

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**SKY RANCH COMMUNITY AUTHORITY BOARD
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Independent Auditors' Report

Members of the Board of Directors
SKY RANCH COMMUNITY AUTHORITY BOARD

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of SKY RANCH COMMUNITY AUTHORITY BOARD (the CAB) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the CAB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of SKY RANCH COMMUNITY AUTHORITY BOARD, as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SKY RANCH COMMUNITY AUTHORITY BOARD's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

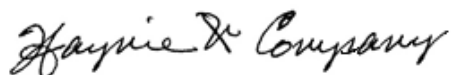
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SKY RANCH COMMUNITY AUTHORITY BOARD's financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as listed in the table of contents, included in the annual report. 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 thereon.

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.



Littleton, Colorado
June 24, 2025

**SKY RANCH COMMUNITY AUTHORITY BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

The following is management's discussion and analysis (MD&A) of the financial activities of the Sky Ranch Community Authority Board (the CAB) for the year ended December 31, 2024. This information should be read in conjunction with the basic financial statements which follow.

BACKGROUND INFORMATION

Pursuant to a Community Authority Board Establishment Agreement, as the same may be amended from time to time, Sky Ranch Metropolitan District No. 1, Sky Ranch Metropolitan District No. 3, and Sky Ranch Metropolitan District No. 5 (collectively, the CAB Districts) formed the CAB to, among other things, design, construct, finance, operate and maintain certain public improvements for the benefit of the property within the boundaries and/or service area of the CAB Districts. In order for the public improvements to be constructed and/or acquired, it is necessary for each of the CAB Districts, directly or through the CAB, to be able to fund the improvements and pay its ongoing operations and maintenance expenses related to the provision of services that benefit the property. The CAB entered into agreements with Pure Cycle Corporation (the Developer) in November 2017, June 2018 and August 2021, requiring the Developer to fund expenses related to the construction of an agreed upon list of improvements for the Sky Ranch property.

FINANCIAL HIGHLIGHTS

- Total assets of \$57.5 million, an increase of \$13.2 million or 29.8% from 2023
- Total liabilities of \$91.8 million, an increase of \$16.3 million or 21.6% from 2023
- Total revenues of approximately \$3.8 million, a decrease of \$0.3 million or 7% from 2023
- Developer advances were \$15.9 million, an increase of \$4.8 million or 43.2% from 2023
- The outstanding Developer advances as of December 31, 2024 were \$35.7 million, an increase of \$6.8 million or 23.5% from 2023.
- Capital asset additions were \$16 million in 2024.
- The above changes were largely due to the development of Sky Ranch which began in 2018.
- The CAB issued \$21.9 million in general obligation bonds in 2024 to refund Series 2019 Bonds and repaid a portion of outstanding Developer Advances.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

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

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

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

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

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

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

FINANCIAL ANALYSIS

Net Position

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

Table 1 – Condensed Statements of Net Position

	<u>As of December 31,</u>		<u>Year-to-year Changes</u>	
	<u>2024</u>	<u>2023</u>	<u>\$</u>	<u>%</u>
Cash and Other Assets	\$ 4,034,754	\$ 6,249,905	\$ (2,215,151)	(35.4)%
Capital Assets	53,707,211	38,097,466	15,609,745	41.0%
Total Assets	<u>57,741,965</u>	<u>44,347,371</u>	<u>13,394,594</u>	<u>30.2%</u>
Accounts Payable	807,546	1,005,449	(197,903)	(19.7)%
Other Liabilities	90,961,733	74,453,246	16,508,487	22.2%
Total Liabilities	<u>91,769,279</u>	<u>75,458,695</u>	<u>16,310,584</u>	<u>21.6%</u>
Net Position:				
Net Investment in Capital Assets	(7,114,999)	(13,080,532)	5,965,533	--%
Restricted	43,400	139,206	(95,806)	(68.8)%
Unrestricted	<u>(26,955,715)</u>	<u>(18,169,998)</u>	<u>(8,785,717)</u>	<u>48.4%</u>
Total Net Position	<u><u>\$ (34,027,314)</u></u>	<u><u>\$ (31,111,324)</u></u>	<u><u>\$ (2,915,990)</u></u>	<u><u>9.4%</u></u>

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

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

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024**

Change in Net Position

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

**Table 2 – Condensed Statement of Revenue, Expenses and Changes in Net Position
Year Ended December 31, 2024**

Program Revenues	\$ 3,416,576
Nonoperating Revenues	350,790
Total Revenues	3,767,366
Operating Expenses	1,505,791
Interest and Debt-Related Expenses	5,177,565
Total Expenses	6,683,356
Change in Net Position	(2,915,990)
Beginning Net Position	(31,111,324)
Ending Net Position	\$ (34,027,314)

Interest and debt-related expenses are related to the Series 2022 Bonds, Series 2024 Bonds, and Developer Advances as described in the notes to the basic financial statements.

Capital Asset Activity

The CAB's capital assets at December 31, 2024, totaled \$53.6 million, consisting of construction in progress and Capital Assets, Being Depreciated. Capital asset additions in 2024 were \$16 million, the majority of which related to public improvements at Sky Ranch.

Long-Term Obligations

As of December 31, 2024, the CAB had outstanding debts in the form of bonds and advances totaling \$88.5 million. Detailed information on the CAB's long-term obligations is presented in Note 5 of the financial statements.

REQUESTS FOR INFORMATION

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

Sky Ranch Community Authority Board
2001 16th St, Ste. 1700
Denver, CO 80202
Cathee.Sutton@claconnect.com

BASIC FINANCIAL STATEMENTS

**SKY RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 298,829
Cash and Investments - Restricted	3,189,381
Prepaid Expenses	40,482
Accounts Receivable	265,756
Due from Sky Ranch Metropolitan Districts Nos. 1, 3, and 5	14,253
Deposits - SEMSWA	38,010
Capital Assets, Not Being Depreciated	41,944,378
Capital Assets, Net of Accumulated Depreciation	11,762,833
Total Assets	57,553,922
DEFERRED OUTFLOW OF RESOURCES	
Cost of Refunding	188,043
Total Deferred Outflows of Resources	188,043
LIABILITIES	
Accounts Payable	807,546
Retainage Payable	790,361
Accrued Interest Payable - Bonds	1,627,665
Long-Term Liabilities:	
Due Within One Year	85,000
Due in More Than One Year	88,458,707
Total Liabilities	91,769,279
NET POSITION	
Net Investment in Capital Assets	(7,114,999)
Restricted For:	
Emergency Reserves	43,400
Unrestricted	(26,955,715)
Total Net Position	\$ (34,027,314)

See accompanying Notes to Basic Financial Statements.

