STERLING RANCH COMMUNITY AUTHORITY BOARD
Douglas County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

STERLING RANCH COMMUNITY AUTHORITY BOARD
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Independent Auditor's Report

To the Members of the Board of Directors
Sterling Ranch Community Authority Board
7853 Piney River Avenue
Littleton, CO 80125

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Sterling Ranch Community AuthorityBoard (CAB), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise CAB's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of CAB as of December 31, 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 CAB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Restatement

As discussed in Note 2 to the financial statements, entries were recorded by management to correct an understatement in amounts previously reported for capital assets, developer advances, and interest expense during the current year, which resulted in a restatement to the governmental activities net position as of January 01, 2023. Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 CAB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 GAAS 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 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 GAAS, 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 CAB'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 CAB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CAB's basic financial statements. The combining financial statements for the debt service funds and other budgetary schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 GAAS. In our opinion, the supplementary information identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Debt Service Requirements to Maturity but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Eide Bailly LLP

Denver, Colorado
September 26, 2024

BASIC FINANCIAL STATEMENTS

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments	$ 1,035,429
Cash and Investments - Restricted	6,338,701
Prepaid Expenses	115,144
Receivables, Net	244,588
Deposit - SIA/Douglas County	1,053,791
Capital Assets:	
Capital Assets, Not Being Depreciated	186,399,132
Capital Assets, Net of Depreciation	44,708,512
Total Assets	239,895,297
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	393,955
Total Deferred Outflows of Resources	393,955
LIABILITIES	
Accounts Payable	1,749,605
Accrued Expenses	400,400
Retainage Payable	227,330
Tap Fees Credits Payable	2,053,784
Hydrant Meter Deposit	47,000
Accrued Interest Payable - Bonds	666,807
Noncurrent Liabilities:	
Due Within One Year	515,000
Due in More Than One Year	322,388,476
Total Liabilities	328,048,402
NET POSITION	
Net Investment in Capital Assets	12,839,700
Restricted for:	
Emergency Reserve	210,323
Unrestricted	(100,809,173)
Total Net Position	$ (87,759,150)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Program Revenues				Net Revenues (Expenses) and Changes 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	$ 12,779,640	$ 6,016,263	$ -	$ -	$ (6,763,377)
Public Works	-	-	-	2,196,000	2,196,000
Finished Lots/Builders Improvements	299,935	-	-	1,425,164	1,125,229
Conveyance of Public Improvements to Another Government	28,287,650	-	-	-	(28,287,650)
Interest on Long-Term Debt and Related Costs	21,132,984	-	-	1,322,660	(19,810,324)
Total Governmental Activities	$ 62,500,209	$ 6,016,263	$ -	$ 4,943,824	(51,540,122)
GENERAL REVENUES					
Transfer from Sterling Ranch District No. 2					3,497,451
Transfer from Sterling Ranch District No. 3					3,914,385
Transfer from Sterling Ranch District No. 4					188
Transfer from Sterling Ranch District No. 7					12,279
Transfer from Sterling Ranch District No. 7A					436
Transfer from Sterling Ranch District No. 7B					67,604
Other Income					5,637
Reimbursed Expenditures					310,348
Net Investment Income					330,264
Total General Revenues and Transfers					8,138,592
CHANGES IN NET POSITION					(43,401,530)
Net Position - Beginning of Year, as Restated					(44,357,620)
NET POSITION - END OF YEAR					$ (87,759,150)

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, 2023

	General	Special Revenue - Water and Wastewater Services	Special Revenue - Resident Support Services	Debt Service - Combined	Capital Projects - General and Preconstruction	Capital Projects - Filing 1 Trunk Improvements	Capital Projects - Filing 1 Finished Lots	Capital Projects - Filing 2-14 Trunk Improvements	Capital Projects - Filing 2-7 Finished Lots	Total Governmental Funds
ASSETS										
Cash and Investments	$ -	$ 767,050	$ 268,379	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,035,429
Cash and Investments - Restricted	58,361	151,962	-	5,180,708	-	12,373	158,601	2,047	774,649	6,338,701
Deposits - SIA/Douglas County	-	-	-	-	-	-	-	1,053,791	-	1,053,791
Receivables, Net	16,746	187,057	5,474	24,935	-	-	-	-	10,376	244,588
Prepaid Insurance	-	-	115,144		-	-	-	-	-	115,144
Total Assets	$ 75,107	$ 1,106,069	$ 388,997	$ 5,205,643	$ -	$ 12,373	$ 158,601	$ 1,055,838	$ 785,025	$ 8,787,653
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	$ 170,065	$ 293,519	$ 55,815	$ 3,500	$ 501,263	$ 247	$ -	$ 498,834	$ 226,362	$ 1,749,605
Accrued Expenses	-	-	400,400		-	-	-	-	-	400,400
Retainage Payable	-	-	-	-	-	-	-	147,308	80,022	227,330
Hydrant Meter Refundable Deposits	-	47,000	-	-	-	-	-	-	-	47,000
Tap Fee Credits Payable	-	-	-	360,000	-	-	-	1,693,784	-	2,053,784
Total Liabilities	170,065	340,519	456,215	363,500	501,263	247	-	2,339,926	306,384	4,478,119
FUND BALANCES										
Nonspendable:										
Prepaid Expense	-	-	115,144	-	-	-	-	-	-	115,144
Restricted for:										
Emergency Reserves	58,361	151,962	-	-	-	-	-	-	-	210,323
Debt Service	-	-	-	4,842,143	-	-	-	-	-	4,842,143
Capital Projects	-	-	-	-	-	12,126	158,601	-	478,641	649,368
Assigned to:										
Subsequent Year's Expenditures	69,617	-	-	-	-	-	-	-	-	69,617
General Government	-	613,588	-	-	-	-	-	-	-	613,588
Unassigned		-								
General Government	(222,936)	-	(182,362)	-	-	-	-	-	-	(405,298)
Capital Projects	-	-	-	-	(501,263)	-	-	(1,284,088)	-	(1,785,351)
Total Fund Balances	(94,958)	765,550	(67,218)	4,842,143	(501,263)	12,126	158,601	(1,284,088)	478,641	4,309,534
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 75,107	$ 1,106,069	$ 388,997	$ 5,205,643	$ -	$ 12,373	$ 158,601	$ 1,055,838	$ 785,025	

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.	231,107,644
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Cost of Refunding	393,955
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable	(278,660,628)
Accrued Interest Payable - Bonds	(13,312,058)
Advances Payable to SR Entities	(27,716,646)
Accrued Interest Payable - Advances from SR Entities	(3,546,508)
Lease Payable	(334,443)
Net Position of Governmental Activities	$ (87,759,150)

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, 2023

	General	Special Revenue - Water and Wastewater Services	Special Revenue - Resident Support Services	Debt Service - Combined	Capital Projects - General and Preconstruction	Capital Projects - Filing 1 Trunk Improvements	Capital Projects - Filing 1 Finished Lots	Capital Projects - Filing 2-14 Trunk Improvements	Capital Projects - Filing 2-7 Finished Lots	Total Governmental Funds
REVENUES										
Other Income	$ 2,088	$ -	$ -		$ -	$ -	$ -	$ 3,549	$ -	$ 5,637
Net Investment Income	2,409	-	123	294,570	-	5,925	9,437	-	17,800	330,264
Facilities Fees	-	-	-	1,464,000	-	-	-	572,790	-	2,036,790
Reimbursed Expenditures	-	-	-	-	-	-	-	300,000	10,348	310,348
Transfers from SRMD 2	1,311,534	-	-	2,185,917	-	-	-	-	-	3,497,451
Transfers from SRMD 3	1,618,393	-	-	2,295,992	-	-	-	-	-	3,914,385
Transfers from SRMD 4	188	-	-	-	-	-	-	-	-	188
Transfers from SRMD 7	12,279	-	-	-	-	-	-	-	-	12,279
Transfers from SRMD 7A	436	-	-	-	-	-	-	-	-	436
Transfers from SRMD 7B	67,604	-	-	-	-	-	-	-	-	67,604
Builder Funds	-	-	-	-	-	-	1,355,966	-	2,458,666	3,814,632
Water Service - Residential	-	2,443,404	-	-	-	-	-	-	-	2,443,404
Water Service - Construction	-	670,133	-	-	-	-	-	-	-	670,133
Wastewater Service Fees	-	1,448,479	-	-	-	-	-	-	-	1,448,479
Storm Drainage Service Fees	-	333,283	-	-	-	-	-	-	-	333,283
Tap Fees	-	-	-	732,000	-	-	-	749,870	-	1,481,870
Account Setup/Admin Fees	-	106,099	-	-	-	-	-	-	-	106,099
Water & Sewer Permit Conn Fees	-	64,000	-	-	-	-	-	-	-	64,000
Design Review Fees - Builders	237,550	-	-	-	-	-	-	-	-	237,550
Builder Damage Deposit	-	-	-	-	-	-	-	-	46,575	46,575
CAB Operational Income	-	-	730,343	-	-	-	-	-	-	730,343
Park, Rec, Open Space Income	-	-	24,132	-	-	-	-	-	-	24,132
Shared Driveway Income	-	-	113,033	-	-	-	-	-	-	113,033
Amenity - Overlook Income	-	-	16,009	-	-	-	-	-	-	16,009
Commercial Operations Income	-	-	67,348	-	-	-	-	-	-	67,348
Total Revenues	3,252,481	5,065,398	950,988	6,972,479	-	5,925	1,365,403	1,626,209	2,533,389	21,772,272

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, 2023

	General	Special Revenue - Water and Wastewater Services	Special Revenue - Resident Support Services	Debt Service - Combined	Capital Projects - General and Preconstruction	Capital Projects - Filing 1 Trunk Improvements	Capital Projects - Filing 1 Finished Lots	Capital Projects - Filing 2-14 Trunk Improvements	Capital Projects - Filing 2-7 Finished Lots	Total Governmental Funds
EXPENDITURES										
Current:										
Accounting	228,517	-	-	-	-	-	-	-	-	228,517
Audit	18,000	-	-	-	-	-	-	-	-	18,000
Recruiting	44	-	-	-	-	-	-	-	-	44
Dues And Memberships	24,923	-	-	-	-	-	-	-	-	24,923
Insurance And Bonds	137,010	-	-	-	-	-	-	-	-	137,010
CAB Management	6,005	-	-	-	-	-	-	-	-	6,005
Billing And Administration	-	120,570	-	-	-	-	-	-	-	120,570
Other Consulting	61,178	-	-	-	-	-	-	-	-	61,178
Legal	117,335	-	-	-	7,572	-	-	-	-	124,907
Utilities - Water	-	435	-	-	-	-	-	-	-	435
Other O&M	-	122	-	-	-	-	-	-	-	122
Back Charge	-	-	-	-	-	-	-	3,704	13,630	17,334
Miscellaneous	32,567	-	-	-	-	-	-	11,557	-	44,124
Rates And Fees Studies	124,754	-	-	-	-	-	-	-	-	124,754
Damage Deposit Release	-	-	-	-	-	-	296,784	-	-	296,784
Warranty	-	-	-	-	-	-	1,930	-	-	1,930
Dominion - Residential/Commercial/Irrigation Water	-	1,949,509	-	-	-	-	-	-	-	1,949,509
Dominion - Construction Water	-	542,141	-	-	-	-	-	-	-	542,141
Dominion - Res Wastewater	-	767,095	-	-	-	-	-	-	-	767,095
IT Equipment And Software	157,718	-	-	-	-	-	-	-	-	157,718
Salary/ Benefits/ Payroll Tax	2,198,372	-	-	-	399,996	-	-	-	-	2,598,368
Parks/Landscape/Streets	478,168	-	-	-	-	-	-	-	-	478,168
GIS Licensing	74,750	-	-	-	-	-	-	-	-	74,750
Office Supplies	7,860	-	-	-	-	-	-	-	-	7,860
Vehicle Maintenance	86,115	-	-	-	-	-	-	-	-	86,115
CAB Operations Expenses	-	-	1,660,634	-	-	-	-	-	-	1,660,634
Park, Rec, Open Space Expenses	-	-	857,113	-	-	-	-	-	-	857,113
Shared Driveway Expenses	-	-	48,124	-	-	-	-	-	-	48,124
Amenity - Overlook Expenses	-	-	202,002	-	-	-	-	-	-	202,002
Commercial Operations Expenses	-	-	220,030	-	-	-	-	-	-	220,030

