

**SKY RANCH COMMUNITY AUTHORITY BOARD  
ARAPAHOE COUNTY, COLORADO**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**SKY RANCH COMMUNITY AUTHORITY BOARD  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2020**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>I</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)</b>	<b>III</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>6</b>
<b>OPERATIONS AND MAINTENANCE FUND – STATEMENT OF         REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –         BUDGET AND ACTUAL</b>	<b>7</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>8</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>26</b>
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –     BUDGET AND ACTUAL</b>	<b>27</b>
<b>OTHER INFORMATION</b>	
<b>SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY</b>	<b>29</b>

## Independent Auditor's Report

Members of the Board of Directors  
Sky Ranch Community Authority Board

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Sky Ranch Community Authority Board (the CAB) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the CAB'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 Sky Ranch Community Authority Board, as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General 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 Sky 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 Sky 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 Sky 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 Sky Ranch Community Authority Board's ability to continue as a going concern for a reasonable period of time.

### **Other-Matters**

#### *Required Supplementary Information*

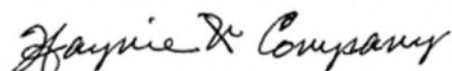
Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required 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. This information 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Sky Ranch Community Authority Board's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Other Information section has 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 it.



Littleton, Colorado  
June 18, 2021

**SKY RANCH COMMUNITY AUTHORITY BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2020**

The following is management's discussion and analysis (MD&A) of the financial activities of Sky Ranch Community Authority Board (the CAB) for the year ended December 31, 2020. This information should be read in conjunction with the basic financial statements which follow.

**BACKGROUND INFORMATION**

Pursuant to a Community Authority Board Establishment Agreement, as the same may be amended from time to time, Sky Ranch Metropolitan District No. 1 and Sky Ranch Metropolitan District No. 5 (collectively, the CAB Districts) formed the CAB to, among other things, design, construct, finance, operate and maintain certain public improvements for the benefit of the property within the boundaries and/or service area of the CAB Districts. In order for the public improvements to be constructed and/or acquired, it is necessary for each of the CAB Districts, directly or through the CAB, to be able to fund the improvements and pay its ongoing operations and maintenance expenses related to the provision of services that benefit the property. The CAB entered into agreements with Pure Cycle Corporation (the Developer) in November 2017 and June 2018, requiring the Developer to fund expenses related to the construction of an agreed upon list of improvements for the Sky Ranch property.

**FINANCIAL HIGHLIGHTS**

- Total assets of \$33.4 million, an increase of \$3.9 million or 13.35% from 2019
- Total liabilities of \$36.1 million, an increase of \$5.2 million or 16.9% from 2019
- Total revenues of approximately \$1.0 million, an increase of \$0.5 million or 129.75% from 2019
- Developer advances were \$5.2 million, a decrease of \$10 million or 65.8% from 2019
- The outstanding Developer advances as of December 31, 2020 were \$20.3 million, an increase of 34.6% from 2019
- Capital asset additions were \$4 million in 2020
- The above changes were largely due to the development of Sky Ranch which began in 2018

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the CAB's basic financial statements, which are comprised of three parts: i) the MD&A, ii) the basic financial statements, including the notes thereto; and iii) the supplementary and other information. The basic financial statements include two kinds of statements that present information relating to the CAB:

- The first two are government-wide financial statements that provide both long-term and short-term information about the CAB's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the CAB, reporting the CAB's operations in more detail than the government-wide financial statements.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2020**

The government-wide financial statements are designed to provide readers a broad overview of the CAB's finances, in a manner similar to a private-sector business. The statement of net position includes all of the CAB's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. These statements provide both short-term and long-term information about the CAB's overall financial status.

The statement of net position presents information on the CAB's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CAB is improving or deteriorating.

The statement of activities shows how the CAB's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is known as the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future (e.g., unpaid developer advances) or that may have occurred in the past (e.g., amortization of debt premiums or discount and prepaid contributed capital). This statement measures the financial outcomes of the CAB's activities and can be used to determine whether the CAB has successfully recovered all its economic costs through its fees, capital contributions, and other charges.

The fund financial statements provide more detailed information about the CAB's funds. Funds are accounting devices the CAB uses to keep track of specific sources of funding and spending on particular programs. All of the CAB's basic services are included in governmental funds, which generally focus on: 1) inflows and outflows of cash and other financial assets, and 2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the CAB's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements, such as the CAB's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Supplementary and other information provide details on budget to actual changes, a reconciliation of revenues and expenditures on a budgetary basis, and a schedule of debt service requirements to maturity.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2020**

**FINANCIAL ANALYSIS**

***Net Position***

As discussed above, net position may serve over time as a useful indicator of the CAB's financial position. The table below presents a summary of the CAB's net position:

**Table 1 – Condensed Statements of Net Position**

	<u>As of December 31,</u>		<u>Year-to-year Changes</u>	
	<u>2020</u>	<u>2019</u>	<u>\$</u>	<u>%</u>
Cash and Other Assets	\$ 2,981,439	\$ 3,088,022	\$ (106,583)	(3.45)%
Capital Assets	30,410,856	26,372,043	4,038,813	15.31%
Total Assets	<u>\$ 33,392,295</u>	<u>\$ 29,460,065</u>	<u>\$ 3,932,230</u>	<u>13.35%</u>
Accounts Payable	\$ 761,513	\$ 1,189,494	\$ (427,981)	(35.98)%
Other Liabilities	35,369,397	29,715,002	5,654,395	19.03%
Total Liabilities	<u>36,130,910</u>	<u>30,904,496</u>	<u>5,226,414</u>	<u>16.91%</u>
Net Position				
Restricted	65,167	12,200	52,967	434.16%
Unrestricted	(2,803,782)	(1,456,631)	(1,347,151)	92.48%
Total Net Position	<u>\$ (2,738,615)</u>	<u>\$ (1,444,431)</u>	<u>\$ (1,294,184)</u>	<u>89.60%</u>

The CAB's most significant assets are related to the infrastructure being constructed at Sky Ranch related to the public improvements (roads, sidewalks, the parks, etc.). The largest liabilities are the amounts owed to the Developer and the Bond holders for the cost of the infrastructure noted above.