**SKY RANCH COMMUNITY AUTHORITY BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Operations and Maintenance	Alley Assessment Fee	Debt Service 2024 Bonds	Debt Service 2022 Bonds	Capital Projects	Regional Improvements	Total Governmental Funds
ASSETS								
Cash and Investments	\$ 243,677	\$ 22,963	\$ 32,189	\$ -	\$ -	\$ -	\$ -	\$ 298,829
Cash and Investments - Restricted	27,100	15,800	500	25,529	3,109,944	1,862	8,646	3,189,381
Prepaid Expenses	32,982	-	-	7,500	-	-	-	40,482
Accounts Receivable	231,246	33,781	729	-	-	-	-	265,756
Due from Sky Ranch Metropolitan Districts Nos. 1,3, and 5	2,767	-	-	6,816	2,093	-	2,577	14,253
Deposits - SEMSWA	-	-	-	-	-	38,010	-	38,010
Total Assets	\$ 537,772	\$ 72,544	\$ 33,418	\$ 39,845	\$ 3,112,037	\$ 39,872	\$ 11,223	\$ 3,846,711
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 75,086	\$ 25,428	\$ -	\$ -	\$ -	\$ 707,032	\$ -	\$ 807,546
Retainage Payable	-	-	-	-	-	790,361	-	790,361
Total Liabilities	75,086	25,428	-	-	-	1,497,393	-	1,597,907
FUND BALANCES								
Nonspendable:								
Prepaid Expenses	32,982	-	-	7,500	-	-	-	40,482
Restricted For:								
Emergency Reserve	27,100	15,800	500	-	-	-	-	43,400
Debt Service	-	-	-	32,345	3,112,037	-	-	3,144,382
Regional Improvements	-	-	-	-	-	-	11,223	11,223
Assigned:								
Operations and Maintenance Funded in Subsequent Year	-	31,316	32,918	-	-	-	-	64,234
Unassigned:								
General Government	402,604	-	-	-	-	-	-	402,604
Capital Projects	-	-	-	-	-	(1,457,521)	-	(1,457,521)
Total Fund Balances	462,686	47,116	33,418	39,845	3,112,037	(1,457,521)	11,223	2,248,804
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 537,772	\$ 72,544	\$ 33,418	\$ 39,845	\$ 3,112,037	\$ 39,872	\$ 11,223	\$ 3,846,711

See accompanying Notes to Basic Financial Statements.

**SKY RANCH COMMUNITY AUTHORITY BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

Fund Balances - Total Governmental Funds	\$ 2,248,804
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets, Not Being Depreciated	53,707,211
Other long-term assets are not available to pay for current expenditures and therefore, are deferred in the funds.	
Cost of Refunding	188,043
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.	
Bonds Payable	(51,572,636)
Accrued Interest Payable - Bonds	(1,627,665)
Developer Advance Payable	(32,145,174)
Developer Advance Payable - Project Management	(3,561,374)
Accrued Interest Payable - Developer Advances	<u>(1,264,523)</u>
Net Position of Governmental Activities	<u><u>\$ (34,027,314)</u></u>

See accompanying Notes to Basic Financial Statements.

SKY RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Operations and Maintenance	Alley Assessment Fee	Debt Service (2024 Bonds)	Debt Service (2022 Bonds)	Capital Projects	Regional Improvements	Total Governmental Funds
REVENUES								
Public Improvement Fees	\$ 387,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,204
Transfer from Sky Ranch District No. 1	251,615	-	-	1,219,486	-	-	287,718	1,758,819
Transfer from Sky Ranch District No. 3	73,098	-	-	-	342,013	-	140,930	556,041
Transfer from Sky Ranch District No. 5	176,439	-	-	-	-	-	-	176,439
O&M Fees	-	504,148	-	-	-	-	-	504,148
Administrative Fees	-	18,400	-	-	-	-	-	18,400
Alley Assessment Fees	-	-	15,525	-	-	-	-	15,525
Other Revenue	505	-	-	-	-	-	-	505
Net Investment Income	12,019	3,832	-	137,539	192,216	347	4,332	350,285
Total Revenues	<u>900,880</u>	<u>526,380</u>	<u>15,525</u>	<u>1,357,025</u>	<u>534,229</u>	<u>347</u>	<u>432,980</u>	<u>3,767,366</u>
EXPENDITURES								
General	340,153	-	-	-	-	101,141	-	441,294
Operations and Maintenance	-	509,488	1,898	-	-	-	-	511,386
Debt Service	-	-	-	14,414,349	1,342,338	-	-	15,756,687
Capital Projects	-	-	-	-	-	16,149,269	-	16,149,269
Total Expenditures	<u>340,153</u>	<u>509,488</u>	<u>1,898</u>	<u>14,414,349</u>	<u>1,342,338</u>	<u>16,250,410</u>	<u>-</u>	<u>32,858,636</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	560,727	16,892	13,627	(13,057,324)	(808,109)	(16,250,063)	432,980	(29,091,270)
OTHER FINANCING SOURCES (USES)								
Bond Issuance	-	-	-	21,892,000	-	-	-	21,892,000
Original Issue Discount	-	-	-	(33,306)	-	-	-	(33,306)
Developer Advances	-	-	-	-	-	15,020,899	-	15,020,899
Developer Advances - Project Management	-	-	-	-	-	859,748	-	859,748
Repay Developer Advances	-	-	-	-	-	(11,021,629)	-	(11,021,629)
Transfers from Other Funds	-	-	-	5,965	-	11,058,593	-	11,064,558
Transfers to Other Funds	(406,963)	-	-	(10,147,630)	-	(5,965)	(504,000)	(11,064,558)
Total Other Financing Sources (Uses)	<u>(406,963)</u>	<u>-</u>	<u>-</u>	<u>11,717,029</u>	<u>-</u>	<u>15,911,646</u>	<u>(504,000)</u>	<u>26,717,712</u>
NET CHANGE IN FUND BALANCES	153,764	16,892	13,627	(1,340,295)	(808,109)	(338,417)	(71,020)	(2,373,558)
Fund Balances (Deficits) - Beginning of Year	308,922	30,224	19,791	1,380,140	3,920,146	(1,119,104)	82,243	4,622,362
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 462,686</u>	<u>\$ 47,116</u>	<u>\$ 33,418</u>	<u>\$ 39,845</u>	<u>\$ 3,112,037</u>	<u>\$ (1,457,521)</u>	<u>\$ 11,223</u>	<u>\$ 2,248,804</u>

See accompanying Notes to Basic Financial Statements.

**SKY RANCH COMMUNITY AUTHORITY BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Governmental Funds \$ (2,373,558)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	16,149,269
Current Year Depreciation	(539,524)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Issuance - Series 2024A	(18,585,000)
Bond Issuance - Series 2024B	(3,307,000)
Bond Discount - Series 2024A	33,306
Bond Principal Payment	12,819,000
Cost of Refunding	188,043
Bond Premium Payment	247,874
Developer Advances	(15,020,899)
Developer Advances - Project Management	(859,748)
Repayment of Developer Advances	9,058,573

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.