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, 2023

	General	Special Revenue - Water and Wastewater Services	Special Revenue - Resident Support Services	Debt Service - Combined	Capital Projects - General and Preconstruction	Capital Projects - Filing 1 Trunk Improvements	Capital Projects - Filing 1 Finished Lots	Capital Projects - Filing 2-14 Trunk Improvements	Capital Projects - Filing 2-7 Finished Lots	Total Governmental Funds
Debt Service:										
Interest Payment	-	-	-	8,683,883	-	-	-	-	-	8,683,883
Principal Payment	-	-	-	10,110,164	-	-	-	-	-	10,110,164
Cost of Issuance	-	-	-	648,790	-	-	-	-	-	648,790
Trustee/Paying Agent Fees	-	-	-	17,500	-	-	-	-	-	17,500
Capital Projects:										
Project Management Fee	-	-	-	-	-	-	-	47,241	24,491	71,732
Cost Verifications/Cert	-	-	-	-	24,458	-	-	-	-	24,458
Engineering And Management	-	-	-	-	500,943	3,712	-	1,302,270	26,203	1,833,128
Parks/Landscape/Streets	-	-	-	-	170,789	-	-	-	-	170,789
Parks And Rec (Landscaping)	-	-	-	-	-	1,144	-	2,085,243	1,308,089	3,394,476
Traffic And Safety Control	-	-	-	-	-	-	-	10,031	-	10,031
Streets	-	-	-	-	89,115	1,008,837	-	848,539	1,270,141	3,216,632
Storm Sewer	-	-	-	-	-	-	-	306,734	23,879	330,613
Sanitation	-	-	-	-	102,218	-	-	-	-	102,218
Water	-	-	-	-	-	-	-	-	8,381	8,381
Dry Utilities	-	-	-	-	-	-	-	99,005	-	99,005
Streets - Grading & Erosion	-	-	-	-	205,438	-	-	76,364	-	281,802
Overlot Grading	-	-	-	-	-	145,996	-	-	-	145,996
Total Expenditures	3,753,316	3,379,872	2,987,903	19,460,337	1,500,529	1,159,689	298,714	4,790,688	2,674,814	40,005,862
EXCESS OF REVENUES UNDER EXPENDITURES	(500,835)	1,685,526	(2,036,915)	(12,487,858)	(1,500,529)	(1,153,764)	1,066,689	(3,164,479)	(141,425)	(18,233,590)
OTHER FINANCING SOURCES (USES)										
Bond Issuance	-	-	-	111,927,481		-	-	-	-	111,927,481
SR Entities Cash Advances:										
Cash Advances	2,712,497	3,180,767	1,034,965	347,000	581,290	276,393	-	1,585,319	-	9,718,231
Repayment to SR Entities	-	-	-	-	-	-	-	(20,287,554)	(87,546,425)	(107,833,979)
Transfers From Other Funds	938,276	-	934,732	11,632,016	986,896	920,545	-	21,514,551	87,909,497	124,836,513
Transfers To Other Funds	(3,893,750)	(4,391,853)	-	(111,744,421)	-	-	(1,441,907)	(2,378,678)	(985,904)	(124,836,513)
Total Other Financing Sources (Uses)	(242,977)	(1,211,086)	1,969,697	12,162,076	1,568,186	1,196,938	(1,441,907)	433,638	(622,832)	13,811,733
NET CHANGE IN FUND BALANCES	(743,812)	474,440	(67,218)	(325,782)	67,657	43,174	(375,218)	(2,730,841)	(764,257)	(4,421,857)
Fund Balances - Beginning of Year	648,854	291,110	-	5,167,925	(568,920)	(31,048)	533,819	1,446,753	1,242,898	8,731,391
FUND BALANCES - END OF YEAR	$ (94,958)	$ 765,550	$ (67,218)	$ 4,842,143	$ (501,263)	$ 12,126	$ 158,601	$ (1,284,088)	$ 478,641	$ 4,309,534

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, 2023

Net Change in Fund Balances - Total Governmental Funds	$ (4,421,857)
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. This is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Capital Outlay	9,749,917
Conveyance of Capital Assets to Other Governments	(28,287,650)
Depreciation and Amortization	(2,501,194)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Bond Issuance - Series 2023B	(12,472,000)
Bond Issuance - Series 2023A-1/A-2	(99,455,481)
Advances from SR Entities	(9,718,231)
Advances from SR Entities - Intract	(2,673,593)
Repayment - Advances from SR Entities	95,135,792
Bond Principal Payment - Series 2020	619,000
Promissory Note Payments	9,490,507
Lease Payment	106,859
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	(26,347)
2020 Bond Premium - Amortization	22,954
2022 Bond Premium - Amortization	3,124
Accrued Interest on Advances from SR Entities - Change in Liability	7,786,078
Accrued Interest on Promissory Notes - Change in Liability	69,507
Accrued Interest on Bonds - Change in Liability	(6,828,915)
Changes in Net Position of Governmental Activities	$ (43,401,530)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SPECIAL REVENUE FUND – WATER, WASTEWATER, AND STORM DRAINAGE SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Community Support Services Revenue	$ 1,497,449	$ -	(1,497,449)
Design Review Fees - Builders	643,500	237,550	(405,950)
Net Investment Income	100	2,409	2,309
Other Income	-	2,088	2,088
Transfers from SRMD 2	1,310,614	1,311,534	920
Transfers from SRMD 3	1,445,554	1,618,393	172,839
Transfers from SRMD 4	187	188	1
Transfers from SRMD 7	12,253	12,279	26
Transfers from SRMD 7A	337	436	99
Transfers from SRMD 7B	67,126	67,604	478
Total Revenues	4,977,120	3,252,481	(1,724,639)
EXPENDITURES			
Accounting	230,000	228,517	1,483
Audit	15,000	18,000	(3,000)
Banking Fees	1,000	-	1,000
Business Development	10,000	-	10,000
CAB Management	10,000	6,005	3,995
Community Support Services	3,659,850	-	3,659,850
Contingency	100,000	-	100,000
Design and Landscape Review	15,000	-	15,000
Dues and Memberships	15,000	24,923	(9,923)
Election	10,000	-	10,000
Furniture and Equipment	20,000	-	20,000
GIS licensing	93,000	74,750	18,250
Insurance and Bonds	125,000	137,010	(12,010)
Investment Advisory Fee	42,000	-	42,000
IT equipment and software	55,000	157,718	(102,718)
IT support	25,000	-	25,000
Legal	250,000	117,335	132,665
Miscellaneous	20,000	32,567	(12,567)
Office Supplies	20,000	7,860	12,140
Other Consulting	25,000	61,178	(36,178)
Parks/Landscape/Streets	750,000	478,168	271,832
Rates and Fees Studies	150,000	124,754	25,246
Recruiting	5,400	44	5,356
Salary/ Benefits/ Payroll Tax	1,199,737	2,198,372	(998,635)
Vehicle Maintenance	42,000	86,115	(44,115)
Total Expenditures	6,887,987	3,753,316	3,134,671
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,910,867)	(500,835)	1,410,032
OTHER FINANCING SOURCES (USES)			
SR Entities Cash Advances	6,560,370	2,712,497	(3,847,873)
Transfers from Other Funds	-	938,276	938,276
Transfers to Other Funds	(4,728,000)	(3,893,750)	834,250
Total Other Financing Sources (Uses)	1,832,370	(242,977)	(2,075,347)
NET CHANGE IN FUND BALANCE	(78,497)	(743,812)	(665,315)
Fund Balance - Beginning of Year	293,145	648,854	355,709
FUND BALANCE - END OF YEAR	$ 214,648	$ (94,958)	$ (309,606)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SPECIAL REVENUE FUND – WATER, WASTEWATER, AND STORM DRAINAGE SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Account Setup/Admin Fees	$ 85,800	$ 106,099	$ 20,299
Storm Drainage Service Fees	440,681	333,283	(107,398)
Wastewater Service Fees	1,897,848	1,448,479	(449,369)
Water & Sewer Permit Connection Fees	171,600	64,000	(107,600)
Water Service - Commercial	7,416	-	(7,416)
Water Service - Construction	657,070	670,133	13,063
Water Service - Residential	3,249,911	2,443,404	(806,507)
Total Revenues	6,510,326	5,065,398	(1,444,928)
EXPENDITURES			
Billing and Administration	132,199	120,570	11,629
Dominion - Construction Water	1,049,125	542,141	506,984
Dominion - Residential Wastewater	787,192	767,095	20,097
Dominion - Residential/Commercial/Irrigation Water	2,331,234	1,949,509	381,725
Other O&M	500,000	122	499,878
Utilities - Water	-	435	(435)
Total Expenditures	4,799,750	3,379,872	1,419,878
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,710,576	1,685,526	(25,050)
OTHER FINANCING SOURCES (USES)			
SR Entities Cash Advances	3,342,046	3,180,767	(161,279)
Transfers from Other Funds	1,636,065	-	(1,636,065)
Transfers to Other Funds	(6,185,000)	(4,391,853)	1,793,147
Total Other Financing Uses	(1,206,889)	(1,211,086)	(4,197)
NET CHANGE IN FUND BALANCE	503,687	474,440	(29,247)
Fund Balance - Beginning of Year	1,588,807	291,110	(1,297,697)
FUND BALANCE - END OF YEAR	$ 2,092,494	$ 765,550	$ (1,326,944)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SPECIAL REVENUE FUND – RESIDENT SUPPORT SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ -	$ 123	$ 123
CAB Operational Income	-	1,370,936	730,343	(640,593)
Park, Rec, Open Space Income	-	21,565	24,132	2,567
Shared Driveway Income	-	80,050	113,033	32,983
Amenity - Overlook Income	-	8,970	16,009	7,039
Commercial Operations Income	-	29,399	67,348	37,949
Total Revenues	-	1,510,920	950,988	(559,932)
EXPENDITURES				
CAB Operational Expenses	-	1,023,326	1,660,634	(637,308)
Park, Rec, Open Space Expenses	-	1,164,944	857,113	307,831
Shared Driveway Expenses	-	101,789	48,124	53,665
Amenity - Overlook Expenses	-	367,120	202,002	165,118
Commercial Operations Expenses	-	298,741	220,030	78,711
Total Expenditures	-	2,955,920	2,987,903	(31,983)
EXCESS OF REVENUES UNDER EXPENDITURES	-	(1,445,000)	(2,036,915)	(591,915)
OTHER FINANCING SOURCES (USES)				
SR Entities Cash Advances	-	1,445,000	1,034,965	(410,035)
Transfers from Other Funds	-	-	934,732	934,732
Total Other Financing Sources	-	1,445,000	1,969,697	524,697
NET CHANGE IN FUND BALANCE	-	-	(67,218)	(67,218)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ (67,218)	$ (67,218)

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. The Second Amended and Restated CABEA was entered into on March 18, 2020.

The Districts were created for the purposes of designing, acquiring, constructing, installing, financing, operating, and maintaining certain public improvements as set forth in the respective service plans. Pursuant to the CABEA, the CAB will furnish, operate, and plan for these public improvements on behalf of the Districts 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. Either the CAB or any of the Districts may, from time to time, issue debt and use proceeds to finance public improvements and that CAB will enter into construction contracts for the public improvements.

CAB is the retail water and wastewater service provider within the Districts and the Sterling Ranch planned development for both residential and commercial property. In this capacity, CAB has entered into various agreements with Dominion Water and Sanitation District (the wholesale water and sewer provider) to provide service, construct, finance, own, and maintain certain facilities necessary to provide water and wastewater service.

Pursuant to the CABEA and on behalf of the Districts, the CAB also provides covenant enforcement and design review services.