The CAB's net position represents amounts restricted for a specific purpose. The restricted amount represents Emergency Reserves that have been provided as required by the Constitution of the State of Colorado.

The remaining balance of the CAB's net position represents unrestricted net position and may be used to meet the CAB's ongoing obligations to creditors.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2020**

***Change in Net Position***

While the statement of net position displays the CAB's assets, liabilities and net position at year-end, the statement of activity and the statement of revenues, expenses, and changes in net position provide information on the source of the change in net position during the year. The majority of the changes in net position are a result of debt-related expenses. The table below presents the CAB's summarized operating activities.

**Table 2 – Condensed Statement of Revenue, Expenses and  
Changes in Net Position  
Year Ended December 31, 2020**

Program Revenues	\$ 927,329
Nonoperating Revenues	27,046
Total Revenues	<u>954,375</u>
Operating Expenses	494,741
Interest and Debt-Related Expenses	1,753,818
Total Expenses	<u>2,248,559</u>
Change in Net Position	(1,294,184)
Beginning Net Position	(1,444,431)
Ending Net Position	<u>\$ (2,738,615)</u>

Interest and debt-related expenses are related to the Series 2019 Bonds as described in the notes to the basic financial statements.

***Capital Asset Activity***

The CAB's capital assets at December 31, 2020, totaled \$30.4 million, consisting of construction in progress. Capital asset additions in 2020 were \$4 million, the majority of which related to public improvements at Sky Ranch.

***Long-Term Obligations***

As of December 31, 2020, the CAB had outstanding debts in the form of bonds and advances totaling \$35.0 million. Detailed information on the CAB's long-term obligations is presented in Note 5 of the financial statements.

**REQUESTS FOR INFORMATION**

These financial statements are designed to provide a general overview of the CAB's finances. Questions concerning any of the information provide in this report or requests for additional information should be addressed to:

Sky Ranch Community Authority Board  
8390 E Crescent Pkwy, Ste. 300  
Greenwood Village, CO 80111  
Cathee.Sutton@claconnect.com

## **BASIC FINANCIAL STATEMENTS**

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

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 586,773
Cash and Investments - Restricted	2,138,535
Prepaid Expenses	4,072
Accounts Receivable	112,151
Due from Sky Ranch Metropolitan Districts Nos. 1 and 5	2,070
Deposits - SEMSWA	137,838
Capital Assets, Not Being Depreciated	<u>30,410,856</u>
Total Assets	<u>33,392,295</u>
<b>LIABILITIES</b>	
Accounts Payable	761,513
Retainage Payable	157,449
Accrued Interest Payable - Bonds	189,007
Long-Term Liabilities:	
Due in More Than One Year	<u>35,022,941</u>
Total Liabilities	<u>36,130,910</u>
<b>NET POSITION</b>	
Restricted For:	
Emergency Reserves	21,100
Debt Service	44,067
Unrestricted	<u>(2,803,782)</u>
Total Net Position	<u><u>\$ (2,738,615)</u></u>

See accompanying Notes to Basic Financial Statements.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 494,741	\$ 288,848	\$ 411,291	\$ -	\$ 205,398
Interest and Related Costs on Long-Term Debt	1,753,818	-	227,190	-	(1,526,628)
	<u>\$ 2,248,559</u>	<u>\$ 288,848</u>	<u>\$ 638,481</u>	<u>\$ -</u>	<u>(1,321,230)</u>
Total Governmental Activities					
					10,199
					16,847
					<u>27,046</u>
					(1,294,184)
					<u>(1,444,431)</u>
					<u>\$ (2,738,615)</u>
<b>GENERAL REVENUES</b>					
Net Investment Income					10,199
Other Revenue					16,847
Total General Revenues					<u>27,046</u>
<b>CHANGE IN NET POSITION</b>					(1,294,184)
Net Position - Beginning of Year					<u>(1,444,431)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (2,738,615)</u>

See accompanying Notes to Basic Financial Statements.

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

	General	Operations and Maintenance	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 496,515	\$ 90,258	\$ -	\$ -	\$ 586,773
Cash and Investments - Restricted	12,400	8,700	2,004,646	112,789	2,138,535
Prepaid Expenses	4,072	-	-	-	4,072
Accounts Receivable	70,932	41,219	-	-	112,151
Due from Sky Ranch Metropolitan Districts Nos. 1 and 5	1,017	-	1,053	-	2,070
Deposits - SEMSWA	-	-	-	137,838	137,838
	<b>\$ 584,936</b>	<b>\$ 140,177</b>	<b>\$ 2,005,699</b>	<b>\$ 250,627</b>	<b>\$ 2,981,439</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 45,282	\$ 17,915	\$ -	\$ 698,316	\$ 761,513
Retainage Payable	-	-	-	157,449	157,449
Total Liabilities	45,282	17,915	-	855,765	918,962
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid Expenses	4,072	-	-	-	4,072
Restricted For:					
Emergency Reserve	12,400	8,700	-	-	21,100
Debt Service	-	-	2,005,699	-	2,005,699
Assigned:					
Subsequent Year's Expenditures	35,988	-	-	-	35,988
Unassigned:					
General Government	487,194	113,562	-	-	600,756
Capital Projects	-	-	-	(605,138)	(605,138)
Total Fund Balances	539,654	122,262	2,005,699	(605,138)	2,062,477
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<b>\$ 584,936</b>	<b>\$ 140,177</b>	<b>\$ 2,005,699</b>	<b>\$ 250,627</b>	

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.