Bond Discount Amortization	(1,942)
Accrued Interest on Developer Advances - Change in Liability	(59,299)
Accrued Interest on Bonds - Change in Liability	(665,085)

Change in Net Position of Governmental Activities \$ (2,915,990)

**SKY RANCH COMMUNITY AUTHORITY BOARD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Public Improvement Fees	\$ 300,000	\$ 300,000	\$ 387,204	\$ 87,204
Net Investment Income	-	13,000	12,019	(981)
Other Revenue	-	-	505	505
Transfer from Sky Ranch District No. 1	244,077	251,353	251,615	262
Transfer from Sky Ranch District No. 3	74,948	72,984	73,098	114
Transfer from Sky Ranch District No. 5	176,486	176,295	176,439	144
Total Revenues	<u>795,511</u>	<u>813,632</u>	<u>900,880</u>	<u>87,248</u>
EXPENDITURES				
General:				
Accounting	86,000	86,000	86,951	(951)
Audit	17,000	15,000	15,000	-
Dues and Memberships	2,500	1,270	1,270	-
Insurance	35,000	34,391	35,086	(695)
CAB Management	85,000	85,000	80,716	4,284
Legal	110,000	130,000	120,604	9,396
Miscellaneous/Contingency	14,500	16,376	526	15,850
Total Expenditures	<u>350,000</u>	<u>368,037</u>	<u>340,153</u>	<u>27,884</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	445,511	445,595	560,727	115,132
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	<u>(500,000)</u>	<u>(606,963)</u>	<u>(406,963)</u>	<u>200,000</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(606,963)</u>	<u>(406,963)</u>	<u>200,000</u>
NET CHANGE IN FUND BALANCE	(54,489)	(161,368)	153,764	315,132
Fund Balance - Beginning of Year	<u>142,627</u>	<u>308,922</u>	<u>308,922</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 88,138</u>	<u>\$ 147,554</u>	<u>\$ 462,686</u>	<u>\$ 315,132</u>

See accompanying Notes to Basic Financial Statements.

**SKY RANCH COMMUNITY AUTHORITY BOARD
OPERATIONS AND MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Administrative Fees	\$ 12,000	\$ 18,400	\$ 6,400
O&M Fees	420,000	504,148	84,148
Interest Income	-	3,832	3,832
Other Revenue	5,000	-	(5,000)
Total Revenues	<u>437,000</u>	<u>526,380</u>	<u>89,380</u>
EXPENDITURES			
Community Management	45,000	45,000	-
Covenant Enforcement	24,500	24,500	-
Detention Ponds	3,000	-	3,000
Fee Billing and Collection	75,000	55,132	19,868
Fencing	6,000	-	6,000
Holiday Lights	25,000	6,351	18,649
Landscaping	165,000	142,906	22,094
Legal	15,000	4,900	10,100
Mailboxes	2,500	-	2,500
Repairs and Maintenance	5,000	-	5,000
Pet Stations	5,300	5,115	185
Community Event	15,000	-	15,000
Snow Removal	50,000	7,593	42,407
Status Letter Processing	-	12,091	(12,091)
Utilities	175,000	205,900	(30,900)
Operation and Maintenance Reserve	13,700	-	13,700
Total Expenditures	<u>625,000</u>	<u>509,488</u>	<u>115,512</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(188,000)	16,892	204,892
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	200,000	-	(200,000)
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
NET CHANGE IN FUND BALANCE	12,000	16,892	4,892
Fund Balance - Beginning of Year	<u>19,871</u>	<u>30,224</u>	<u>10,353</u>
FUND BALANCE - END OF YEAR	<u>\$ 31,871</u>	<u>\$ 47,116</u>	<u>\$ 15,245</u>

See accompanying Notes to Basic Financial Statements.

**SKY RANCH COMMUNITY AUTHORITY BOARD
 ALLEY ASSESSMENT FEE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Alley Assessment Fees	\$ 25,000	\$ 15,525	\$ (9,475)
Total Revenues	<u>25,000</u>	<u>15,525</u>	<u>(9,475)</u>
EXPENDITURES			
Repairs and Maintenance	2,250	-	2,250
Snow Removal	21,000	1,898	19,102
Contingency	1,550	-	1,550
Total Expenditures	<u>24,800</u>	<u>1,898</u>	<u>22,902</u>
NET CHANGE IN FUND BALANCE	200	13,627	13,427
Fund Balance - Beginning of Year	<u>600</u>	<u>19,791</u>	<u>19,191</u>
FUND BALANCE - END OF YEAR	<u>\$ 800</u>	<u>\$ 33,418</u>	<u>\$ 32,618</u>

See accompanying Notes to Basic Financial Statements.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 DEFINITION OF REPORTING ENTITY

The Sky Ranch Community Authority Board (the CAB) is a political subdivision and public corporation of the State of Colorado, formed pursuant to that certain Second Amended and Restated Sky Ranch Community Authority Board Establishment Agreement, dated August 13, 2021 (as restated and amended, the CABEA), as may be further amended from time to time, between Sky Ranch Metropolitan District No. 1 (District No. 1), Sky Ranch Metropolitan District No. 3 (District No. 3) and Sky Ranch Metropolitan District No. 5 (District No. 5, and together with District No. 1 and District No. 3, the CAB Districts), under authority granted by Sections 18(2)(a) and (b) of Article XIV of the Colorado Constitution and Sections 29-1-203 and 29-1-203.5 of the Colorado Revised Statutes, as amended.

The CAB Districts and Sky Ranch Metropolitan District Nos. 4 and 6-8 (District Nos. 4 and 6-8) exist for the purpose of financing, constructing, installing, acquiring and operating and maintaining certain public improvements as described in their respective Service Plans (collectively, the Public Improvements) to serve and benefit a planned, mixed-use development consisting of residential, commercial, and retail properties within the boundaries of the project area known as Sky Ranch (the Development or the Service Area). The CAB Districts, District No. 4, and Districts 6-8 are collectively referred to as the Districts.

The CAB Districts' respective Service Plans contemplated that the Districts, with the approval of their electors, would enter into one or more intergovernmental agreements to coordinate the financing, installation, construction and operations and maintenance of Public Improvements that benefit the users of, and residents within, the Service Area, and the CAB Districts entered into the CABEA and formed the CAB for those purposes. District No. 4 is currently in inactive status, but the board of District No. 4 may decide to become a party to the CABEA in the future, at which time it would also become a CAB District. Districts Nos. 6, 7, and 8 (the New Districts) were organized on February 8, 2023 and are also in inactive status; it is anticipated that the New Districts will become parties to the CABEA upon returning to active status.

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

SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other revenues not properly included among program revenues are reported as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The CAB reports the following major governmental funds:

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

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

The Alley Assessment Fee Fund is used to account for fees collected and expenditures incurred in connection with operations and maintenance of the alley homes.