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 sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources 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.

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 Special Revenue Funds are used to account for revenues earned and expenditures incurred in connection with the (i) water, wastewater, and stormwater drainage services of the CAB, and (ii) resident support services.

The Debt Service Fund – Combined consists of the Debt Service Fund - 2017 Bonds, the Debt Service Fund – 2019 Bonds, the Debt Service Fund – 2020 Bonds, Debt Service Fund – 2022 Bonds and the Debt Service Fund – 2023 Bonds. These 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 – Combined also consists of the Debt Service Fund - O&M Note and the Debt Service Fund – Facilities Note which are used to account for the resources accumulated and payments made for principal and interest on the 2016 Promissory Notes.

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 2-14 – 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 14.

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, 2023.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets (Continued)

During 2023, the CAB's Special Revenue Fund - RSS reported total expenditures that exceeded the amended budget by $31,983, which over expenditure was due to additional expenses accrued at year-end.

Leases

The District determines if an arrangement is a lease at inception. Leases are included as right-to-use assets in capital assets and as leases payable in noncurrent liabilities in the statement of net position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the District has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

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.

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
Sewer – Sanitary & Storm	30 Years
Water Lines	30 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:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

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.

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.

Restatement

The CAB had restated beginning balances of net position (government-wide) as explained below:

	Net Position - Government - Wide (Accrual)
December 31, 2022 - as Originally Stated	$ (28,552,399)
Impact of:	
1. Increasing Developer Advances Payable for Intract Costs	(75,514,093)
2. Increasing Developer Advances Payable for interest expense during 2020 to 2022	(9,535,706)
3. Increasing Capital Assets for adjustment in Intract Costs	75,514,093
4. Increase Capital Assets, being depreciated	49,743,356
5. Decrease Capital Assets, not being depreciated	(49,743,356)
6. Increase Depreciation Expense for capital assets placed in service	(6,269,515)
December 31, 2022 - as Restated	$ (44,357,620)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in net position for governmental activities would have decreased by $7,771,968 for the year ended December 31, 2022, had the amounts been reported correctly in the previous period.

Deficits

The General Fund, Special Revenue – Resident Support Services Fund, Capital Projects – General and Preconstruction Fund and Capital Projects – Filing 2-14 Trunk Improvements Fund reported a deficit in the fund financial statements as of December 31, 2023. Deficits in these funds will be eliminated by the receipt of advances from SR Entities in 2024.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 1,035,429
Cash and Investments - Restricted	6,338,701
Total Cash and Investments	$ 7,374,130

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	$ 2,225,986
Investments	5,148,144
Total Cash and Investments	$ 7,374,130

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, 2023, the CAB's cash deposits had a bank balance of $4,161,930 and carrying balance of $2,225,986. $250,000 from both Alpine Bank and First Bank is insured through the FDIC and the balance is collateralized in single institution pools pursuant to PDPA.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

As of December 31, 2023, the District had the following investments:

Investment	Maturity	Amount
Morgan Stanley Treasury Fund	Weighted-Average Under 30 Days	$ 5,148,144

Morgan Stanley Treasury Fund

At December 31, 2023, some of the District's funds held in trust accounts at UMB Bank were invested in the Morgan Stanley Treasury Fund. This portfolio is managed by Morgan Stanley and each share is equal in value to $1.00. Morgan Stanley may invest in U.S. Treasury securities, or repurchase agreements collateralized by U.S. Treasury securities. The fund is AAAm rated by Standard & Poor's and invests in a process that seeks to select maturities based on the shape of the money market yield curve and on expectations as to future shifts in the level and shape of the curve, taking into consideration such factors as current short-term interest rates, Federal Reserve policy regarding interest rates, and U.S. economic activity. The average maturity of the underlying securities is 30 days or less. The District records its investments in Morgan Stanley at net asset value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022 (as restated)	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress:				
Streets	$ 118,848,244	$ 3,813,375	$ 24,089,139	$ 98,572,480
Sanitation	19,827,546	139,509	-	19,967,055
Storm Sewer	24,686,669	418,637	-	25,105,306
Water	17,795,838	11,310	-	17,807,148
Traffic and Safety	8,013,367	3,968,679	4,454,354	7,527,692
Parks and Recreation (Landscaping)	17,393,651	1,350,159	1,324,358	17,419,452
Total Capital Assets, Not Being Depreciated	206,565,315	9,701,669	29,867,851	186,399,132
Capital Assets, Being Depreciated:				
Furniture and Fixtures/Equipment	32,321	-	-	32,321
Vehicle	128,609	48,248	-	176,857
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
Sewer - Sanitary & Storm	28,044,165	-	-	28,044,165
Water Lines	14,271,925	-	-	14,271,925
Parks and Recreation	5,977,358	-	-	5,977,358
Streetlights	2,960,578	1,580,201	-	4,540,779
Total Capital Assets, Being Depreciated	52,114,146	1,628,449	-	53,742,595
Lease Assets, Being Amortized:				
Right-to-Use Lease Building	1,092,856	-	-	1,092,856
Total Lease Assets Being Amortized	1,092,856	-	-	1,092,856
Less Accumulated Depreciation for:				
Furniture and Fixtures/Equipment	(21,938)	5,236	-	(27,174)
Vehicle	(94,658)	22,470	-	(117,128)
Information Trailer	(178,609)	35,722	-	(214,331)
Technology Integration	(86,783)	26,035	-	(112,818)
Civic Center Improvements	(45,250)	12,341	-	(57,591)
Recreation Center Improvements	(21,827)	10,477	-	(32,304)
Sewer - Sanitary & Storm	(2,882,317)	934,805	-	(3,817,122)
Water Lines	(1,466,837)	475,731	-	(1,942,568)
Parks and Recreation	(1,242,474)	398,492	-	(1,640,966)
Streetlights	(929,338)	470,600	-	(1,399,938)
Total Accumulated Depreciation	(6,970,031)	2,391,909	-	(9,361,940)
		-		
Less Lease Asset Accumulated Amortization:				
Right-to-Use Lease Building	(655,714)	109,285		(764,999)
Total Lease Asset Accumulated Amortization	(655,714)	109,285	-	(764,999)
Total Capital Assets, Being Depreciated, Net	45,581,257	(872,745)	-	44,708,512
Governmental Activities Capital Assets, Net	$ 252,146,572	$ 8,828,924	$ 29,867,851	$ 231,107,644

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the CAB as follows:

Governmental Activities:	
General Government	$ 2,391,909
Total Depreciation Expense - Governmental Activities	$ 2,391,909

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, 2023:

	Balance at December 31, 2022 (as restated)	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
Limited Tax Supported Revenue Bonds:					
Senior - Series 2020A	$ 35,100,000	$ -	$ 465,000	$ 34,635,000	$ 515,000
Subordinate - Series 2020B	4,402,000	-	154,000	4,248,000	-
Bond Premium - Series 2020A	440,713	-	22,954	417,759	-
Limited Tax Supported and Special Revenue Bonds:					
Senior - Series 2022	99,745,000	-	-	99,745,000	-
Bond Premium - Series 2022	73,581	-	3,124	70,457	
Limited Tax Supported and Special Revenue District No. 3 Subordinate Bonds:					
Subordinate - Series 2023B	-	12,472,000	-	12,472,000	-
Accrued Interest					
Series 2020B	-	13,452	-	13,452	-
Series 2023B	-	751,482	-	751,482	-
Subtotal Bonds Payable	139,761,294	13,236,934	645,078	152,353,150	515,000
Direct Borrowings and Direct Placements:					
Limited Tax Supported Districts 1-7					
Junior Subordinate Bonds, Series 2019A	27,616,932	-	-	27,616,932	-
Junior Subordinate Bonds, Series 2023A-1	-	11,909,056	-	11,909,056	-
Junior Subordinate Bonds, Series 2023A-2	-	87,546,425	-	87,546,425	-
Accrued Interest	-	11,880,317	-	11,880,317	-
Promissory Notes					
O&M Note	5,848,100	-	5,848,100	-	-
Revenue Note	3,642,407	-	3,642,407	-	-
Accrued Interest	69,507	265,261	334,768	-	-
Subtotal Direct Borrowings and Direct Placements	37,176,946	111,601,059	9,825,275	138,952,730	-
Other Debts:					
Advances Payable to SR Entities					
Operations	15,626,666	7,792,171	6,090	23,412,747	-
Capital - Trunk	19,319,855	1,926,059	19,615,609	1,630,305	-
Intract	75,514,093	2,673,593	75,514,093	2,673,593	
Accrued Interest	11,332,586	4,918,199	12,704,277	3,546,508	-
Lease Payable	441,302	-	106,859	334,443	-
Subtotal Other Debts	122,234,502	17,310,022	107,946,928	31,597,596	-
Total Long-Term Obligations	$ 299,172,742	$ 142,148,015	$ 118,417,281	$ 322,903,476	$ 515,000

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

On December 14, 2017, the CAB 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 were 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.

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

On December 14, 2017, the CAB 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.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

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.

Refunding

On November 30, 2022, the CAB refunded $77,945,575.00 of the outstanding 2017 Senior Bonds principal and interest, dated December 14, 2017, bearing interest at a rate of 5.00% and $18,499,894.66 of the outstanding 2017 Subordinate Bonds, dated December 14, 2017, with an interest rate of 7.50% by the issuance of the 2022 Bonds with interest rates ranging from 5.8% to 6.75%. The Series 2017 Subordinate Bonds were structured as cash flow bonds, meaning that no regularly scheduled principal payments were due prior to their maturity date. Instead, the 2017 Subordinate Bonds were payable on December 15 of each year to the extent of available Pledged Revenues. Because the 2017 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 $96,445,469.66 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 2017 Senior Bonds and 2017 Subordinate Bonds on their respective call dates of December 1, 2022 and December 15, 2022.

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

On December 1, 2019, the CAB 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.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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) (Continued)

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.

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, 2022, is $-0- and $2,017,505, respectively.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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) (Continued)

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

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.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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) (Continued)

District No. 2 Subordinate Required Mill Levy (Continued)

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
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
2029-2033	3,940,000	6,159,726	10,099,726
2034-2038	5,295,000	5,332,251	10,627,251
2039-2043	6,940,000	4,200,614	11,140,614
2044-2048	9,150,000	2,567,639	11,717,639
2049-2050	6,395,000	453,051	6,848,051
Total	$ 34,635,000	$ 25,439,706	$ 60,074,706

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

Events of Default – Series 2020A and 2020B Bonds

The Senior/Subordinate Indenture provides that the occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an "Event of Default" under the Senior/Subordinate Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default under the Senior/Subordinate Indenture except as provided below:

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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) (Continued)

Events of Default – Series 2020A and 2020B Bonds (Continued)

a) The Issuer fails to cause District No. 2 to impose the District No. 2 Senior/Subordinate Required Mill Levy as provided in the Master Indenture, the 2020A Supplemental Indenture, and the Pledge Agreement; or

b) The Issuer fails to collect the Senior/Subordinate Bonds Pledged Revenues or apply the Senior Bonds Pledged Revenues as required by this Supplemental Indenture for a period of 45 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Trustee, or to the Issuer and the Trustee by the Required Holders; or

c) The Issuer fails to observe or perform any covenant or agreement on its part under the 2020 Senior/Subordinate Indenture other than those covenants and agreements listed under subsection (a)(i) above, for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Trustee, or to the Issuer and the Trustee by the Required Holders, provided, however, that if the breach of covenant or agreement is one which cannot be completely remedied within the 60 days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Issuer has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy; or

d) If the Issuer or District No. 2 institutes proceedings to be adjudicated as bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer or consent seeking reorganization or relief under the Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or District No. 2 or of any substantial part of its respective property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

e) Any Event of Non-Compliance has occurred under the District No. 2 Pledge Agreement.

Collateral
No assets have been pledged as collateral on the Series 2020A and Series 2020B Bonds.

Termination Events
The Series 2020A and Series 2020B Bonds are not subject to early termination.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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) (Continued)

Acceleration

The Series 2020A and Series 2020B Bonds are not subject to acceleration.