Capital Assets, Not Being Depreciated 30,410,856

Long-term liabilities are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Bonds Payable (13,195,000)

Bonds Premium Payable (291,449)

Accrued Interest Payable - Bonds (189,007)

Developer Advance Payable (18,915,945)

Developer Advance Payable - Project Management (1,369,322)

Accrued Interest Payable - Developer Advances (1,251,225)

Net Position of Governmental Activities **\$ (2,738,615)**

See accompanying Notes to Basic Financial Statements.

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

	General	Operations and Maintenance	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>					
Public Improvement Fees	\$ 191,815	\$ -	\$ -	\$ -	\$ 191,815
Transfer from Sky Ranch District No. 1	45,435	-	227,190	-	272,625
Transfer from Sky Ranch District No. 5	174,041	-	-	-	174,041
O&M Fees	-	268,773	-	-	268,773
Administrative Fees	-	19,400	-	-	19,400
Design Review Fees	-	675	-	-	675
Other Revenue	-	1,097	-	15,750	16,847
Net Investment Income	35	-	10,083	81	10,199
Total Revenues	<u>411,326</u>	<u>289,945</u>	<u>237,273</u>	<u>15,831</u>	<u>954,375</u>
<b>EXPENDITURES</b>					
General	230,017	-	-	70,491	300,508
Operations and Maintenance	-	194,233	-	-	194,233
Debt Service	-	-	598,308	2,141	600,449
Capital Projects	-	-	-	4,038,813	4,038,813
Total Expenditures	<u>230,017</u>	<u>194,233</u>	<u>598,308</u>	<u>4,111,445</u>	<u>5,134,003</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	181,309	95,712	(361,035)	(4,095,614)	(4,179,628)
<b>OTHER FINANCING SOURCES (USES)</b>					
Developer Advances	-	-	-	5,019,820	5,019,820
Developer Advances - Project Management	-	-	-	193,044	193,044
Transfers from Other Funds	-	26,550	-	-	26,550
Transfers to Other Funds	(26,550)	-	-	-	(26,550)
Total Other Financing Sources (Uses)	<u>(26,550)</u>	<u>26,550</u>	<u>-</u>	<u>5,212,864</u>	<u>5,212,864</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	154,759	122,262	(361,035)	1,117,250	1,033,236
Fund Balances (Deficits) - Beginning of Year	<u>384,895</u>	<u>-</u>	<u>2,366,734</u>	<u>(1,722,388)</u>	<u>1,029,241</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 539,654</u>	<u>\$ 122,262</u>	<u>\$ 2,005,699</u>	<u>\$ (605,138)</u>	<u>\$ 2,062,477</u>

See accompanying Notes to Basic Financial Statements.

**SKY 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 \$ 1,033,236

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 4,038,813

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:

Developer Advances (5,019,820)  
Developer Advances - Project Management (193,044)

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.

Bond Premium Amortization 15,009  
Accrued Interest on Developer Advances - Change in Liability (1,063,692)  
Accrued Interest on Bonds - Change in Liability (104,686)

Change in Net Position of Governmental Activities \$ (1,294,184)

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Investment Income	\$ 4,000	\$ 50	\$ 35	\$ (15)
Public Improvement Fees	360,000	150,000	191,815	41,815
Transfer from Sky Ranch District No. 1	45,828	45,386	45,435	49
Transfer from Sky Ranch District No. 5	175,542	173,810	174,041	231
Total Revenues	<u>585,370</u>	<u>369,246</u>	<u>411,326</u>	<u>42,080</u>
<b>EXPENDITURES</b>				
Accounting	50,000	68,000	68,926	(926)
Audit	5,000	4,900	4,900	-
Dues and Memberships	1,500	966	966	-
Election	2,000	10,000	9,131	869
Insurance	8,500	13,892	13,892	-
CAB Management	20,000	26,436	29,792	(3,356)
Legal	45,000	100,000	101,650	(1,650)
Office Supplies	1,500	146	146	-
Repairs and Maintenance	12,500	-	-	-
Miscellaneous/Contingency	20,000	9,660	614	9,046
Total Expenditures	<u>166,000</u>	<u>234,000</u>	<u>230,017</u>	<u>3,983</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	419,370	135,246	181,309	46,063
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	(135,845)	(76,000)	(26,550)	49,450
Total Other Financing Sources (Uses)	<u>(135,845)</u>	<u>(76,000)</u>	<u>(26,550)</u>	<u>49,450</u>
<b>NET CHANGE IN FUND BALANCE</b>	283,525	59,246	154,759	95,513
Fund Balance - Beginning of Year	<u>333,031</u>	<u>384,895</u>	<u>384,895</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 616,556</u>	<u>\$ 444,141</u>	<u>\$ 539,654</u>	<u>\$ 95,513</u>