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

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

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

Budgets

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

The CAB has amended its annual budget for the year ended December 31, 2024.

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.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, loss on refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

Capital Assets

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to the other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Landscaping	20 Years
Alleyways	20 Years

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O&M Fees and Administrative Fees

Through the adoption of various resolutions, the CAB imposes certain operation and maintenance fees (O&M Fees) and administrative fees (Administrative Fees) on property owners within the boundaries of the Districts.

In 2019, the CAB began imposing O&M Fees and Administrative Fees on property owners within the boundaries of District No. 1. The resolution that was effective in 2024 (and that is currently effective) for property within the boundaries of District No. 1 was Resolution No. 2023-12-02, Resolution of the Board of Directors of Sky Ranch Community Authority Board Amending and Restating the Position of Operations and Maintenance Fees for the Property within Sky Ranch Metropolitan District No. 1 (the District No. 1 O&M Fee Resolution), which amended and restated in their entirety any previous resolutions imposing O&M Fees and Administrative Fees on the property within District No. 1. Under the District No. 1 O&M Fee Resolution, the CAB imposes O&M Fees on real property within the boundaries of District No. 1 as follows: (1) for unplatted lots, there are no O&M Fees imposed on homebuilders; (2) upon transfer of a finished lot to a homebuilder, at the rate of \$50 per month, or \$150 per quarter, billed quarterly; (3) upon transfer of a residential unit from a homebuilder to an owner, or from one owner to another owner, the CAB imposes O&M Fees upon the owners at the rate of \$50 per month, or \$150 per quarter, billed quarterly. Under the District No. 1 O&M Fee Resolution, the CAB also imposes an Administrative Fee of \$200 per conveyance or refinance.

In 2022, the CAB began imposing O&M Fees and Administrative Fees on property owners within the boundaries of District No. 3; the resolutions for property within District No. 3 were amended several times to add additional lots as construction within District No. 3 progressed. The O&M Fees and Administrative Fees resolution that was effective in 2024 for property within the boundaries of District No. 3 was Resolution No. No. 2023-12-03, Resolution of the Board of Directors of Sky Ranch Community Authority Board Amending and Restating the Imposition of Operations and Maintenance Fees for the Property within Sky Ranch Metropolitan District No. 3 (the District No. 3 O&M Fee Resolution), which amended and restated in their entirety any previous resolutions imposing O&M Fees and Administrative Fees on the property within District No. 3. Under the District No. 3 O&M Fee Resolution, the CAB imposes the same O&M fees on the real property within District No. 3 that are imposed in District No. 1.

In 2022, CAB also began imposing additional fees for services related to maintenance of alleyways in District No. 3 (the Alleyway Fees); the resolutions for property within District No. 3 were amended several times to add additional lots as construction within District No. 3 progressed. The Alleyway Fees resolution that was effective in 2024 for property within the boundaries of District No. 3 was Resolution No. 2023-12-04, Resolution of the Board of Directors of Sky Ranch Community Authority Board Amending and Restating the Imposition of Alleyway Operations and Maintenance Fees, as corrected on April 17, 2024 (the District No. 3 Alleyway Fee Resolution). Under the District No. 3 Alleyway Fee Resolution, the CAB imposes a \$27 per lot fee to be paid on a quarterly basis for additional services performed for the alley-loaded residential lots in District No. 3.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O&M Fees and Administrative Fees (Continued)

On January 10, 2025, the CAB further amended the District No. 3 O&M Fee Resolution to add the residential lots in Sky Ranch Subdivision Filing No. 7. On April 11, 2025, the CAB again amended the District No. 3 O&M Fee Resolution to clarify that the CAB will begin imposing O&M Fees and Administrative Fees on new residential lots at the time the County issues a certificate of occupancy. The CAB adopted Resolution No. 2025-04-02, Further Amending and Restating the Imposition of Operations and Maintenance Fees for property within Sky Ranch District No. 3 (the Amended District No. 3 O&M Fee Resolution), which amends and restates the District No. 3 O&M Fee Resolution in its entirety. The amount of O&M Fees and Administrative Fees under the Amended District No. 3 O&M Fee Resolution remained the same: a \$150 per lot O&M Fee to be paid on a quarterly basis, and a \$200 Administrative Fee per conveyance or refinance.

On January 10, 2025, the CAB further amended the District No. 3 Alleyway Fee Resolution to add the residential lots in Sky Ranch Subdivision Filing No. 7. On April 11, 2025, the CAB again amended the District No. 3 Alleyway Fee Resolution to clarify that the CAB will begin imposing Alleyway Fees on new residential lots at the time the County issues a certificate of occupancy. The CAB adopted Resolution No. 2025-04-01, Further Amending and Restating the Imposition of Alleyway Operations and Maintenance Fees (the Amended District No. 3 Alleyway Fee Resolution), which amends and restates the District No. 3 Alleyway Fee Resolution in its entirety. The amount of Alleyway Fees under the Amended District No. 3 Alleyway Fee Resolution remained the same: a \$27 per lot fee to be paid on a quarterly basis.

Public Improvement Fee

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

In the government-wide financial statements, net position may be classified into three components: net investment in capital assets, restricted and unrestricted (see Note 6).

Fund Balance

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

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

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

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

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

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

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

Deficits

The Capital Projects Fund reported a deficit in the fund financial statements as of December 31, 2024. Pursuant to a funding agreement effective November 13, 2017, the deficit will be eliminated with Developer advances in 2025.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 298,829
Cash and Investments - Restricted	3,189,381
Total Cash and Investments	\$ 3,488,210

Cash and investments as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	\$ 350,875
Investments	3,137,335
Total Cash and Investments	\$ 3,488,210

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, 2024, the CAB's cash deposits had a bank of \$682,533 and carrying balance of \$350,875.

Investments

The CAB has not adopted a formal investment policy; however, the CAB follows state statutes regarding investments.