It is acknowledged that due to the limited nature of the Senior/Subordinate Bonds Pledged Revenues, the failure to pay the principal of or interest on the Senior/Subordinate Bonds when due shall not, in and of itself, constitute an Event of Default under the 2020 Senior/Subordinate Indenture, if the Issuer is otherwise in compliance with all provisions thereof.

Limited Tax Supported and Special Revenue District No. 3 Refunding and Improvement Senior Bonds, Series 2022 (the 2022 Bonds)

Bond Proceeds

The CAB issued the 2022 Bonds on November 30, 2022 (the Closing Date), in the par amounts of $99,745,000.

Proceeds from the sale of the 2022 Bonds were used to: (i) refund all of the CAB's outstanding Limited Tax Supported Revenue Senior and Subordinate Series 2017A (the 2017 Senior Bonds) and 2017B Bonds (the 2017 Subordinate Bonds); (ii) finance, refinance, or reimburse the cost of public improvements benefitting a master planned community known as "Sterling Ranch"; (iii) fund a deposit to the 2022 Bonds Surplus Fund in the amount of the Surplus Requirement; and (iv) pay other costs in connection with the issuance of the 2020 Senior Bonds.

2022 Senior Bonds Details

The 2022 Bonds bear interest at rates ranging from 5.8% to 6.75% (calculated yield 6.6638%), and are payable semiannually on June 1 and December 1, beginning on June 1, 2023. The 2022 Bonds mature on December 1, 2053.

2022 Bonds Optional Redemption

The 2022 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, 2027, at a redemption price equal to the principal amount of the 2022 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, 2027 to November 30, 2028	3.00%
December 1, 2028 to November 30, 2029	2.00
December 1, 2029 to November 30, 2030	1.00
December 1, 2030 and Thereafter	0.00

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 3 Refunding and Improvement Senior Bonds, Series 2022 (the 2022 Bonds)

2022 Bonds Pledged Revenue

The 2022 Bonds are secured by and payable solely from and to the extent of 2022 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 2022 Bonds and the payment of the Trustee's fees and expenses: (a) all District No. 3 Required Mill Levy Revenue, generally meaning all revenue derived from the imposition by District No. 3 of the District No. 3 Required Mill Levy; (b) all Specific Ownership Taxes related to the District No. 3 Required Mill Levy; (c) Pledged Facilities Fee Revenue; (d) Pledged Storm Water Tap Revenue; and (e) any other legally available amounts that the CAB may designate to be paid to the Trustee for deposit into the Bond Revenue Fund.

District No. 3 Required Mill Levy

Pursuant to an Amended and Restated Pledge Agreement between the CAB and District No. 3 dated November 1, 2023 (the Pledge Agreement), the CAB covenants and agrees to require District No. 3, and District No. 3 covenants and agrees, to levy the District No. 3 Required Mill Levy upon all taxable property of District No. 3 in accordance with the Pledge Agreement.

Pursuant to the 2022 Indenture, District No. 3 has covenanted to impose a Required Mill Levy on all taxable property of District No. 3 each year in an amount sufficient (taking into account amounts then on deposit in the Bond Fund) to pay the principal of, premium if any, and interest on the 2022 Bonds as they become due and payable, and to replenish the Surplus Fund to the Maximum Surplus Amount, but not in excess of 50.000 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2013).

Additional Security

The 2022 Bonds are additionally secured by deposit to the Surplus Fund at closing of the 2022 Bonds in the amount of $2,498,922.55. The Maximum Surplus Amount is an amount equal to $4,987,250. The balance in the 2022 Bonds Surplus Fund as of December 31, 2023 is $3,122,887.

2022 Bonds Debt Service

The annual debt service requirements on the 2022 Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ -	$ 6,619,578	$ 6,619,578
2025	-	6,619,578	6,619,578
2026	-	6,619,578	6,619,578
2027	415,000	6,619,578	7,034,578
2028	820,000	6,595,508	7,415,508
2029-2033	5,815,000	32,145,530	37,960,530
2034-2038	10,145,000	29,817,115	39,962,115
2039-2043	16,095,000	25,797,840	41,892,840
2044-2048	24,735,000	19,363,050	44,098,050
2049-2053	41,720,000	9,504,001	51,224,001
Total	$ 99,745,000	$ 149,701,356	$ 249,446,356

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 3 Refunding and Improvement Senior Bonds, Series 2022 (the 2022 Bonds) (Continued)

Events of Default – 2022 Bonds

The 2022 Supplemental Indenture provides that the occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an "Event of Default" under the Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default under the Senior/Subordinate Indenture except as provided below:

a) The Issuer fails to cause District No. 3 to impose the District No. 3 Required Mill Levy as provided in the Master Indenture, this Supplemental Indenture, and the District No. 3 Pledge Agreement; or

b) The Issuer fails to collect the Pledged Revenues or apply the Pledged Revenues as required by this Supplemental Indenture for a period of 45 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Trustee, or to the Issuer and the Trustee by the Required Holders; or

c) The Issuer fails to observe or perform any covenant or agreement on its part under this Supplemental Indenture other than those covenants and agreements listed under subsection (a)(i) above, for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Trustee, or to the Issuer and the Trustee by the Required Holders, provided, however, that if the breach of covenant or agreement is one which cannot be completely remedied within the 60 days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Issuer has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy; or

d) If the Issuer or District No. 3, institutes proceedings to be adjudicated as bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer reorganization or relief under the Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer, or District No. 3, or of any substantial part of its respective property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

e) Any Event of Non-Compliance has occurred under the District No. 3 Pledge Agreement.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 3 Refunding and Improvement Senior Bonds, Series 2022 (the 2022 Bonds) (Continued)

Collateral

No assets have been pledged as collateral on the Series 2022 Bonds.

Termination Events

The Series 2022 Bonds are not subject to early termination.

Acceleration

The Series 2022 Bonds are not subject to acceleration.

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.

At December 31, 2023, no amounts were outstanding on the 2016 O&M Note.

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.

At December 31, 2023, no amounts were outstanding on the 2016 Revenue Note.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2023A-1 (Tax Exempt) (the "2023A-1 Junior Subordinate Bonds") and Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2023A-2 (Tax Exempt) (the "2023A-2 Junior Subordinate Bonds" and together with the Series 2023A-1 Junior Subordinate Bonds, the "2023A Junior Subordinate Bonds")

The CAB issued the 2023A-1 Junior Subordinate Bonds and the 2023A-2 Junior Subordinate Bonds on May 31, 2023, in the amounts of $11,909,056 and $87,546,425, respectively.

Proceeds of the 2023A Junior Subordinate Bonds

The proceeds of the 2023A-1 Junior Subordinate Bonds were used to reimburse the cost of public improvements financed under the Reimbursement Agreements. The proceeds of the 2023A-2 Junior Subordinate Bonds were used to reimburse the cost of public improvements financed under the In-Tract Funding Agreement.

Details of the 2023A Junior Subordinate Bonds

The 2023A-1 Junior Subordinate Bonds bear interest at the rate of 6.500% and the 2023A-2 Junior Subordinate Bonds bear interest at the rate of 5.500%. Interest on the 2023A Junior Subordinate Bonds is payable annually on December 15, beginning on December 15, 2023. Principal payments on the 2023A Junior Subordinate Bonds are due annually on each December 15, commencing on December 15, 2023. The 2023A Junior Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. The principal of and interest on the 2023A-2 Junior Subordinate Bonds shall be paid only after principal and interest is paid on the 2019A Junior Subordinate Bonds and the 2023A-1 Junior Subordinate Bonds. The 2023A Junior Subordinate Bonds mature on May 31, 2063.

To the extent principal of any 2023A-1 Junior Subordinate Bonds is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any 2023A-1 Junior Subordinate Bonds is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the 2023A-1 Junior Subordinate Bonds. The 2023A-1 Junior Subordinate Bonds are not subject to termination or discharge on any date certain.

To the extent principal of any 2023A-2 Junior Subordinate Bonds is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any 2023A-2 Junior Subordinate Bonds is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the 2023A-2 Junior Subordinate Bonds. To the extent principal or interest on any 2023A-2 Junior Subordinate bonds is not paid as on the maturity date of May 31, 2063, such amounts shall be discharged and longer due and payable.

The 2023A Junior Subordinate Bonds are not subject to early termination or acceleration and do not have any unused lines of credit. No assets have been pledged as collateral on the 2023A Junior Subordinate Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2023A-1 (Tax Exempt) (the "2023A-1 Junior Subordinate Bonds") and Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2023A-2 (Tax Exempt) (the "2023A-2 Junior Subordinate Bonds" and together with the Series 2023A-1 Junior Subordinate Bonds, the "2023A Junior Subordinate Bonds") (Continued)

Events of Default

Events of default occur if the CAB fails to cause the Pledge Districts to impose their respective Required Mill Levies, or fails to collect or apply the Junior Subordinate Bonds Pledged Revenues as required by the Supplemental Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Supplemental Indenture.

Acceleration of the 2023A Junior Subordinate Bonds shall not be an available remedy for an Event of Default.

Optional Redemption

The 2023A Junior Subordinate Bonds are subject to redemption prior to maturity, at the option of the CAB, on any date upon payment of par and accrued interest without redemption premium.

Junior Subordinate Bonds Pledged Revenue

The 2023A Junior Subordinate Bonds are secured by and payable solely from and to the extent of Junior Subordinate Bonds Pledged Revenue derived by the CAB from the following sources: (a) the Pledge Districts Junior Required Mill Levies; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Pledge Districts Junior Required Mill Levies; and (c) any other legally available moneys which the Authority determines, in its absolute discretion, to transfer to the Trustee for application as Junior Subordinate Pledged Revenue.

Pledge Districts Junior Required Mill Levies

The Pledge Districts Junior Required Mill Levies, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County, is an ad valorem mill levy imposed upon all taxable property of each Pledge District and as defined in each Pledge District Agreement.

Limited Tax Supported and Special Revenue District No. 3 Subordinate Bonds, Series 2023B (the 2023B Subordinate Bonds)

The CAB issued the 2023B Subordinate Bonds on April 12, 2023, in the amount of $12,472,000.

Proceeds of the 2023B Subordinate Bonds

The proceeds of the 2023B Subordinate Bonds were used to: (a) finance or reimburse the cost of public improvements benefitting the development; (b) reimburse certain Developer advances and the accrued interest thereon; and (c) pay certain costs incurred in connection with the issuance of the 2023B Subordinate Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 3 Subordinate Bonds, Series 2023B (the 2023B Subordinate Bonds) (Continued)

Details of the 2023B Subordinate Bonds

The 2023B Subordinate Bonds bear interest at the rate of 8.375%, payable annually on December 15, beginning on December 15, 2023. Principal payments on the 2023B Subordinate Bonds are due annually on each December 15, commencing on December 15, 2023. The 2023B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. The 2023B Subordinate Bonds mature on December 15, 2054.

To the extent principal of any 2023B Subordinate Bonds is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any 2023B Subordinate Bonds is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the 2023B Subordinate Bonds. The 2023B Subordinate Bonds are not subject to termination or discharge on any date certain.

The 2023B Subordinate Bonds are not subject to early termination or acceleration and do not have any unused lines of credit. No assets have been pledged as collateral on the 2023B Subordinate Bonds.

Events of Default

Events of default occur if the CAB fails to cause District No. 3 to impose the District No. 3 Subordinate Required Mill Levy, or fails to collect or apply the Subordinate Bonds Pledged Revenue as required by the Supplemental Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Supplemental Indenture.

Acceleration of the 2023B Subordinate Bonds shall not be an available remedy for an Event of Default.