**SKY RANCH COMMUNITY AUTHORITY BOARD  
OPERATIONS AND MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Administrative Fees	\$ 69,075	\$ 19,400	\$ (49,675)
Design Review Fees	-	675	675
O&M Fees	56,175	268,773	212,598
Other Revenue	-	1,097	1,097
Total Revenues	<u>125,250</u>	<u>289,945</u>	<u>164,695</u>
<b>EXPENDITURES</b>			
Community Management	-	6,336	(6,336)
Covenant Control	25,205	7,817	17,388
Detention Ponds	20,000	-	20,000
Fee Billing and Collection	11,400	16,468	(5,068)
Fencing	2,500	2,794	(294)
Landscaping	94,150	37,080	57,070
Mailboxes	750	-	750
Monuments	5,000	-	5,000
Operations and Maintenance Reserve	17,081	-	17,081
Parks and Trails	32,009	-	32,009
Repairs and Maintenance	-	3,150	(3,150)
Status Letter Processing	-	9,629	(9,629)
Utilities	53,000	110,959	(57,959)
Total Expenditures	<u>261,095</u>	<u>194,233</u>	<u>66,862</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(135,845)	95,712	231,557
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds	135,845	26,550	(109,295)
Total Other Financing Sources (Uses)	<u>135,845</u>	<u>26,550</u>	<u>(109,295)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	122,262	122,262
Fund Balance - Beginning of Year	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 122,262</u>	<u>\$ 122,262</u>

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

The Sky Ranch Community Authority Board (the CAB) is a political subdivision and public corporation of the State of Colorado, formed pursuant to that certain Amended and Restated Sky Ranch Community Authority Board Establishment Agreement, dated September 18, 2018, effective November 13, 2017 (as restated and amended, the CABEA), as may be further amended from time to time, between Sky Ranch Metropolitan District No. 1 (District No. 1) and Sky Ranch Metropolitan District No. 5 (District No. 5, and together with District No. 1, the CAB Districts), under authority granted by Sections 18(2)(a) and (b) of Article XIV of the Colorado Constitution and Sections 29-1-203 and 29-1-203.5 of the Colorado Revised Statutes, as amended.

The CAB Districts and Sky Ranch Metropolitan District No. 3 (District No. 3) and Sky Ranch Metropolitan District No. 4 (District No. 4, and together with District No. 3, the Inactive Districts) exist for the purpose of financing, constructing, installing, acquiring and operating and maintaining certain public improvements as described in their respective Service Plans (collectively, the Public Improvements) to serve and benefit a planned, mixed-use development consisting of residential, commercial, and retail properties within the boundaries of the project area known as Sky Ranch (the Development or the Service Area). The CAB Districts and Inactive Districts are collectively referred to as the Districts.

The CAB Districts' respective Service Plans contemplated that the Districts, with the approval of their electors, would enter into one or more intergovernmental agreements to coordinate the financing, installation, construction and operations and maintenance of Public Improvements that benefit the users of, and residents within, the Service Area, and the CAB Districts entered into the CABEA and formed the CAB for those purposes. The Inactive Districts were for 2020, but District No. 3 returned to active status in 2021, and the boards of Directors for the Inactive Districts may decide to become parties to the CABEA in the future, at which time the Inactive Districts would also become CAB Districts.

Under the CABEA, each CAB District shall transfer certain revenues received by it to fund the operation and maintenance costs and capital costs of the Public Improvements. Each CAB District has agreed, and the CABEA provides, that the CAB will own, operate maintain, finance and construct Public Improvements benefiting the CAB Districts, and that the CAB Districts will contribute to the costs of construction, operation and maintenance of such Public Improvements. It is the intent of the CAB Districts that the CAB may, from time to time, issue debt and use proceeds to finance the Public Improvements and that the CAB will enter into contracts to construct the Public Improvements. See Note 7 – Agreements for additional information on the CABEA.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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 CAB. 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. 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.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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 Operations and Maintenance Fund is used to account for fees collected and expenditures incurred in connection with operations and maintenance.

The Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on bonds issued by the CAB.

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

**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.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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 with an economic life greater than one year. Such assets are recorded at cost if purchased or estimated cost if 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. Depreciation begins at the time assets are placed in service.

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.

**O&M Fees and Administrative Fees**

On March 8, 2019, the CAB's Board of Directors adopted Resolution No. 2019-03-01, Resolution of the Board of Directors of Sky Ranch Community Authority Board Regarding the Imposition of Operations and Maintenance Fees (the Original O&M Fee Resolution), which imposed certain operations and maintenance fees on real property within the boundaries of District No. 1, effective April 1, 2019. On November 8, 2019, the CAB's Board of Directors adopted Resolution No. 2019-11-03, Amended and Restated Resolution of the Board of Directors of Sky Ranch Community Authority Board Regarding the Imposition of Operations and Maintenance Fees (the O&M Fee Resolution), which amended and restated the Original O&M Fee Resolution in its entirety.