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

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2024, the CAB had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	<u>\$ 3,137,335</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the CAB's capital assets for the year ended December 31, 2024:

	Balance - December 31, 2023	Increases	Decreases	Balance - December 31, 2024
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Construction in Progress:	\$ 29,202,222	\$ 16,149,269	\$ 3,407,113	\$ 41,944,378
Total Capital Assets, Not Being Depreciated	29,202,222	16,149,269	3,407,113	41,944,378
Capital Assets, Being Depreciated:				
Landscaping	9,991,937	2,245,523	-	12,237,460
Alleyways	-	1,161,590	-	1,161,590
Landscaping	-	-	-	-
Total Capital Assets, Being Depreciated	9,991,937	3,407,113	-	13,399,050
Less Accumulated Depreciation For:				
Landscaping	(1,096,693)	(499,597)	-	(1,596,290)
Alleyways	-	(39,927)	-	(39,927)
Total Accumulated Depreciation	(1,096,693)	(539,524)	-	(1,636,217)
Total Capital Assets, Being Depreciated, Net	8,895,244	2,867,589	-	11,762,833
Governmental Activities Capital Assets, Net	<u>\$ 38,097,466</u>	<u>\$ 19,016,858</u>	<u>\$ 3,407,113</u>	<u>\$ 53,707,211</u>

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

<u>Governmental Activities:</u>	
General Government	<u>\$ (539,524)</u>
Total Depreciation Expense - Governmental Activities	<u>\$ (539,524)</u>

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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, 2024:

	Balance - December 31, 2023	Additions	Reductions	Balance - December 31, 2024	Due Within One Year
Limited Tax Supported					
Revenue Bonds:					
Senior - Series 2019A	\$ 11,380,000	\$ -	\$ 11,380,000	\$ -	\$ -
Senior - Bond Premium	247,874	-	247,874	-	-
Subordinate - Series 2019B	1,439,000	-	1,439,000	-	-
Senior - Series 2022A	23,345,000	-	-	23,345,000	-
Subordinate - Series 2022B	6,367,000	-	-	6,367,000	-
Senior - Series 2024A	-	18,585,000	-	18,585,000	85,000
Subordinate - Series 2024B	-	3,307,000	-	3,307,000	-
Original Issue Discount - Series 2024A	-	(33,306)	(1,942)	(31,364)	-
Total Bonds Payable	42,778,874	21,858,694	13,064,932	51,572,636	85,000
Other Debts:					
Developer Advances	26,182,848	15,020,899	9,058,573	32,145,174	-
Developer Advances - Project Management	2,701,626	859,748	-	3,561,374	-
Accrued Interest on Developer Advances	700,133	1,845,083	1,963,056	582,160	-
Accrued Interest on Developer Advances - Project Management	505,091	177,272	-	682,363	-
Total Other Debts	30,089,698	17,903,002	11,021,629	36,971,071	-
Total	\$ 72,868,572	\$ 39,761,696	\$ 24,086,561	\$ 88,543,707	\$ 85,000

Limited Tax Supported District No. 1 Bonds, Series 2019

On November 19, 2019, the CAB issued \$11,435,000 in Limited Tax Supported District No. 1 Senior Bonds, Series 2019A (Senior Bonds) and \$1,760,000 in Limited Tax Supported District No. 1 Subordinate Bonds, Series 2019B (Subordinate Bonds) (collectively, Series 2019 Bonds), for the purposes of (i) financing public improvements related to the Development, (ii) paying capitalized interest on the 2019A Senior Bonds, (iii) funding a deposit to the Senior Bonds Reserve Fund, and (iv) paying other costs in connection with the issuance of the 2019 Bonds. The Series 2019 Bonds were refunded with the issuance of the Series 2024 Bonds (discussed below).

Limited Tax Supported District No. 3 Bonds, Series 2022

On August 16, 2022, the CAB issued \$23,345,000 in Limited Tax Supported District No. 3 Senior Bonds, Series 2022A (2022A Bonds) and \$6,367,000 in Limited Tax Supported District No. 3 Subordinate Bonds, Series 2022B(3) (2022B Bonds) (collectively, Series 2022 Bonds), for the purposes of (i) reimbursing the Developer for the construction of certain public improvements necessary to support the Development, (ii) funding capitalized interest on the 2022A Bonds, (iii) funding the 2022A Reserve Fund, and (iv) paying other costs related to the issuance of the 2022 Bonds.

The 2022A Bonds bear interest at the rate of 5.75% per annum, payable to the extent of 2022A Senior Pledged Revenue on each June 1 and December 1 (Interest Payment Dates), beginning on December 1, 2022. Annual mandatory sinking fund principal payments are due on each December 1, beginning December 1, 2027. The Senior Bonds mature on December 1, 2052.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District No. 3 Bonds, Series 2022 (Continued)

The 2022A Bonds are secured by and payable solely from and to the extent of 2022A Senior Pledged Revenue, which includes all District No. 3 Senior Required Mill Levy Revenue, and 2022A Senior Specific Ownership Taxes attributable to the District No. 3 Senior Required Mill Levy. The 2022A Bonds are additionally secured by capitalized interest in the amount of \$3,076,190 and the 2022A Bonds Reserve Fund in the amount of the 2022A Senior Bonds Reserve Requirement of \$1,978,363, which will both be funded from proceeds of the 2022A Bonds, and by amounts, if any, on deposit in the 2022A Senior Bonds Surplus Fund, which is required to be funded with excess 2022A Senior Pledged Revenue, if any, up to the 2022A Maximum Surplus Amount of \$2,334,500.

The CAB's long-term 2022A Senior Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 1,342,338	\$ 1,342,338
2026	-	1,342,338	1,342,338
2027	140,000	1,342,338	1,482,338
2028	245,000	1,334,288	1,579,288
2029	270,000	1,320,200	1,590,200
2030-2034	1,905,000	6,325,576	8,230,576
2035-2039	2,965,000	5,663,464	8,628,464
2040-2044	4,440,000	4,651,177	9,091,177
2045-2049	6,365,000	3,166,239	9,531,239
2050-2052	7,015,000	933,226	7,948,226
Total	<u>\$ 23,345,000</u>	<u>\$ 27,421,184</u>	<u>\$ 50,766,184</u>

The 2022B Bonds are structured as "cash flow" bonds, meaning that there are no scheduled payments of principal or interest prior to the maturity date. Instead, principal is payable on each December 15, beginning on December 15, 2022, from and to the extent of available 2022B Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. The 2022B Bonds mature on December 15, 2052.

The 2022B Bonds bear interest at 8.75% per annum, payable annually to the extent of 2022B Subordinate Pledged Revenue available on each December 15, commencing on December 15, 2022. To the extent principal of any 2022B Bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or the 2022B Bond Discharge Date of December 16, 2062.

The Subordinate Bonds are secured by and payable from 2022B Subordinate Pledged Revenues generally defined in the 2022B Subordinate Indenture as all District No. 3 Subordinate Required Mill Levy Revenue, and all 2022B Subordinate Specific Ownership Taxes.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District No. 1 Bonds, Series 2024

On October 29 2024, the CAB issued \$18,585,000 in Limited Tax Supported District No. 1 Refunding and Improvement Senior Bonds, Series 2024A (Senior Bonds) and \$3,307,000 in Limited Tax Supported District No. 1 Subordinate Bonds, Series 2024B (Subordinate Bonds) (collectively, Series 2024 Bonds), for the purposes of (i) financing public improvements related to the Development, (ii) refunding the Series 2019 Bonds, and (iii) paying other costs in connection with the issuance of the 2024 Bonds.

The 2024A Bonds bear interest at the rate of 4.00% - 5.00% per annum, payable to the extent of 2024A Senior Pledged Revenue on each June 1 and December 1 (Interest Payment Dates), beginning on December 1, 2024. Annual mandatory sinking fund principal payments are due on each December 1, beginning December 1, 2025. The Senior Bonds mature on December 1, 2054.