Optional Redemption

The 2023B Subordinate Bonds are subject to redemption prior to maturity, at the option of the CAB, on December 15, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
December 1, 2027, to November 30, 2028	3.00%
December 1, 2028, to November 30, 2029	2.00
December 1, 2029, to November 30, 2030	1.00
December 1, 2030, and thereafter	0.00

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 3 Subordinate Bonds, Series 2023B (the 2023B Subordinate Bonds) (Continued)

Subordinate Bonds Pledged Revenue

The 2023B Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Bonds Pledged Revenue derived by the CAB from the following sources: (a) the District No. 3 Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the District No. 3 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 Authority determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

District No. 3 Subordinate Required Mill Levy

The District No. 3 Subordinate Required Mill Levy, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County, is an ad valorem mill levy imposed upon all taxable property of District No. 3, pursuant to the District No. 3 Pledge Agreement, each year in the amount of: (a) 50 mills (as adjusted), less the amount of the District No. 3 Senior Bond Required Mill Levy, or; (b) such lesser mill levy that when combined with other Subordinate Bonds Pledged Revenue will pay all of the principal and interest on the 2023B Subordinate Bonds in full.

In the event there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2013, the mill levy will be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

Funding and Reimbursement Agreements

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

Authorized Debt

At December 31, 2023, District No. 2 had authorized but unissued indebtedness remaining in the amount of $17,807,297,587 for public improvements and refunding.

At December 31, 2023, District No. 3 had authorized but unissued indebtedness remaining in the amount of $19,504,645,587 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 they may issue together with any debt issued by the CAB to $1,800,000,000. As of December 31, 2023, CAB and the Districts had issued $304,984,413 of debt.

NOTE 6 NET POSITION

As of December 31, 2023, the CAB had net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the CAB had net investment in capital assets of $12,839,700.

The restricted component of net position includes assets that are restricted for use by external parties such as creditors, grantors or contributors, or as imposed by laws and regulations of other governments, or as imposed by law through constitutional provisions or enabling legislation. The CAB had restricted net position as of December 31, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 210,323
Total Restricted Net Position	$ 210,323

The CAB had a negative unrestricted net position as of December 31, 2023. The negative amount was mainly a result of the CAB being responsible for the repayment of long-term debts issued for public improvements which were conveyed to other governmental entities.

NOTE 7 COMMITMENTS

Major Construction Commitments

CAB regularly contracts for the construction of public improvements within its service area. Public improvements include the construction of roads, water systems, sanitary sewer systems, storm water management systems including grading, parks, open space and trails, and landscaping improvements. Related agreements include various disbursement agreements where CAB establishes accounts that are deposited into by multiple parties and draws for qualifying improvements are issued from. As of December 31, 2023, CAB has unexpended construction commitments outstanding including the following:

Agreement	With	Entered	Terms / Notes
Sterling Ranch Filing NO. 1 Construction Administration, Financing and Allotment Agreement	Dominion Water and Sanitation District	6/17/2015	Financing and administration of construction of water and wastewater facilities in Filing No. 1
Contract Administration Services (Sterling Ranch Filing No. 4A/Castle Rock Pipeline Project)	Richmond, Developer & Dominion	10/23/2018	Construction of Castle Rock Pipeline, construction and disbursement step in rights for Richmond
1.6Construction Disbursement Agreement – Castle Rock Pipeline Project	Dominion, UMB Bank, CliftonLarsonAllen & Richmond	10/4/2018	Concerns disbursement rights and procedures for Castle Rock Pipeline Project
Construction Disbursement Agreement	Developer & Hobbs	11/5/2015	Describes and confirms obligations to fund improvements and disburse from segregated account
Shared Improvement Agreements Filing 4C	Lennar	12/27/2018	Construction, conveyance, warranty, operation, and maintenance of shared improvements
Landscaping Filing 3	Brightview	6/22/2023	To install landscaping in Filing 3
Landscaping Filing 5A	ELCI	8/31/2023	To install landscaping in Filing 5A

NOTE 7 COMMITMENTS (CONTINUED)

Lease Commitment

The CAB leases office space, referred to as the exhibit hall, under an operting lease. The CAB entered into a lease with SR Civic Center, LLC in 2017, which will expire March 30, 2027.

The future minimum annual rental commitments under this lease are below:

Year Ending December 31,	Principal	Interest	Total
2024	$ 105,066	$ 35,537	$ 140,603
2025	103,302	40,816	144,118
2026	101,568	46,153	147,721
2027	24,507	12,651	37,158
Total	$ 334,443	$ 135,157	$ 469,600

Right-to-use assets acquired through the outstanding lease are shown below:

Governmental Activities:	
Right-to-Use Lease Building	$ 1,092,856
Less: Lease Asset Accumulated Amortization	(764,999)
	$ 327,857

NOTE 8 RELATED PARTIES

Sterling Ranch LLC (SR LLC) is the owner of or holds options to acquire a significant portion of the properties comprising the service areas of the Districts. SR LLC, Sterling Ranch Development Company (SRDC), and Hobbs Investments LLC (Hobbs), a single member LLC for which SR LLC is the sole member and SRDC is the manager (collectively with SR LLC and SRDC, 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.

The Developer advanced funds to the District pursuant to following agreements (see and Note 10 Agreements for additional information):

Operation Funding Agreement

- Purpose: To pay general, administrative, operations and maintenance costs of the CAB.
- Parties: CAB and Hobbs Investments LLC
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 01/01/2016
- Years Covered/Amended Years Covered (if applicable): 2016-2019
- Maximum Amount: $6,850,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2023: $534,236
- Accrued Interest Balance at December 31, 2023: $312,163

NOTE 8 RELATED PARTIES (CONTINUED)

2017-2019 Operation Funding Agreement

- Purpose: To pay general, administrative, operations and maintenance costs of the CAB.
- Parties: CAB and Sterling Ranch LLC
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 01/01/2017 / Amended 12/15/2022
- Years Covered/Amended Years Covered (if applicable): 2017-2023
- Maximum Amount: $39,000,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2023: $22,411,139
- Accrued Interest Balance at December 31, 2023: $2,607,053

Operation Funding Agreement

- Purpose: To pay general, administrative, operations and maintenance costs of the CAB.
- Parties: CAB and Sterling Ranch Development Company
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 01/06/2014 / Amended 06/29/2015
- Years Covered/Amended Years Covered (if applicable):
- Maximum Amount: $800,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2023: $467,371
- Accrued Interest Balance at December 31, 2023: $330,108

Facilities Funding and Acquisition Agreement

- Purpose: To fund public improvements within the District(s).
- Parties: CAB and Sterling Ranch Development Company
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 01/06/2014 / Amended 12/15/2021
- Years Covered/Amended Years Covered (if applicable): 2021
- Maximum Amount: $30,000,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2023: $0
- Accrued Interest Balance at December 31, 2023: $0

NOTE 8 RELATED PARTIES (CONTINUED)

Facilities Funding and Acquisition Agreement

- Purpose: To fund public improvements within the District(s).
- Parties: CAB and Hobbs Investment LLC
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 06/29/2015 / Amended 12/15/2021
- Years Covered/Amended Years Covered (if applicable): 2019
- Maximum Amount: $75,000,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2023: $0
- Accrued Interest Balance at December 31, 2023: $0

Facilities Funding and Acquisition Agreement

- Purpose: To fund public improvements within the District(s).
- Parties: CAB and Sterling Ranch LLC
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 11/15/2019 / Amended 12/15/2022
- Years Covered/Amended Years Covered (if applicable): 2016-2019
- Maximum Amount: $40,000,000
- Interest Rate: 6.5% per annum from date of deposit
- Principal Balance at December 31, 2023: $0
- Accrued Interest Balance at December 31, 2023: $0

Facilities Funding and Acquisition Agreement (Filing 1)

- Purpose: To fund public improvements within the District(s).
- Parties: CAB and Sterling Ranch LLC
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 11/20/2018
- Years Covered/Amended Years Covered (if applicable):
- Maximum Amount: $1,750,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2023: $1,630,305
- Accrued Interest Balance at December 31, 2023: $15,997

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.

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.

Subdivision Bond

On July 31, 2017, the CAB obtained a Subdivision Bond from Atlantic Specialty Insurance Company in the amount of $5,000,000, expanded July 1, 2021, to $7,000,000, and again on December 16, 2022, to $8,000,000 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, December 31, 2021, December 31, 2022, and extended again through December 31, 2023. The Board of County Commissioners of Douglas County, Colorado entitled to draw on the FirstBank LOC No. 1 pursuant to the terms of the Warranty Security IGA (discussed below).

NOTE 10 AGREEMENTS (CONTINUED)

Waterton Boulevard Infrastructure Development Agreement

On September 2, 2020, the CAB, Developer and the County entered into the Amended and Restated Waterton Boulevard Infrastructure Development Agreement (original agreement dated November 13, 2018), 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 preconstruction 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.

In-Tract Funding and Reimbursement Agreement

On December 16, 2020, the CAB and Sterling Ranch Development Company entered into the In-Tract Funding and Reimbursement Agreement, pursuant to which, the CAB agreed to reimburse Sterling Ranch Development Company for the costs of certain certified, district eligible, public improvements, defined as "In-Tract Improvements" either advanced or constructed by Sterling Ranch Development Company or others, such as home builders, upon the occurrence of certain circumstances and the provision of certain documents. Interest on cost verified public improvements or funds actually advanced for those improvements accrues at 8% simple interest from the later of the date of the agreement or the date of initial acceptance.

CAB Operation Funding Agreements

Pursuant to these Agreements certain designated private parties agreed to advance funds to CAB for designated operation and maintenance activities of CAB, including the payment of CAB consultants. Maximum amounts to be advanced, interest rates and duration vary by agreement. See below table for a listing of all Agreements in place during 2023.

Agreement	With	Entered | Effective	Duration	Original Amount	Amended | Effective	Amended Duration	Terms / Notes
Operation Funding Agreement	Hobbs Investments LLC	12/17/2015 | 01/01/2016	2016-2019	$ 6,850,000.00	11/15/2016 | 01/01/2016	2016-2025	8% per annum from date of deposit
2017-2019 Operation Funding Agreement	Sterling Ranch LLC	11/15/2016 | 01/01/2017	2017-2023	$ 39,000,000.00	12/15/2022 | 12/15/2022	12/31/2023	6.5% per annum from date of advancement
Operation Funding Agreement	Developer	11/21/2014 | 01/06/2014	8/1/2015	$ 800,000.00	06/29/2015 | 01/06/2014	12/1/2015	8% per annum from date of deposit

NOTE 10 AGREEMENTS (CONTINUED)

CAB Facilities Funding Agreements

Pursuant to these agreements, certain designated private parties agreed to make advances to CAB for defined purposes including organizational expenses and the development, construction, or acquisition of public improvements. These agreements do not constitute debt but are annual appropriation agreements intended to be repaid through future bond issuances. Maximum amounts to be advanced, applicable interest rates and duration vary by Agreement. See below table for a listing of all Agreements in place during 2023.

Agreement	With	Entered | Effective	Duration	Original Amount	Amended | Effective	Amended Duration	Amended Amount	Terms / Notes
Facilities Funding & Acquisition Agreement	Sterling Ranch Development	09/17/2014 | 01/06/2014	12/31/2021	$ 30,000,000.00	12/15/2021 | 12/15/2021	12/31/2022	$ 75,000,000.00	- 8% per annum - With the option of 2 one year extensions - All principle and interest repaid in 2022
Facilities Funding & Acquisition Agreement	Hobbs Investment LLC	06/29/2015 | 06/29/2015	12/31/2019	$ 30,000,000.00	12/15/2021 | 12/15/2021	12/31/2023	$ 75,000,000.00	- 8% per annum / repaid in full on April 2023
Facilities Funding Agreement	Sterling Ranch LLC	11/15/2016 | 11/15/2019	2016-2019	$ 84,000,000.00	12/15/2022 | 12/15/2022	12/31/2024	$ 40,000,000.00	- 6.5% per annum / converted to series 2023 A-1 Junior Subordinate Bond in April 2023 / Further advances taken in 2023 and repaid in 2024
Facilities Funding Agreement (Filing 1)	Sterling Ranch LLC	11/20/2018 | 11/20/2018	n/a	$ 1,750,000.00	n/a	n/a	n/a	- 8% per annum / no activity in 2023
Facilities Funding Agreement - Waterton Blvd IGA	Developer	09/02/2020 | 06/02/2020	n/a	n	n/a	n/a	n/a	Developer to advance funds for Waterton Blvd.