Pursuant to the O&M Fee Resolution, the CAB imposes certain operations and maintenance fees (O&M Fees) on real property within the boundaries of District No. 1 as follows: (1) for unplatted lots, there are no O&M Fees imposed on homebuilders; (2) upon transfer of a finished lot to a homebuilder, at the rate of \$50 per month, or \$150 per quarter, billed quarterly; (3) upon transfer of a residential unit from a homebuilder to an owner, or from one owner to another owner, the CAB imposes O&M Fees upon the owners at the rate of \$50 per month, or \$150 per quarter, billed quarterly. Under the O&M Fee Resolution, the CAB also imposes an Administrative Fee of \$100 per conveyance or refinance.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Public Improvement Fee**

PCY Holdings, LLC, the landowner of the property within the Development (the Declarant or Property Owner) caused to be recorded a Declaration of Covenants Imposing and Implementing the Sky Ranch Public Improvement Fee (the PIF Covenant), which assigned the Declarant's rights under the PIF Covenant to receive certain revenue imposed by the PIF Covenant District No. 5 or another governmental entity, such as the CAB. Under the CABEA, District No. 5 agreed to transfer its revenues, including the revenue collected under the PIF Covenant, to the CAB for the purpose of the financing, installation, construction and operations and maintenance of Public Improvements that benefit the users of, and residents within, the Service Area. Pursuant to the PIF Covenant, the CAB imposes a Retail Public Improvement Fee (Retail PIF) and a one-time Material Sales and Use Public Improvement Fee (Material Sales and Use PIF). The Retail PIF is applied to the sale of goods at a rate of 2.75%, in addition to all sales and use taxes that may be imposed and is collected by the retailers in the Districts and remitted to the Districts within 20 days after month-end. The Material Sales and Use PIF is imposed on construction activities for the materials incorporated into the construction of any newly constructed building, dwelling or structure within property. The Material Sales and Use PIF is payable by homebuilders and is equal to 2.75% of an amount equal to 50% of the Construction Valuation Amount.

**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.

In the government-wide financial statements, net position may be classified into three components: net investment in capital assets, restricted and unrestricted (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.

*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.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

Fund Balance (Continued)

*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 Fund reported a deficit in the fund financial statements as of December 31, 2020. Pursuant to a funding agreement effective November 13, 2017, the deficit will be eliminated by Developer advances 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	\$ 586,773
Cash and Investments - Restricted	2,138,535
Total Cash and Investments	\$ 2,725,308

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

Deposits with Financial Institutions	\$ 715,289
Investments	2,010,019
Total Cash and Investments	\$ 2,725,308

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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.

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 CAB's cash deposits had a bank balance of \$753,473 and a carrying balance of \$715,289.

**Investments**

The CAB has not adopted a formal investment policy; however, the CAB 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

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	<u>\$ 2,010,019</u>

**COLOTRUST**

The CAB 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 CAB 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.

**NOTE 4 CAPITAL ASSETS**

The following is an analysis of the changes in the CAB's capital assets for the year ended December 31, 2020:

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Construction in Progress:	\$ 26,372,043	\$ 4,038,813	\$ -	\$ 30,410,856
Total Capital Assets, Not Being Depreciated	<u>\$ 26,372,043</u>	<u>\$ 4,038,813</u>	<u>\$ -</u>	<u>\$ 30,410,856</u>

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the CAB'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 2019A	\$ 11,435,000	\$ -	\$ -	\$ 11,435,000	\$ -
Senior - Bond Premium	306,458	-	15,009	291,449	-
Subordinate - Series 2019B	<u>1,760,000</u>	<u>-</u>	<u>-</u>	<u>1,760,000</u>	<u>-</u>
Total Bonds Payable	13,501,458	-	15,009	13,486,449	-
Other Debts:					
Developer Advances	13,896,125	5,019,820	-	18,915,945	-
Developer Advances - Project Management	1,176,278	193,044	-	1,369,322	-
Accrued Interest on					
Developer Advances	127,240	987,898	-	1,115,138	-
Accrued Interest on					
Developer Advances - Project Management	<u>60,293</u>	<u>75,794</u>	<u>-</u>	<u>136,087</u>	<u>-</u>
Total Other Debts	<u>15,259,936</u>	<u>6,276,556</u>	<u>-</u>	<u>21,536,492</u>	<u>-</u>
Total	<u>\$ 28,761,394</u>	<u>\$ 6,276,556</u>	<u>\$ 15,009</u>	<u>\$ 35,022,941</u>	<u>\$ -</u>

**Limited Tax Supported District No. 1 Bonds, Series 2019**

On November 19, 2019, the CAB issued \$11,435,000 in Limited Tax Supported District No. 1 Senior Bonds, Series 2019A (Senior Bonds) and \$1,760,000 in Limited Tax Supported District No. 1 Subordinate Bonds, Series 2019B (Subordinate Bonds) (collectively, Series 2019 Bonds), for the purposes of (i) financing public improvements related to the Development, (ii) paying capitalized interest on the 2019A Senior Bonds, (iii) funding a deposit to the Senior Bonds Reserve Fund, and (iv) paying other costs in connection with the issuance of the 2019 Bonds.

The Senior Bonds are term bonds which bear interest at 5.00%, payable semi-annually on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The Senior Bonds mature on December 1, 2049, and are subject to optional redemption as described in the Senior Indenture.

The Senior Bonds are secured by and payable solely from Senior Pledged Revenues, which includes property taxes generated by the imposition of the District No. 1 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. 1 Senior Required Mill Levy, and any other legally available amounts that the CAB may designate by resolution of the Board to be deposited with the Trustee for deposit into the Senior Revenue Fund. The Senior Bonds are also secured by amounts held in the Senior Reserve Fund, in the amount of the Required Reserve equal to \$915,000, and amounts accumulated in the Surplus Fund, if any.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Limited Tax Supported District No. 1 Bonds, Series 2019 (Continued)**

The CAB's long-term 2019A Senior Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 571,750	\$ 571,750
2022	-	571,750	571,750
2023	55,000	571,750	626,750
2024	150,000	569,000	719,000
2025	160,000	561,500	721,500
2026-2030	1,060,000	2,670,250	3,730,250
2031-2035	1,550,000	2,358,750	3,908,750
2036-2040	2,210,000	1,908,500	4,118,500
2041-2045	3,045,000	1,277,250	4,322,250
2046-2049	3,205,000	412,250	3,617,250
Total	<u>\$ 11,435,000</u>	<u>\$ 11,472,750</u>	<u>\$ 22,907,750</u>

The Subordinate Bonds bear interest at 7.625% per annum and interest is payable annually from available Subordinate Pledged Revenue on December 15, beginning on December 15, 2020. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The Subordinate Bonds are structured as cash flow bonds, meaning that interest payments not paid when due will accrue and compound until Subordinate Pledged Revenues are available and no regularly scheduled principal payments are due prior to maturity date. The Subordinate Bonds are subject to optional and mandatory redemption prior to maturity as described in the Subordinate Indenture.