The Senior Bonds are secured by and payable solely from Senior Pledged Revenues, which includes property taxes generated by the imposition of the District No. 1 Senior Required Mill Levy (in accordance with the Pledge Agreement) net of the cost of collection, all other Required Mill Levy Revenue (pursuant to the Pledge Agreement), Specific Ownership Taxes attributable to the District No. 1 Senior Required Mill Levy, and any other legally available amounts that the CAB may designate by resolution of the Board to be deposited with the Trustee for deposit into the Senior Revenue Fund.

The CAB's long-term 2024A Senior Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 85,000	\$ 820,863	\$ 905,863
2026	135,000	816,612	951,612
2027	225,000	809,863	1,034,863
2028	255,000	798,612	1,053,612
2029	270,000	785,863	1,055,863
2030-2034	1,775,000	3,698,062	5,473,062
2035-2039	2,560,000	3,179,813	5,739,813
2040-2044	3,515,000	2,510,862	6,025,862
2045-2049	4,380,000	1,718,063	6,098,063
2050-2054	5,385,000	705,712	6,090,712
Total	<u>\$ 18,585,000</u>	<u>\$ 15,844,325</u>	<u>\$ 34,429,325</u>

The 2024B Bonds are structured as "cash flow" bonds, meaning that there are no scheduled payments of principal or interest prior to the maturity date. Instead, principal is payable on each December 15, beginning on December 15, 2022, from and to the extent of available 2024B Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. The 2024B Bonds mature on December 15, 2054.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District No. 1 Bonds, Series 2024 (Continued)

The 2024B Bonds bear interest at 6.50% per annum, payable annually to the extent of 2024B Subordinate Pledged Revenue available on each December 15, commencing on December 15, 2025. To the extent principal of any 2024B Bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or the 2024B Bond Discharge Date of December 15, 2064.

The Subordinate Bonds are secured by and payable from 2024B Subordinate Pledged Revenues generally defined in the 2024B Subordinate Indenture as all District No. 1 Subordinate Required Mill Levy Revenue, and all 2024B Subordinate Specific Ownership Taxes.

Unused Lines of Credit

The Series 2022 and Series 2024 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2022 Bonds and Series 2024 Bonds.

Events of Default

For the Series 2022 Bonds events of default occur if the Authority fails to cause District No. 3 to impose the District No. 3 Required Mill Levy, or to apply the Revenues as required by the Indenture, fails to pay principal and interest on the Senior Bonds when due, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture. For the Series 2024 Bonds events of default occur if the Authority fails to cause District No. 1 to impose the District No. 1 Required Mill Levy, or to apply the Revenues as required by the Indenture, fails to pay principal and interest on the Senior Bonds when due, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Termination Events

The Series 2022 and Series 2024 Bonds are not subject to early termination.

Acceleration

The Series 2022 and Series 2024 Bonds are not subject to acceleration.

Authorized Debt

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to this electoral authority, on November 1, 2019, District No. 1 entered into a Capital Pledge Agreement with the CAB, pursuant to which District No. 1 agreed to pledge certain revenues to the CAB pursuant to the intergovernmental agreement provisions of Sections 29-1-203 and -203.5, C.R.S., as described in the District No. 1 Capital Pledge Agreement, and committed to impose a mill levy annually that does not exceed the Service Plan limits for a debt mill levy, to repay Bonds to be issued by the CAB in a principal amount that does not exceed \$162,000,000 (the District No. 1 Pledge Obligation) including the CAB Series 2019 Bonds (refunded by the CAB Series 2024 Bonds), the CAB Series 2024 Bonds, and future bond issuances by the CAB.

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

At an election held on November 3, 2020, the eligible electors of District Nos. 3, 4, and 5, respectively, authorized District Nos. 3, 4, and 5, respectively, to impose ad valorem property taxes on an annual basis not to exceed \$312,000,000, and to enter into intergovernmental agreements to share such revenue to fund public improvements. The eligible electors of District Nos. 3, 4, and 5, respectively, also authorized the issuance of up to \$3,432,000,000 in general obligation debt for public improvements, however the Amended and Restated Service Plans for District Nos. 3, 4, and 5, contain an aggregate debt limit of \$312,000,000, which constrains the total amount of debt those Districts can issue. The electors of District Nos, 6, 7 and 8 voted for analogous electoral authorization for those districts on November 2, 2021.

Pursuant to this electoral authority, on August 16, 2022, District No. 3 entered into a Capital Pledge Agreement with the CAB, pursuant to which District No. 3 agreed to pledge certain revenues to the CAB pursuant to the intergovernmental agreement provisions of Sections 29-1-203 and -203.5, C.R.S., as described in the District 3 Capital Pledge Agreement, and committed to impose a mill levy annually that does not exceed the Service Plan limits for a debt mill levy, to repay Bonds to be issued by the CAB in a principal amount that does not exceed 312,000,000 (the District No. 3 Pledge Obligation) including the CAB Series 2022 Bonds, and future bond issuance by the CAB.

The CAB cannot issue Bonds which to exceed the Districts' Service Plan debt limits. Following the issuance of the CAB's Series 2019 Bonds, District No. 1 does not have any remaining capacity to pledge because it has pledged to the CAB its full authorization in the form of the District No. 1 Pledge Obligation, which is the same amount as the debt limit in the District No. 1 Service Plan. Following the issuance of the CAB's Series 2022 Bonds, District No. 3 does not have any remaining capacity to pledge because it has pledged to the CAB its full authorization in the form of the District No. 3 Pledge Obligation, which is the same amount as the debt limit in the District No. 3 Service Plan. The remaining authorized pledge limitation under the Service Plans for District Nos. 4-8 is \$312,000,000. The CAB's remaining debt authorization is \$260,605,994.

SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

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

As of December 31, 2024, the aggregate outstanding balance of developer advances advanced by the Developer to the CAB under the Phase 1 FFAA and the Phase 2 FFAA is \$32,145,174, and accrued interest is \$582,160.

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

As of December 31, 2024, the outstanding balance of developer advances under the project management services agreements is \$3,561,374, and accrued interest is \$682,363.

NOTE 6 NET POSITION

As of December 31, 2024, 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, 2024, the CAB had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 53,575,480
Bonds Payable, Net	(62,668,842)
Unspent Bond Proceeds	1,978,363
Net Investment in Capital Assets	<u>\$ (7,114,999)</u>

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NET POSITION (CONTINUED)

The restricted component of net position consists of assets that are restricted for use as imposed either by external parties (i.e., creditors, grantors, or contributors) or laws and regulations of other governments or laws through constitutional provisions or enabling legislation. The CAB had restricted net position as of December 31, 2024, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 43,400
Total Restricted Net Position	<u>\$ 43,400</u>

The CAB's unrestricted net position as of December 31, 2024 totaled (\$26,955,715). The deficit amount was a result of the CAB being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities.