CAB Intergovernmental Agreements (IGA's)

The CAB has entered into multiple IGA's with Douglas County and Dominion Water and Sanitation District concerning the planning, design, and construction and maintenance of various public improvements including road, traffic, right-of-way, drainage, water, sewer, and storm sewer improvements both within and without the CAB boundaries. See below table for a listing of all Agreements in place during 2023.

Agreement	With	Entered | Effective	Duration	Amount	Terms / Notes
IGA Sterling Gulch	Douglas County	08/14/2018 | 08/14/2018	n/a	$ 260,906.00	Expires 12 months after completion of design
IGA Castle Rock Pipeline Project	Dominion	10/04/2018 | 10/04/2018	n/a	n/a	Using Dominion funds deposited in escrow account
IGA Titan Road / Roxborough Road	Douglas County	06/12/2018 | 06/12/2018	06/01/2018 - 06/01/2019	115% of cost estimate	2 year warranty period
IGA Willow Creek	Douglas County	10/09/2018 | 10/09/2018	n/a	$ 297,019.00	Drainage improvement in Willow Creek
IGA for Warranty Security	Douglas County	06/13/2017 | 06/13/2017	n/a	$ 500,000.00	Warranty for subdivision improvements Filing 1
Treated Water Emergency Intercon.	Roxborough Water and Sanitation	06/17/2021 | 06/17/2021	n/a	n/a	Continued water service in case of an emergency
Infrastructure Development Agreement (Moore Road)	Douglas County	07/12/2022 | 07/12/2022	n/a	$ 3,410,000.00	Expansion of Moore Road from Waterton Road to Titan Road Amended on 11/17/2022
IGA CAB and Distr. 7A & 7B for Operations Funding Agreement	Sterling Ranch Colorado Metropolitan Districts 1-7	03/16/2022 | 01/01/2022	n/a	n/a	Provides for transfer of subdistrict tax revenues (if any) to CAB and CAB provision of services to subdistricts

NOTE 10 AGREEMENTS (CONTINUED)

CAB SIA & IGA

The CAB has entered into multiple Subdivision Improvement Agreements and Intergovernmental Agreements with certain parties including Douglas County, Dominion Water and Sanitation District, and the Developer (depending on agreement) concerning the construction and provision of public improvements to support the development of Sterling Ranch. Covered improvements include landscape and park improvements, wholesale water and wastewater improvements, water treatment improvements, on and off-site grading, streets, sidewalks, and storm water improvements as specified within each Agreement. See below table for a listing of all Agreements in place during 2023.

Agreement	With	Entered | Effective	Amended | Effective	Amended Duration	Terms / Notes
SIA / IGA Filing 1	Developer/Dominion/ Roxborough/Douglas County	01/27/2015 | 01/27/2015	10/10/2017 | 10/10/2017	n/a	Construction of public improvements / CAB to provide a bond
SIA / IGA Filing 2	Developer/Douglas County	10/10/2017	n/a	n/a	Construction of public improvements
SIA / IGA Filing 2 | First Amendment	Sterling Ranch LLC & Board of County Commissioners	4/23/2019	n/a	n/a	Providing addition improvements to Tita Road, stormwater and Sterling Gulch
SIA / IGA Filing 4A	Dominion/Developer/Douglas County	8/14/2018	n/a	n/a	Construction of public improvements
SIA / IGA Filing 4A | First Amendment	Dominion/Developer/Douglas County	8/27/2019	n/a	n/a	Administrative amendments to the SIA
SIA / IGA Filing 4B	Dominion/Developer/Douglas County	10/23/2018	n/a	n/a	Construction of public improvements
SIA / IGA Filing 4C	Dominion/Developer/Douglas County	11/22/2018	n/a	n/a	Construction of public improvements
SIA / IGA Filing 3A	Dominion/Developer/Douglas County	7/9/2019	n/a	n/a	Construction of public improvements / Willow Creek / Waterton Road
SIA / IGA Filing 5A	Dominion/Developer/Douglas County	5/26/2020	n/a	n/a	Construction of public improvements / Middle Fork Extension / Sterling Gulch Phase II
SIA / IGA Filing 5B	Dominion/Developer/Douglas County	4/13/2021	n/a	n/a	Construction of public improvements
SIA / IGA Filing 3B	Dominion/Developer/Douglas County	10/13/2020	n/a	n/a	Construction of public improvements
SIA / IGA Filing 6A	Dominion/Developer/Douglas County	8/24/2021	n/a	n/a	Construction of public improvements
SIA / IGA Filing 6B	Dominion/Developer/Douglas County	12/7/2021	n/a	n/a	Construction of public improvements
SIA / IGA Filing 6C	Dominion/Developer/Douglas County	3/22/2022	n/a	n/a	Construction of public improvements

CAB Public Improvement Agreements

CAB is a party to a number of Public Improvement Agreements or Infrastructure Acquisition Agreements whereby certain designated parties, including Builders or the Developer, have agreed to construct certain public improvements on CAB owned property. CAB agreed to take ownership of the defined improvements upon completion and other terms specified in each Agreement. See below table for a listing of all Agreements in place during 2023.

Agreement	With	Entered	Terms / Notes
PIA Filing 4B, Amend. No 1	TriPointe Homes & Sterling Ranch LLC	11/26/2019	Builder will construct certain public improvements on CAB owned property
PIA Filing 3A	William Lyons Homes & Sterling Ranch LLC	1/14/2020	Builder will construct certain public improvements on CAB owned property
PIA Filing 4B, Amend. No 2	TriPointe Homes & Sterling Ranch LLC	10/23/2020	Builder will construct certain public improvements on CAB owned property
PIA Filing 3A, Phase 1B	Mertige Homes & Sterling Ranch LLC	12/11/2019	Builder will construct certain public improvements on CAB owned property
PIA Filing 3A, Phase 1A	DFH Mandarin & Sterling Ranch LLC	12/23/2019	Builder will construct certain public improvements on CAB owned property
Infrastructure Acquisition Swimmig Pool	Sterling Ranch Development Company	5/20/2020	Purchase of swimming pool for $361,223.00 at CAB owned rec center

NOTE 10 AGREEMENTS (CONTINUED)

CAB Cost Sharing Agreements

CAB is party to a number of Development and Cost Sharing Agreements and Joint Development Agreements with identified parties including the Developer, Hobbs, specified Builders, and escrow agents. Under these Agreements, each party thereto assumed certain defined responsibilities for the construction of various defined improvements and financial responsibility for the payment of such improvements to be built by others. Specific improvements vary by Agreement but include roads, right-of-way improvements, grading, public infrastructure, finished lot improvements and other improvements necessary to facilitate buildout of the community. Each Agreement contains provision for financial assurance, security and/or step-in rights. See below table for a listing of all Agreements in place during 2023.

NOTE 10 AGREEMENTS (CONTINUED)

Agreement	With	Entered | Effective	Security	Amount	Terms / Notes
DCSA Filing 1	Developer/Hobbs/Builders in Filing 1	11/5/2015		n/a	Financing and construction of certain improvement for lots in Filing 1
DCSA Filing 2	CalAtlantic Group	12/27/2017		n/a	CAB for construction of certain trunk and certain lot improvement in Filing 2 and CalAtlantic for foundation of drain system/over excavation of lots
JDA Filing 4A	Richmond, Taylor Morrison, Tri Pointe, Developer & First American Title Insurance	10/30/2018			CAB will cause construction for main trunk roads, utility mains & certain site grading, Richmond develops the lots & First American serves as escrow agent
JDA Filing 4B	Richmond, Taylor Morrison, Tri Pointe, Developer & First American Title Insurance	11/30/2018			CAB will cause construction for main trunk roads, utility mains & certain site grading, Richmond develops the lots & First American serves as escrow agent
JDA Filing 4B | First Amendment	Richmond, Taylor Morrison, Tri Pointe, Developer & First American Title Insurance	11/26/2019			Remove the CAB's obligation to build Fraser Road and release of associated funds
DCSA Filing 4C	Lennar, Developer & First American	12/27/2018			CAB is responsible to build trunk improvements and Lennar is responsible for lot improvements / CAB deposited $7,093,138 into construction account
DCSA Filing 4C	Richmond, Developer & Land Title Guaranty Company	7/30/2019			CAB is responsible to build trunk improvements and Richmond is responsible for lot improvements up to $3,290,000.00 (secured by LOC)
DCSA Filing 4C	Parkwood Homes, Developer & Land Title Guaranty Company	9/27/2019			CAB is responsible to build trunk improvements and Parkwood Homes is responsible for lot improvements up to $675,000.00 (secured by PN / deed of trust)
DCSA Filing 3A Phases 1C & 1D	Developer, William Lyon Homes & Meritage homes	1/14/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements. Lennar joined the agreement on 03/26/2020
DCSA Filing 3A Phase 1B	Developer & Meritage	12/11/2019			CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $4,103,642.
DCSA Filing 3A Phase 1E &1F	Developer, Meritage & Lennar	3/26/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
DCSA Filing 3B Phases 2B-A,3B-B & 3B-C	Developer & Lennar	11/20/2020			CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $10,608,000.00.
DCSA Filing 3B Phase 3B-N-A2	Developer & TFCC	12/17/2020			CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $1,551,413
DCSA Filing 3A Phase 1A	Developer & Dream Finder Homes	12/23/2019			CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $2,014,000.00 / amended on 02/14/2020
In-Tract Improvement Agreement - Filing 2 Superblock	Sterling Ranch Development Company, First American Title and DFC Sterling Ranch	3/13/2019	Performance Bond and corporate guaranty by DFC	$ 1,560,000.00	DFC Sterling Ranch, LLC will provide funding for the improvements up to $1,560,000 to be adjusted based on the final lot count.
In-Tract Improvement Agreement - Filing 4A Superblock	Sterling Ranch Development Company, First American Title and DFC Sterling Ranch	3/19/2019	Performance Bond and corporate guaranty by DFC	$ 1,440,000.00	DFC Sterling Ranch will provide funding for the improvements up to $1,440,000
DCSA Filing 5A, Phase 1	Developer, Tri Pointe	7/30/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
DCSA Filing 5A, Phase 2	Dreamfinders, TFCC, Developer	12/23/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
PCCA Filing 5A	Pulte, Developer	12/30/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
PCCA Filing 5B	Pulte, Developer	6/17/2021			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
PCCA Filing 6A	Developer & Richmond	10/2/2021	LOC	$ 12,193,893.00	CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $12,193,893.00
infrastructure Acquisition Agreement 6A	Sterling Ranch LLC & Richmond American Homes	10/6/2022		$ 2,521,678.00	CAB re-payment to Sterling Ranch LLC for public improvement constructed by Richmond American Homes

NOTE 10 AGREEMENTS (CONTINUED)

CAB Tap and Facilities Agreements

CAB has entered into multiple Tab and Facilities Fee Purchase Agreements with Builders specific to certain areas of development. Pursuant to each such Agreement, Builders or the Developer agreed to pay to CAB certain adopted tap and facilities fees on a scheduled basis to the CAB as a partial funding source for designated on-site and off-site improvements. Specific improvements vary by Agreement. Each Builder's obligation is secured by various arrangements including bonds, letters of credit, or other CAB approved security. A portion of fees may be pledged to debt, other CAB obligations or paid over to Dominion as specified in each Agreement. See below table for a listing of all Agreements in place during 2023.