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenues derived by the CAB from the following sources, net of any cost of collection: a) the District No. 1 Subordinate Required Mill Levy Revenues; b) Specific Ownership Tax Revenues, attributable to the Subordinate Required Mill Levy; and c) any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. The Subordinate Bonds are structured as cash flow bonds, meaning that no regularly scheduled principal payments are due prior to maturity date and interest payments not paid when due will accrue and compound until Subordinate Pledged Revenues are available.

**Authorized Debt**

At an election held on November 6, 2018, District No. 1's eligible electors authorized District No. 1 to impose ad valorem property taxes on an annual basis not to exceed \$162,000,000, and to enter into intergovernmental agreements to share such revenue to fund public improvements.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt (Continued)**

Pursuant to this electoral authority, on November 1, 2019, District No. 1 entered into a Capital Pledge Agreement with the CAB, pursuant to which District No. 1 agreed to pledge certain revenues to the CAB pursuant to the intergovernmental agreement provisions of Sections 29-1-203 and -203.5, C.R.S., as described in the Capital Pledge Agreement, and committed to impose a mill levy annually that does not exceed the Service Plan limits for a debt mill levy, to repay Bonds to be issued by the CAB in a principal amount that does not exceed \$162,000,000 (the Pledge Obligation).

District No. 1's voters also authorized the issuance of up to \$1,782,000,000 in general obligation debt for public improvements, however the District No. 1 Service Plan debt limit of \$162,000,000 constrains the total amount of debt that District No. 1 can issue.

The Pledge Obligation may be used by the CAB to repay bonds the CAB has issued or will issue, including without limitation, the CAB's \$11,435,000 Limited Tax Supported District No. 1 Senior Bonds (Tax-Exempt Fixed Rate), Series 2019A (the CAB Series 2019A Bonds) and its \$1,760,000 Limited Tax Supported District No. 1 Subordinate Bonds (Tax-Exempt Fixed Rate), Series 2019B (the CAB Series 2019B Bonds and together with the CAB Series 2019A bonds, the CAB Series 2019 Bonds), and future bond issuances by the CAB.

At an election held on November 3, 2020, the eligible electors of District Nos. 3, 4, and 5, respectively, authorized District Nos. 3, 4, and 5, respectively, to impose ad valorem property taxes on an annual basis not to exceed \$312,000,000, and to enter into intergovernmental agreements to share such revenue to fund public improvements. The eligible electors of District Nos. 3, 4, and 5, respectively, also authorized the issuance of up to \$3,432,000,000 in general obligation debt for public improvements, however the Amended and Restated Service Plans for District Nos. 3, 4, and 5, contain an aggregate debt limit of \$312,000,000, which constrains the total amount of debt those Districts can issue.

The CAB cannot issue Bonds which to exceed the Districts' Service Plan debt limits. Following the issuance of the CAB's Series 2019 Bonds, District No. 1 does not have any remaining capacity to pledge because it has pledged to the CAB its full authorization in the form of the Pledge Obligation, which is the same amount as the debt limit in the District No. 1 Service Plan. The remaining authorized pledge limitation under the Service Plans for District Nos. 3, 4, and 5 is \$312,000,000. The CAB's remaining debt authorization is \$298,805,000.

**SKY RANCH COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Developer Advances**

The CAB entered the Phase 1 FFAA (defined and discussed in Note 7) with Pure Cycle Corporation (the Developer), effective 2017, for the purpose of funding certain operation and maintenance expenses and construction and acquisition of public improvements in Phase 1 (see Note 7); and the Phase 2 FFAA (defined and discussed in Note 7) with Pure Cycle Corporation (the Developer), effective 2020, for the purpose of funding certain operation and maintenance expenses and construction and acquisition of public improvements in Phase 2 (see Note 7). Under the Phase 1 FFAA and the Phase 2 FFAA, interest on funds advanced or to pay for improvements accrue at 6.00% per annum. The Phase 1 FFAA and the Phase 2 FFAA do not constitute debt, but are annual appropriations agreements intended to be repaid through future bond issuances or other available revenue.

As of December 31, 2020, the outstanding balance of developer advances advanced by the Developer to the CAB under the Phase 1 FFAA and the Phase 2 FFAA is \$18,915,945, and accrued interest is \$1,115,138.

In 2017, and as amended and restated in 2020, the CAB entered into two service agreements for project management services, one with the Developer, and one with the Property Owner (see Note 7), under which the Developer or Property Owner, as applicable, provides project management services for the CAB's construction of on- and offsite CAB eligible improvements (see Note 7). The amounts owed by the CAB to the Developer or Property Owner, as applicable, under the project management services agreements accrue as developer advances under the Phase 1 FFAA or Phase 2 FFAA, as applicable (see Note 7).

As of December 31, 2020, the outstanding balance of developer advances under the project management services agreements is \$1,369,322, and accrued interest is \$136,087.