NOTE 7 AGREEMENTS

Sky Ranch Community Authority Board Establishment Agreement (CABEA)

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

Their Service Plans contemplated that the CAB Districts, with the approval of their electors would enter into the CABEA. On November 6, 2012 (for District No. 1, District No. 3, and District No. 4), and on May 6, 2012 (for District No. 5), the CAB Districts' respective qualified electors, as applicable, voted in favor of the Districts entering into the CABEA pursuant to which the CAB Districts established the CAB. District No. 3 became a party to the CABEA, and thus also became a CAB District, in 2021. District No. 4 was inactive for 2022, and it is anticipated that District No. 4 will also become a party to the CABEA in the future, at which time it would also become a CAB District. District Nos, 6, 7 and 8 (the New Districts) were organized on February 8, 2023 and are also in inactive status; it is anticipated that the New Districts will become parties to the CABEA upon returning active status.

The CABEA was amended and restated on September 18, 2018, pursuant to the Amended and Restated Sky Ranch Community Authority Board Establishment Agreement, and further amended and restated on August 13, 2021, pursuant to the Second Amended and Restated Sky Ranch Community Authority Board Establishment Agreement, as the same may be amended from time to time (the CABEA). Pursuant to the CABEA, the CAB will furnish, operate, and plan for the Public Improvements and each CAB District shall transfer certain revenues to the CAB in order to fund the operation and maintenance costs and capital costs of the Public Improvements.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 AGREEMENTS (CONTINUED)

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

Each CAB District has agreed, and their Service Plans provide, that the CAB will own, operate, maintain, finance, and construct Public Improvements benefiting the CAB Districts, and that the CAB Districts will contribute to the costs of construction, operation, and maintenance of such Public Improvements. It is the intent of the CAB Districts that the CAB may, from time to time, issue debt and use proceeds to finance the Public Improvements and that the CAB will enter into contracts to construct the Public Improvements.

Tri-Party Agreement

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

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

On September 18, 2018, with an effective date of November 13, 2017, the CAB entered into the Facilities Funding and Acquisition Agreement (the Phase 1 FFAA) with the Developer, pursuant to which the Developer agrees to make advances not to exceed \$30,000,000 to the CAB the purpose of funding the construction and/or acquisition of public improvements for Phase 1. The Developer agrees to make advances under the Phase 1 FFAA on a periodic basis as needed for fiscal years 2018 through 2023. The CAB agrees to repay the advances made under the Phase 1 FFAA, pursuant to the priority established in the agreement, together with accrued simple interest at the rate of 6% per annum. The Phase 1 FFAA was amended on December 17, 2020 to: (1) clarify that the Phase 1 FFAA and Shortfall Amount apply to only Phase 1 of the development, and (2) set forth the Maximum Remaining Reimbursement in the amount of \$19,495,000. The Phase 1 FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through future bond issuances or other available revenue.

On September 13, 2024, the CAB and Developer amended the Phase 1 FFAA with the First Amendment to Phase 1 Facilities Funding and Acquisition Agreement (the Phase 1 FFAA

Amendment). Pursuant to the Phase 1 FFAA Amendment, the Shortfall Amount was increased to \$32,000,000, and the Developer agreed to make Developer Advances for Phase 1 through 2026. On December 17, 2020, the CAB entered into the Phase 2 Facilities Funding and Acquisition Agreement (the Phase 2 FFAA) with the Developer, pursuant to which the Developer agrees to make advances not to exceed \$50,000,000 to the CAB the purpose of funding the construction and/or acquisition of public improvements for Phase 2.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 AGREEMENTS (CONTINUED)

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

The Developer agrees to make advances under the Phase 2 FFAA on a periodic basis as needed for fiscal years 2020 through 2025. The CAB agrees to repay the advances made under the Phase 2 FFAA, pursuant to the priority established in the agreement, together with accrued simple interest at the rate of 6% per annum. The Phase 2 FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through future bond issuances or other available revenue.

Capital Pledge Agreement

The CAB entered into a Capital Pledge Agreement with District No. 1, dated November 1, 2019, under which District No. 1 agrees to impose ad valorem property taxes upon all taxable property of District No. 1, and to transfer the revenues generated from such mill levy imposition, along with revenues generated from the imposition of specific ownership taxes, to the CAB for payment of principal and interest on bonds the CAB has issued or will issue, including without limitation, the CAB's Series 2024 Bonds, as well as future bond issuances by the CAB.

The CAB entered into a Capital Pledge Agreement with District No. 3, dated August 16, 2022, under which District No. 3 agreed to impose ad valorem property taxes upon all taxable property of District No. 3, and to transfer the revenues generated from such mill levy imposition, along with revenues generated from the imposition of specific ownership taxes, to the CAB for payment of principal and interest on the Series 2022 Bonds issued by the CAB, as well as other Debt Obligations of the CAB.

Service Agreements for Project Management Services

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

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 AGREEMENTS (CONTINUED)

Service Agreements for Project Management Services (Continued)

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

1601 Interchange Agreements

On June 23, 2020, the CAB entered into the County/CAB/Developer Funding Agreement I-70/Watkins and I-70/Monaghan 1601 Interchange Study, Arapahoe County Project Number: C-17-007, with the County and Developer (the 1601 Interchange Agreement), under which the CAB, County and Developer agreed to share costs related to studies to identify traffic impacts resulting from development in the area (the 1601 Studies) in order to assess and create the conceptual design to construct highway interchanges to serve the area. Under the 1601 Interchange Agreement, the County agreed to contribute \$1,000,000, and the CAB agreed to contribute \$500,000 to the 1601 Studies. In the event of cost overruns or cost underruns, each party will pay an additional proportionate amount or be refunded a proportional amount.

On October 20, 2023, the CAB, Developer and County entered into a County/CAB/Developer Agreement – I-70 Monaghan (Reconstruction, Improvement, 1601 Interchange Design) – Arapahoe County Project Number: C22-15 (the Near Term Improvements Design Agreement), under which the CAB or Developer agreed to pay \$854,908 for the costs to design Near Term Interchange Improvements at the I-70 and Monaghan interchange, which consists of \$754,908 in design/consultant costs and \$100,000 for the County's review costs. The County will notify the CAB and Developer of any cost overruns, and the CAB or Developer will pay same. Cost underruns will be credited to the CAB or Developer as appropriate.

