
2041	1,370,000	846,813	2,216,813
2042	1,475,000	788,588	2,263,588
2043	1,535,000	725,900	2,260,900
2044	1,645,000	660,663	2,305,663
2045	1,715,000	590,750	2,305,750
2046	1,835,000	517,863	2,352,863
2047	1,915,000	439,875	2,354,875
2048	2,040,000	358,488	2,398,488
2049	2,130,000	271,788	2,401,788
2050	4,265,000	181,263	4,446,263
Total	$ 35,555,000	$ 29,661,287	$ 65,216,287

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020

Bonds and Interest Maturing in the Year Ending December 31,	Totals		
	Principal	Interest	Total
2021	$ 510,000	$ 5,164,656	$ 5,674,656
2022	690,000	5,140,375	5,830,375
2023	565,000	5,112,050	5,677,050
2024	860,000	5,091,356	5,951,356
2025	1,390,000	5,056,725	6,446,725
2026	1,940,000	4,995,919	6,935,919
2027	2,145,000	4,908,506	7,053,506
2028	2,380,000	4,811,169	7,191,169
2029	2,490,000	4,702,975	7,192,975
2030	2,745,000	4,589,688	7,334,688
2031	2,870,000	4,464,625	7,334,625
2032	3,150,000	4,330,813	7,480,813
2033	3,300,000	4,183,875	7,483,875
2034	3,600,000	4,029,875	7,629,875
2035	3,765,000	3,861,750	7,626,750
2036	4,095,000	3,685,813	7,780,813
2037	4,290,000	3,494,375	7,784,375
2038	4,645,000	3,293,688	7,938,688
2039	4,865,000	3,076,313	7,941,313
2040	5,250,000	2,848,500	8,098,500
2041	5,490,000	2,602,563	8,092,563
2042	5,920,000	2,338,338	8,258,338
2043	6,200,000	2,053,400	8,253,400
2044	6,665,000	1,754,913	8,419,913
2045	6,985,000	1,434,000	8,419,000
2046	7,490,000	1,097,613	8,587,613
2047	1,915,000	439,875	2,354,875
2048	2,040,000	358,488	2,398,488
2049	2,130,000	271,788	2,401,788
2050	4,265,000	181,263	4,446,263
Total	$ 104,645,000	$ 99,375,287	$ 204,020,287