**NOTE 6 NET POSITION**

As of December 31, 2020, the CAB had net position consisting of two components - 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	\$ 21,100
Debt Service	44,067
Total Restricted Net Position	<u>\$ 65,167</u>

The CAB has a deficit in unrestricted net position.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 AGREEMENTS**

**Sky Ranch Community Authority Board Establishment Agreement (CABEA)**

The CAB Districts exist for the purpose of designing, acquiring, constructing, installing, financing, and operating and maintaining certain street, traffic and safety controls, water, sanitation, stormwater, parks and recreation, television relay and translation, transportation, and mosquito control, all in accordance with their respective Service Plans.

Their Service Plans contemplated that the CAB Districts, with the approval of their electors would enter into the CABEA. On November 6, 2012 (for District No. 1, District No. 3, and District No. 4), and on May 6, 2012 (for District No. 5), the Districts' respective qualified electors, as applicable voted in favor of the Districts entering into the CABEA pursuant to which the CAB Districts established the CAB. The Inactive Districts were inactive for 2020, but District No. 3 returned to active status in 2021, and the Boards of Directors for the Inactive Districts may decide to become parties to the CABEA in the future, at which time they would also become CAB Districts. The CAB anticipates that District No. 3 will become a party to the CABEA and, therefore, will become a CAB District, in 2021. The CABEA was amended and restated on September 18, 2018, pursuant to the Amended and Restated Sky 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 the Public Improvements and each CAB 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 CAB District has agreed, and their Service Plans provide, that the CAB will own, operate, maintain, finance, and construct Public Improvements benefiting the CAB Districts, and that the CAB Districts will contribute to the costs of construction, operation, and maintenance of such Public Improvements. It is the intent of the CAB Districts that the CAB may, from time to time, issue debt and use proceeds to finance the Public Improvements and that the CAB will enter into contracts to construct the Public Improvements.

**Phase 1 and Phase 2 Facilities Funding and Acquisition Agreements with Pure Cycle Corporation**

On September 18, 2018, with an effective date of November 13, 2017, the CAB entered into the Facilities Funding and Acquisition Agreement (the Phase 1 FFAA) with the Developer, pursuant to which the Developer agrees to make advances not to exceed \$30,000,000 to the CAB the purpose of funding the construction and/or acquisition of public improvements for Phase 1. The Developer agrees to make advances under the Phase 1 FFAA on a periodic basis as needed for fiscal years 2018 through 2023. The CAB agrees to repay the advances made under the Phase 1 FFAA, pursuant to the priority established in the agreement, together with accrued simple interest at the rate of 6% per annum. The Phase 1 FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through future bond issuances or other available revenue.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Phase 1 and Phase 2 Facilities Funding and Acquisition Agreements with Pure Cycle Corporation (Continued)**

On December 17, 2020, the CAB entered into the Phase 2 Facilities Funding and Acquisition Agreement (the Phase 2 FFAA) with the Developer, pursuant to which the Developer agrees to make advances not to exceed \$50,000,000 to the CAB the purpose of funding the construction and/or acquisition of public improvements for Phase 2. The Developer agrees to make advances under the Phase 2 FFAA on a periodic basis as needed for fiscal years 2020 through 2025. The CAB agrees to repay the advances made under the Phase 2 FFAA, pursuant to the priority established in the agreement, together with accrued simple interest at the rate of 6% per annum. The Phase 2 FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through future bond issuances or other available revenue.

**Tri-Party Agreement**

On September 18, 2018, with an effective date of November 13, 2017, the CAB, the Developer and District No. 5 entered into a Tri-Party Agreement (the Tri-Party Agreement), under which the parties acknowledged that, given the creation of the CAB, various previous operations and capital funding agreements between the Developer and District No. 5 (collectively, the Terminated District No. 5 Funding Agreements) would be terminated. The parties agreed that any amounts owed by District No. 5 to the Developer for previous developer advances under the Terminated District No. 5 Funding Agreements would become payable by the CAB to the Developer under the OFA and FFAA, respectively, as appropriate.

**Capital Pledge Agreement**

The CAB entered into a Capital Pledge Agreement with District No. 1, dated November 1, 2019, under which District No. 1 agrees to impose ad valorem property taxes upon all taxable property of District No. 1, and to transfer the revenues generated from such mill levy imposition, along with revenues generated from the imposition of specific ownership taxes, to the CAB for payment of principal and interest on bonds the CAB has issued or will issue, including without limitation, the CAB's Series 2019 Bonds, as well as future bond issuances by the CAB.

**Service Agreements for Project Management Services**

On May 2, 2018, with an effective date of November 13, 2017, the CAB and Developer entered into a Service Agreement for Project Management Services (the Original PM Agreement). On May 12, 2020, with an effective date of November 13, 2017, the CAB and Developer entered into an Amended and Restated Service Agreement for Project Management Services (the Amended PM Agreement), which supersedes the Original PM Agreement in its entirety.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Service Agreements for Project Management Services (Continued)**

On May 2, 2018, with an effective date of November 13, 2017, the CAB and Developer entered into a Service Agreement for Project Management Services (the Original PM Agreement). On May 12, 2020, with an effective date of November 13, 2017, the CAB and Developer entered into an Amended and Restated Service Agreement for Project Management Services (the Amended PM Agreement), which supersedes the Original PM Agreement in its entirety.