Agreement	With	Entered	Payment Status	Terms / Notes
Tap and Facilities Fee Purchase Agreement Filing 1	Each Builder	11/5/2015	Paid in full	CalAtlantic, Brookfield, Richmond, Meritage a
Tap and Facilities Fee Purchase Agreement Filing 4A	Richmond, Taylor Morrison & TriPointe	10/30/2018	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 4B	Each Builder	11/30/2018	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 4B / First Amen	Taylor Morrison	4/12/2019	Paid in full	Adjustment to the irrevocable letter of credit
Tap and Facilities Fee Purchase Agreement Filing 4C	Lennar	12/27/2018	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 2 / Amendmen	DFC & First American Title Insurance Company	3/13/2019	Paid in full	Payment was made and obligatin was cancell
Tap and Facilities Fee Purchase Agreement Filing 4C	Richmond & Land Title Guaranty Company	7/30/2019	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 4C	Parkwood & Land Title Guaranty Company	9/27/2019	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 4B / Amendme	TriPointe & Land Title Guaranty Company	11/26/2019	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 3A, Phase 1A	DFH Mandarin & Land Title Guaranty Company	12/23/2019	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 3A, Phase 1B	Meritage Homes & Land Title Guaranty Company	12/11/2019	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 3A	William Lyon, Lennar & Land Title Guarantee Copmany	1/14/2020	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 5A	TriPointe & Land Title Guaranty Company	7/30/2020	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 5A	TriPointe & Land Title Guaranty Company	12/23/2020	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 5A	TFCC & Land Title Guaranty Company	12/23/2020	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 5A	Pulte & Land Title Guaranty Company	12/30/2020	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 5B	Pulte & Land Title Guaranty Company	6/17/2021	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 4B / Amendme	TriPointe & Land Title Guaranty Company	10/23/2020	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 3B	Lennar & Land Title Guarantee Company	11/20/2020	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 3B	TFCC & Land Title Guaranty Company	12/17/2020	Paid in full	Funding public improvements
Tap Pre-Purchase Agreement and Collateral Assignement F4B, A	Sterling Ranch Development and Land Title Guaranty Company	12/20/2019	Paid in full	Pre-payment of tap & facilities fees to the CAB, ultimately owed by Builder (Tri-Pointe)
Tap and Facilities Fee Purchase Agreement Filing 6A	Richmond	10/2/2021	Paid in full	Funding public improvements
Tap and Facilities Fees Pre-Purchase Agreement (Filing 6B & 6C)	Sterling Ranch LLC	11/28/2022	n/a	Amount not to exceed $2,640,000.00

NOTE 11 INTERFUND TRANSFERS

TRANSFER FROM

TRANSFER TO	General		Water and Wastewater Services		Debt Service Fund-2017 Bonds	Debt Service Fund-2022 Bonds		Debt Service Fund-2023 Bonds		CPF-Filing 1 Intract Improvements		CPF-Filing 2-7 Trunk Improvements		CPF-Filing 2-7 Intract Improvements		Total
General Fund	$ -		$ 919,276	(2)	$ -	$ 10,000	(9)	$ 9,000	(9)	$ -		$ -		$ -		$ 938,276
Resident Support Services	797,590	(3)	137,142	(2)	-	-		-		-		-		-		934,732
Debt Service Fund-O&M Note	3,086,160	(1)	2,944,792	(1)	-	-		-		-		-		-		6,030,952
Debt Service Fund-Facilities Note	-		-		-	-		3,794,326	(5)	-		-		-		3,794,326
Debt Service Fund-2022 Bonds	10,000	(2)	-		76,092	-		-		-		1,693,783	(7)	-		1,779,876
Debt Service Fund-2023 Bonds	-		10,862	(2)	-	12,000	(9)	4,000	(9)	-		-		-		26,862
CPF - General & Preconst.	-		221,075	(2/6)	-	-		5,025	(9)	456,974	(9)	298,607	(4)	5,216	(2)	986,896
CPF-Filing 1 Trunk Improvements	-		145,996	(6)	-	-		-		408,670		65,893	(4)	299,986	(2)	920,545
CPF-Filing 2-7 Trunk Improvements	-		12,577	(6)	-	-		20,287,553	(8)	533,719		-		680,702	(2)	21,514,551
CPF-Filing 2-7 Intract Improvements	-		134	(6)	-	-		87,546,425	(8)	42,544		320,395	(4)	-		87,909,497
Total	$ 3,893,750		$ 4,391,853		$ 76,092	$ 22,000		$ 111,646,329		$ 1,441,907		$ 2,378,678		$ 985,904		$ 124,836,514

(1) Revenues required to be transferred for repayment of O&M Note
(2) Transfer revenues to fund expenditures
(3) Transfer activity related to resident support services
(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 funds prepurchased taps to fund DS
(8) Transfer bond proceeds to fund developer advance repayments
(9) Close out Cost of Issuance Fund

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 (the 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
COMBINING BALANCE SHEET -
DEBT SERVICE FUNDS
DECEMBER 31, 2023

	Debt Service - 2017 Bonds	Debt Service - 2019 Bonds	Debt Service - 2020 Bonds	Debt Service - 2022 Bonds	Debt Service - 2023 Bonds	Debt Service - O&M Note	Debt Service - Facilities Note	Debt Service Combined
ASSETS								
Cash and Investments - Restricted	$ -	$ -	$ 2,036,645	$ 3,144,063	$ -	$ -	$ -	$ 5,180,708
Receivables, Net	-	-	12,159	12,776	-	-	-	24,935
Total Assets	$ -	$ -	$ 2,048,804	$ 3,156,839	$ -	$ -	$ -	$ 5,205,643
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	$ -	$ -	$ 3,500	$ -	$ -	$ -	$ -	$ 3,500
Tap Fee Credits Payable	-	-	-	360,000	-	-	-	360,000
Total Liabilities	-	-	3,500	360,000	-	-	-	363,500
DEFERRED INFLOWS OF RESOURCES								
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Restricted for:								
Debt Service	-	-	2,045,304	2,796,839	-	-	-	4,842,143
Total Fund Balances	-	-	2,045,304	2,796,839	-	-	-	4,842,143
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ -	$ -	$ 2,048,804	$ 3,156,839	$ -	$ -	$ -	$ 5,205,643

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	Debt Service - 2017 Bonds	Debt Service - 2019 Bonds	Debt Service - 2020 Bonds	Debt Service - 2022 Bonds	Debt Service - 2023 Bonds	Debt Service - O&M Note	Debt Service - Facilities Note	Debt Service Combined
REVENUES								
Net Investment Income	$ 43	$ -	$ 138,391	$ 141,998	$ 14,138	$ -	$ -	$ 294,570
Facilities Fees	-	-	-	1,464,000	-	-	-	1,464,000
Tap Fees	-	-	-	732,000	-	-	-	732,000
Transfers from SRMD 2	-	-	2,185,917	-	-	-	-	2,185,917
Transfers from SRMD 3	-	-	-	2,295,992	-	-	-	2,295,992
Total Revenues	43	-	2,324,308	4,633,990	14,138	-	-	6,972,479
EXPENDITURES								
Debt Service:								
Interest Payment	-	-	1,711,442	6,637,965	362	182,195	151,919	8,683,883
Principal Payment	-	-	619,000	-	-	5,848,757	3,642,407	10,110,164
Cost of Issuance	-	-		-	648,790	-	-	648,790
Trustee/Paying Agent Fees	-	-	9,500	4,000	4,000	-	-	17,500
Total Expenditures	-	-	2,339,942	6,641,965	653,152	6,030,952	3,794,326	19,460,337
EXCESS OF REVENUES OVER EXPENDITURES	43	-	(15,634)	(2,007,975)	(639,014)	(6,030,952)	(3,794,326)	(12,487,858)
OTHER FINANCING SOURCES (USES)								
Bond Issuance	-	-	-	-	111,927,481	-	-	111,927,481
SR Entities Cash Advances	-	2,500	3,500	4,000	337,000	-	-	347,000
Transfers From Other Funds	-	-	-	1,779,876	26,862	6,030,952	3,794,326	11,632,016
Transfers To Other Funds	(76,092)	-	-	(22,000)	(111,646,329)	-	-	(111,744,421)
	(76,092)	2,500	3,500	1,761,876	645,014	6,030,952	3,794,326	12,162,076
NET CHANGE IN FUND BALANCES	(76,049)	2,500	(12,134)	(246,099)	6,000	-	-	(325,782)
Fund Balances - Beginning of Year	76,049	(2,500)	2,057,438	3,042,938	(6,000)	-	-	5,167,925
FUND BALANCES - END OF YEAR	$ -	$ -	$ 2,045,304	$ 2,796,839	$ -	$ -	$ -	$ 4,842,143

See accompanying Notes to Basic Financial Statements.

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, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ 952	$ 43	$ (909)
Total Revenues	-	952	43	(909)
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	952	43	(909)
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds	-	(77,000)	(76,092)	908
Total Other Financing Sources (Uses)	-	(77,000)	(76,092)	908
NET CHANGE IN FUND BALANCE	-	(76,048)	(76,049)	(1)
Fund Balance - Beginning of Year	-	76,048	76,049	1
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

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, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Other Income	$ -	$ 3,000	$ -	$ (3,000)
Total Revenues	-	3,000	-	(3,000)
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	3,000	-	(3,000)
OTHER FINANCING SOURCES (USES)				
SR Entities Cash Advances	-	-	2,500	2,500
Transfers To Other Funds	-	(3,000)	-	3,000
Total Other Financing Sources (Uses)	-	(3,000)	2,500	5,500
NET CHANGE IN FUND BALANCE	-	-	2,500	2,500
Fund Balance - Beginning of Year	-	-	(2,500)	(2,500)
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

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, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ -	$ 138,391	$ 138,391
Transfers from SRMD 2	2,184,408	2,184,408	2,185,917	1,509
Total Revenues	2,184,408	2,184,408	2,324,308	139,900
EXPENDITURES				
Trustee/Paying Agent Fees	6,000	6,000	9,500	(3,500)
Interest Payment	1,690,408	1,865,500	1,711,442	154,058
Principal Payment	488,000	465,000	619,000	(154,000)
Total Expenditures	2,184,408	2,336,500	2,339,942	(3,442)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(152,092)	(15,634)	136,458
OTHER FINANCING SOURCES (USES)				
SR Entities Cash Advances	-	-	3,500	3,500
Transfers To Other Funds	-	(3,500)	-	3,500
Total Other Financing Sources (Uses)	-	(3,500)	3,500	7,000
NET CHANGE IN FUND BALANCE	-	(155,592)	(12,134)	143,458
Fund Balance - Beginning of Year	1,994,000	1,994,000	2,057,438	63,438
FUND BALANCE - END OF YEAR	$ 1,994,000	$ 1,838,408	$ 2,045,304	$ 206,896

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2022 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ -	$ 141,998	$ 141,998
Facilities Fees	-	1,464,000	1,464,000
Tap Fees	-	732,000	732,000
Transfers from SRMD 3	2,413,214	2,295,992	(117,222)
Total Revenues	2,413,214	4,633,990	2,220,776
EXPENDITURES			
Trustee/Paying Agent Fees	6,000	4,000	2,000
Interest Payment	3,714,250	6,637,965	(2,923,715)
Principal Payment	100,000	-	100,000
Total Expenditures	3,820,250	6,641,965	(2,821,715)
EXCESS OF REVENUES UNDER EXPENDITURES	(1,407,036)	(2,007,975)	(600,939)
OTHER FINANCING SOURCES (USES)			
SR Entities Cash Advances	-	4,000	4,000
Transfers From Other Funds	-	1,779,876	1,779,876
Transfers To Other Funds	(7,272,246)	(22,000)	7,250,246
Total Other Financing Sources (Uses)	(7,272,246)	1,761,876	9,034,122
NET CHANGE IN FUND BALANCE	(8,679,282)	(246,099)	8,433,183
Fund Balance - Beginning of Year	14,096,700	3,042,938	(11,053,762)
FUND BALANCE - END OF YEAR	$ 5,417,418	$ 2,796,839	$ (2,620,579)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2023 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ -	$ 14,138	$ 14,138
Total Revenues	-	-	14,138	14,138
EXPENDITURES				
Trustee/Paying Agent Fees	6,000	6,000	4,000	2,000
Interest Payment	-	400	362	38
Cost of Issuance	1,500,000	691,600	648,790	42,810
Total Expenditures	1,506,000	698,000	653,152	44,848
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,506,000)	(698,000)	(639,014)	58,986
OTHER FINANCING SOURCES (USES)				
Bond Issuance	20,000,000	112,300,000	111,927,481	(372,519)
SR Entities Cash Advances	-	-	337,000	337,000
Transfers From Other Funds	-	-	26,862	26,862
Transfers To Other Funds	(1,550,000)	(111,602,000)	(111,646,329)	(44,329)
Total Other Financing Sources (Uses)	18,450,000	698,000	645,014	(52,986)
NET CHANGE IN FUND BALANCE	16,944,000	-	6,000	6,000
Fund Balance - Beginning of Year	24,019	-	(6,000)	(6,000)
FUND BALANCE - END OF YEAR	$ 16,968,019	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