Also on May 2, 2018, with an effective date of November 13, 2017, the CAB and PCY Holdings, LLC (the Property Owner) entered into a Service Agreement for Project Management Services (for Improvements at Sky Ranch) (the Original Offsite PM Agreement). On May 12, 2020, with an effective date of November 13, 2017, the CAB and Property Owner entered into an Amended and Restated Service Agreement for Project Management Services (for Improvements at Sky Ranch) (the Amended Offsite PM Agreement, and together with the Amended PM Agreement, the PM Agreements), which supersedes the Original Offsite PM Agreement in its entirety.

Under the PM Agreements, the Developer or Property Owner, as applicable, agrees to provide project management services related to the CAB's installation or construction of certain on- and offsite public improvements. The cost of the project management services under the PM Agreements are 5% of the actual construction costs of public improvements that are eligible for reimbursement by the CAB. In the event the CAB does not have sufficient revenue to pay invoices under the PM Agreements when due, the amounts owed by the CAB under the PM Agreements will constitute developer advances under the Phase 1 FFAA or Phase 2 FFAA, as applicable, and shall accrue interest at the same rate set forth in the Phase 1 FFAA or Phase 2 FFAA, as applicable.

**NOTE 8 RELATED PARTIES**

The Developer of the property within the CAB Districts is Pure Cycle Corporation (Pure Cycle), and the title of the property is held under the Property Owner, which is a wholly-owned subsidiary of Pure Cycle. The Developer has advanced funds to the CAB. Some of the members of the Board of Directors of the CAB and the CAB Districts hold direct or indirect ownership interests in Pure Cycle or the Property Owner or are otherwise associated with Pure Cycle or the Property Owner and may have conflicts of interest in dealing with the CAB and the CAB District. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the CAB District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 9 ECONOMIC DEPENDENCY**

The CAB has not yet established a revenue base sufficient to pay for certain capital expenditures. Until an independent revenue base is established, continuation of the CAB's financing of certain capital improvements are dependent upon Developer advances.

**NOTE 10 INTERFUND TRANSFERS**

The transfer from the General Fund to the Operations and Maintenance Fund was to assign O&M Fees related receivables from General Fund to Operations and Maintenance Fund.

**NOTE 11 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.

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 12 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.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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**

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

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Net Investment Income	\$ 24,000	\$ 10,083	\$ (13,917)
Transfer from Sky Ranch District No. 1	229,153	227,190	(1,963)
Total Revenues	<u>253,153</u>	<u>237,273</u>	<u>(15,880)</u>
<b>EXPENDITURES</b>			
Bond Interest	590,808	590,808	-
Paying Agent Fees	5,000	7,500	(2,500)
Contingency	50,192	-	50,192
Total Expenditures	<u>646,000</u>	<u>598,308</u>	<u>47,692</u>
<b>NET CHANGES IN FUND BALANCE</b>	(392,847)	(361,035)	31,812
Fund Balance - Beginning of Year	<u>2,756,000</u>	<u>2,366,734</u>	<u>(389,266)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,363,153</u>	<u>\$ 2,005,699</u>	<u>\$ (357,454)</u>

**SKY RANCH COMMUNITY AUTHORITY BOARD  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Net Investment Income	\$ -	\$ 81	\$ 81
Other Revenue	-	15,750	15,750
Total Revenues	-	15,831	15,831
<b>EXPENDITURES</b>			
General:			
CAB Management	25,000	33,663	(8,663)
Legal	666,800	36,828	629,972
Promotional Activities	99,900	-	99,900
Debt Service:			
Bond Issue Costs	-	2,141	(2,141)
Capital Projects:			
Capital Outlay	17,885,000	3,845,769	14,039,231
Project Management Fee	300,000	193,044	106,956
Total Expenditures	18,976,700	4,111,445	14,865,255
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(18,976,700)	(4,095,614)	14,881,086
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advances	18,976,700	5,019,820	(13,956,880)
Developer Advances - Project Management	-	193,044	193,044
Total Other Financing Sources (Uses)	18,976,700	5,212,864	(13,763,836)
<b>NET CHANGES IN FUND BALANCE</b>	-	1,117,250	1,117,250
Fund Balance (Deficit) - Beginning of Year	-	(1,722,388)	(1,722,388)
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	\$ -	\$ (605,138)	\$ (605,138)

## **OTHER INFORMATION**

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

	\$11,435,000 Limited Tax Supported District No. 1 Senior Bonds Series 2019A Dated November 19, 2019 Principal Due December 1, Interest Rate of 5.00% Payable June 1 and December 1		
<u>Bonds and Interest Maturing in the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 571,750	\$ 571,750
2022	-	571,750	571,750
2023	55,000	571,750	626,750
2024	150,000	569,000	719,000
2025	160,000	561,500	721,500
2026	180,000	553,500	733,500
2027	190,000	544,500	734,500
2028	215,000	535,000	750,000
2029	225,000	524,250	749,250
2030	250,000	513,000	763,000
2031	265,000	500,500	765,500
2032	290,000	487,250	777,250
2033	305,000	472,750	777,750
2034	335,000	457,500	792,500
2035	355,000	440,750	795,750
2036	390,000	423,000	813,000
2037	405,000	403,500	808,500
2038	445,000	383,250	828,250
2039	465,000	361,000	826,000
2040	505,000	337,750	842,750
2041	530,000	312,500	842,500
2042	575,000	286,000	861,000
2043	605,000	257,250	862,250
2044	650,000	227,000	877,000
2045	685,000	194,500	879,500
2046	735,000	160,250	895,250
2047	770,000	123,500	893,500
2048	830,000	85,000	915,000
2049	870,000	43,500	913,500
Total	<u>\$ 11,435,000</u>	<u>\$ 11,472,750</u>	<u>\$ 22,907,750</u>