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, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES	$ -	$ -	$ -
Total Revenues	-	-	-
EXPENDITURES			
Interest Payment	1,855,387	182,195	1,673,192
Principal Payment	7,421,548	5,848,757	1,572,791
Total Expenditures	9,276,935	6,030,952	3,245,983
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,276,935)	(6,030,952)	3,245,983
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	9,276,935	6,030,952	(3,245,983)
Total Other Financing Sources (Uses)	9,276,935	6,030,952	(3,245,983)
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

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, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Interest Payment	-	152,000	151,919	81
Principal Payment	-	3,643,000	3,642,407	593
Total Expenditures	-	3,795,000	3,794,326	674
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,795,000)	(3,794,326)	674
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	3,795,000	3,794,326	(674)
Total Other Financing Sources (Uses)	-	3,795,000	3,794,326	(674)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

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, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Reimbursed Expenses	$ 1,597,320	$ -	$ (1,597,320)
Total Revenues	1,597,320	-	(1,597,320)
EXPENDITURES			
Cost Verifications/Certifications	50,000	24,458	25,542
CDOT Fees	1,597,320	-	1,597,320
LOC Fees	25,000	-	25,000
Legal	-	7,572	(7,572)
Salary/ Benefits/ Payroll Tax	736,256	399,996	336,260
Engineering and Management	300,000	500,943	(200,943)
Parks/Landscape/Streets	425,000	170,789	254,211
Streets	705,000	89,115	615,885
Sanitation	-	102,218	(102,218)
Streets - Grading & Erosion	250,000	205,438	44,562
Total Expenditures	4,088,576	1,500,529	2,588,047
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,491,256)	(1,500,529)	990,727
OTHER FINANCING SOURCES (USES)			
SR Entities Cash Advances	811,256	581,290	(229,966)
Transfers From Other Funds	1,680,000	986,896	(693,104)
Total Other Financing Sources (Uses)	2,491,256	1,568,186	(923,070)
NET CHANGE IN FUND BALANCE	-	67,657	67,657
Fund Balance - Beginning of Year	169,931	(568,920)	(738,851)
FUND BALANCE - END OF YEAR	$ 169,931	$ (501,263)	$ (671,194)

See accompanying Notes to Basic Financial Statements.

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, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ 5,495	$ 5,925	$ 430
Total Revenues	-	5,495	5,925	430
EXPENDITURES				
Engineering And Management	-	3,712	3,712	-
Parks And Rec (Landscaping)	-	1,144	1,144	-
Streets	-	1,008,837	1,008,837	-
Overlot Grading	-	161,307	145,996	15,311
Total Expenditures	-	1,175,000	1,159,689	15,311
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,169,505)	(1,153,764)	15,741
OTHER FINANCING SOURCES (USES)				
SR Entities Cash Advances	-	276,393	276,393	-
Transfers From Other Funds	-	921,221	920,545	(676)
Total Other Financing Sources (Uses)	-	1,197,614	1,196,938	(676)
NET CHANGE IN FUND BALANCE	-	28,109	43,174	15,065
Fund Balance - Beginning of Year	-	-	(31,048)	(31,048)
FUND BALANCE - END OF YEAR	$ -	$ 28,109	$ 12,126	$ (15,983)

See accompanying Notes to Basic Financial Statements.

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, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Builder Funds	$ -	$ 1,740,133	$ 1,355,966	$ (384,167)
Net Investment Income	-	9,867	9,437	(430)
Total Revenues	-	1,750,000	1,365,403	(384,597)
EXPENDITURES				
Damage Deposit Release	-	303,070	296,784	6,286
Warranty	-	1,930	1,930	-
Total Expenditures	-	305,000	298,714	6,286
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,445,000	1,066,689	(378,311)
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds	-	(1,445,000)	(1,441,907)	3,093
Total Other Financing Sources (Uses)	-	(1,445,000)	(1,441,907)	3,093
NET CHANGE IN FUND BALANCE	-	-	(375,218)	(375,218)
Fund Balance - Beginning of Year	-	-	533,819	533,819
FUND BALANCE - END OF YEAR	$ -	$ -	$ 158,601	$ 158,601

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – FILING 2-14 – TRUNK IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Other Income	$ -	$ 3,549	$ 3,549	$ -
Facilities Fees	2,044,255	2,044,255	572,790	(1,471,465)
Tap Fees	1,509,395	4,772,060	749,870	(4,022,190)
Reimbursed Expenditures	300,736	300,000	300,000	-
Total Revenues	3,854,386	7,119,864	1,626,209	(5,493,655)
EXPENDITURES				
Contingency	50,000	-	-	-
Miscellaneous	-	11,557	11,557	-
Project Management Fee	-	47,241	47,241	-
Engineering And Management	1,350,000	1,302,270	1,302,270	-
Parks/Landscape/Street Maintenance	250,000	-	-	-
Parks And Rec (Landscaping)	5,397,511	2,282,623	2,085,243	197,380
Traffic And Safety Control	-	10,031	10,031	-
Streets	1,590,000	872,255	848,539	23,716
Storm Sewer	-	306,734	306,734	-
Water	1,232,786	-	-	-
Dry Utilities	-	99,005	99,005	-
Back Charge	-	3,704	3,704	-
Streets - Grading & Erosion	1,126,335	79,022	76,364	2,658
Total Expenditures	10,996,632	5,014,442	4,790,688	223,754
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,142,246)	2,105,422	(3,164,479)	(5,269,901)
OTHER FINANCING SOURCES (USES)				
SR Entities Cash Advances	-	1,585,319	1,585,319	-
Repayment To Sterling Ranch Entities	-	(20,287,554)	(20,287,554)	-
Transfers From Other Funds	7,142,246	19,244,817	21,514,551	2,269,734
Transfers To Other Funds	-	(2,648,004)	(2,378,678)	269,326
Total Other Financing Sources (Uses)	7,142,246	(2,105,422)	433,638	2,539,060
NET CHANGE IN FUND BALANCE	-	-	(2,730,841)	(2,730,841)
Fund Balance - Beginning of Year	878,654	-	1,446,753	1,446,753
FUND BALANCE - END OF YEAR	$ 878,654	$ -	$ (1,284,088)	$ (1,284,088)

See accompanying Notes to Basic Financial Statements.

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, 2023

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Reimbursed Expenditures	$ -	$ 10,348	$ 10,348	$ -
Builder Funds	-	2,753,789	2,458,666	(295,123)
Net Investment Income	-	17,801	17,800	(1)
Builder Damage Deposit	-	46,575	46,575	-
Total Revenues	-	2,828,513	2,533,389	(295,124)
EXPENDITURES				
Project Management Fee	-	24,491	24,491	-
Engineering And Management	-	23,935	26,203	(2,268)
Landscape	-	-	1,308,089	(1,308,089)
Streets	-	2,859,258	1,270,141	1,589,117
Storm Sewer	-	23,880	23,879	1
Water	-	8,381	8,381	-
Back Charge	-	13,630	13,630	-
Total Expenditures	-	2,953,575	2,674,814	278,761
EXCESS OF REVENUES UNDER EXPENDITURES	-	(125,062)	(141,425)	(16,363)
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	87,928,590	87,909,497	(19,093)
Transfers To Other Funds	-	(1,500,000)	(985,904)	514,096
Repayment To Sterling Ranch Entities	-	(87,546,425)	(87,546,425)	-
Total Other Financing Sources (Uses)	-	(1,117,835)	(622,832)	495,003
NET CHANGE IN FUND BALANCE	-	(1,242,897)	(764,257)	478,640
Fund Balance - Beginning of Year	-	1,242,897	1,242,898	1
FUND BALANCE - END OF YEAR	$ -	$ -	$ 478,641	$ 478,641

See accompanying Notes to Basic Financial Statements.

OTHER INFORMATION

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023

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
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	$ 34,635,000	$ 25,439,706	$ 60,074,706

Bonds and Interest Maturing in the Year Ending December 31,	$99,745,000 Limited Tax Supported and Special Revenue District No. 3 Refunding and Improvement Bonds Series 2022 Dated November 01, 2022 Principal Due December 1, Interest Rate of 5.800 - 6.750% Payable June 1 and December 1		
	Principal	Interest	Total
2024	$ -	$ 6,619,578	$ 6,619,578
2025	-	6,619,578	6,619,578
2026	-	6,619,578	6,619,578
2027	415,000	6,619,578	7,034,578
2028	820,000	6,595,508	7,415,508
2029	865,000	6,547,948	7,412,948
2030	1,065,000	6,497,778	7,562,778
2031	1,125,000	6,436,008	7,561,008
2032	1,340,000	6,370,758	7,710,758
2033	1,420,000	6,293,038	7,713,038
2034	1,665,000	6,200,738	7,865,738
2035	1,775,000	6,092,513	7,867,513
2036	2,045,000	5,977,138	8,022,138
2037	2,180,000	5,844,213	8,024,213
2038	2,480,000	5,702,513	8,182,513
2039	2,640,000	5,541,313	8,181,313
2040	2,975,000	5,369,713	8,344,713
2041	3,170,000	5,176,338	8,346,338
2042	3,540,000	4,970,288	8,510,288
2043	3,770,000	4,740,188	8,510,188
2044	4,195,000	4,485,713	8,680,713
2045	4,480,000	4,202,550	8,682,550
2046	4,955,000	3,900,150	8,855,150
2047	5,285,000	3,565,687	8,850,687
2048	5,820,000	3,208,950	9,028,950
2049	6,215,000	2,816,100	9,031,100
2050	6,815,000	2,396,588	9,211,588
2051	7,275,000	1,936,575	9,211,575
2052	7,945,000	1,445,513	9,390,513
2053	13,470,000	909,225	14,379,225
Total	$ 99,745,000	$ 149,701,356	$ 249,446,356

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2023

Bonds and Interest Maturing in the Year Ending December 31,	Totals		
	Principal	Interest	Total
2024	$ 515,000	$ 8,001,684	$ 8,516,684
2025	535,000	7,984,303	8,519,303
2026	590,000	7,966,247	8,556,247
2027	1,025,000	7,946,334	8,971,334
2028	1,485,000	7,901,677	9,386,677
2029	1,555,000	7,831,673	9,386,673
2030	1,815,000	7,758,216	9,573,216
2031	1,900,000	7,671,133	9,571,133
2032	2,185,000	7,576,821	9,761,821
2033	2,300,000	7,467,413	9,767,413
2034	2,615,000	7,342,113	9,957,113
2035	2,760,000	7,198,263	9,958,263
2036	3,110,000	7,045,951	10,155,951
2037	3,285,000	6,873,088	10,158,088
2038	3,670,000	6,689,951	10,359,951
2039	3,875,000	6,484,126	10,359,126
2040	4,300,000	6,266,213	10,566,213
2041	4,540,000	6,023,151	10,563,151
2042	5,015,000	5,758,876	10,773,876
2043	5,305,000	5,466,088	10,771,088
2044	5,840,000	5,146,376	10,986,376
2045	6,195,000	4,793,300	10,988,300
2046	6,790,000	4,418,013	11,208,013
2047	7,200,000	4,005,562	11,205,562
2048	7,860,000	3,567,438	11,427,438
2049	8,345,000	3,087,888	11,432,888
2050	11,080,000	2,577,851	13,657,851
2051	7,275,000	1,936,575	9,211,575
2052	7,945,000	1,445,513	9,390,513
2053	13,470,000	909,225	14,379,225
Total	$ 134,380,000	$ 175,141,062	$ 309,521,062