GESC Service Agreement

On March 19, 2021, following a public bid and recommendation by the CAB's independent engineer, IDES, the CAB entered into an Agreement for Filing 4 GESC Maintenance (the GESC Agreement) with the Developer, under which the Developer agreed to perform certain erosion control maintenance services for the CAB in Filing No. 4; subject to any subsequent Change Orders. In the event the CAB does not have sufficient revenue to pay invoices under the GESC Agreement when due, the amounts owed by the CAB under the GESC Agreement will constitute developer advances under the Phase 1 FFAA or Phase 2 FFAA, as applicable, and shall accrue interest at the same rate set forth in the Phase 1 FFAA or Phase 2 FFAA, as applicable.

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 AGREEMENTS (CONTINUED)

School Site IGA

On January 26, 2022, the CAB entered into an Intergovernmental Subdivision Improvements Agreement with Additional Restriction on Access Permits Subdivision Exemption Plat, Sky Ranch Academy Subdivision (the School Site IGA), with the County and PCY Holdings, LLC (the Landowner), an affiliate of the Developer, under which the CAB agreed to fund and construct certain street improvements near the school site, to be conveyed or dedicated to the County upon completion. In exchange, the County agreed not to issue access permits for the subject streets until the County accepts the street improvements.

Fencing Agreement

During its April 8, 2022 Board meeting, and following a public bid and recommendation by the CAB's independent engineer, IDES, the CAB Board approved a fencing installation contract with the Developer (the Fencing Agreement). As of the date of this Audit, the Fencing Agreement has not yet been finalized; however, it is anticipated that the terms the Fencing Agreement will also provide that, in the event the CAB does not have sufficient revenue to pay invoices under the Fencing Agreement when due, the amounts owed by the CAB under the Fencing Agreement will constitute developer advances under the Phase 1 FFAA or Phase 2 FFAA, as applicable, and shall accrue interest at the same rate set forth in the Phase 1 FFAA or Phase 2 FFAA, as applicable.

Declaration of Payment in Lieu of Taxes

In July 2021, PCY Holdings, LLC executed and caused to be recorded in the real property records of the County of Arapahoe County, a Declaration of Payment in Lieu of Taxes (PILOT). The PILOT named the CAB as a beneficiary thereof. The PILOT was recorded against the real property contained within the boundaries of the CAB. The PILOT obligates any owner of real property that is exempt from taxation to pay the CAB an annual amount of revenue that would be derived from the imposition of a debt service mill levy and operating mill levy of a CAB District (as defined in the PILOT), or the imposition of the regional improvements mill levy by a RIM District (as defined in the PILOT). The PILOT revenue may be pledged to the repayment of bonded indebtedness of the CAB or the CAB Districts.

NOTE 8 RELATED PARTIES

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

SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 ECONOMIC DEPENDENCY

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

NOTE 10 INTERFUND TRANSFERS

The transfer from the General Fund and Debt Service Fund to the Capital Projects Fund was to fund repayment of Developer advances. The transfer from the Regional Improvements Fund to the Capital Projects Fund was to fund repayment of Developer advances specifically associated with Regional Improvements. The transfer from the Capital Projects fund to the Debt Service Fund was the closeout of remaining project funds during the bond refunding.

NOTE 11 RISK MANAGEMENT

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

The CAB is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members.

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

NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

**SKY RANCH COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

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

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

SUPPLEMENTARY INFORMATION

**SKY RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND (2019/2024 BONDS)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ 70,000	\$ 70,000	\$ 137,539	\$ 67,539
Other Revenue	-	657,287	-	(657,287)
Transfer from Sky Ranch District No. 1	1,220,421	1,218,476	1,219,486	1,010
Total Revenues	<u>1,290,421</u>	<u>1,945,763</u>	<u>1,357,025</u>	<u>(588,738)</u>
EXPENDITURES				
Bond Interest - 2019A	569,000	736,805	570,560	166,245
Bond Interest - 2019B	109,696	134,542	105,762	28,780
Bond Principal - 2019A	150,000	11,380,000	11,380,000	-
Bond Principal - 2019B	450,000	1,439,000	1,439,000	-
Bond Interest - 2024A	-	70,685	70,685	-
Early Redemption Premium	-	-	253,380	(253,380)
Cost of Issuance	-	625,150	587,462	37,688
Paying Agent Fees	7,500	7,500	7,500	-
Contingency	4,225	665,893	-	665,893
Total Expenditures	<u>1,290,421</u>	<u>15,059,575</u>	<u>14,414,349</u>	<u>645,226</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(13,113,812)	(13,057,324)	56,488
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	21,974,097	21,892,000	(82,097)
Transfer to Other Funds	-	(10,240,425)	(10,147,630)	92,795
Original Issue Discount	-	-	(33,306)	(33,306)
Transfer from Other Funds	-	-	5,965	5,965
Total Other Financing Sources (Uses)	<u>-</u>	<u>11,733,672</u>	<u>11,717,029</u>	<u>(16,643)</u>
NET CHANGES IN FUND BALANCE	-	(1,380,140)	(1,340,295)	39,845
Fund Balance - Beginning of Year	<u>1,365,000</u>	<u>1,380,140</u>	<u>1,380,140</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,365,000</u>	<u>\$ -</u>	<u>\$ 39,845</u>	<u>\$ 39,845</u>

**SKY 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, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 200,000	\$ 192,216	\$ (7,784)
Transfer from Sky Ranch District No. 3	374,785	342,013	(32,772)
Total Revenues	<u>574,785</u>	<u>534,229</u>	<u>(40,556)</u>
EXPENDITURES			
Bond Interest - 2022A	1,342,338	1,342,338	-
Paying Agent Fees	10,000	-	10,000
Contingency	9,662	-	9,662
Total Expenditures	<u>1,362,000</u>	<u>1,342,338</u>	<u>19,662</u>
NET CHANGES IN FUND BALANCE	(787,215)	(808,109)	(20,894)
Fund Balance - Beginning of Year	<u>3,925,410</u>	<u>3,920,146</u>	<u>(5,264)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,138,195</u></u>	<u><u>\$ 3,112,037</u></u>	<u><u>\$ (26,158)</u></u>

**SKY RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ 200	\$ 400	\$ 347	\$ (53)
Total Revenues	<u>200</u>	<u>400</u>	<u>347</u>	<u>(53)</u>
EXPENDITURES				
General:				
Fees, Permits, and Administration	50,000	100,000	99,628	372
Legal	50,000	50,000	1,513	48,487
Contingency	134,196	509,575	-	509,575
Capital Projects:				
Capital Outlay	18,145,804	15,550,000	15,289,521	260,479
Project Management Fee	920,000	800,000	859,748	(59,748)
Total Expenditures	<u>19,300,000</u>	<u>17,009,575</u>	<u>16,250,410</u>	<u>759,165</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,299,800)	(17,009,175)	(16,250,063)	759,112
OTHER FINANCING SOURCES (USES)				
Developer Advances	18,079,800	17,291,316	15,020,899	(2,270,417)
Developer Advances - Project Management	920,000	800,000	859,748	59,748
Transfers to Other Funds	-	-	(5,965)	(5,965)
Repay Developer Advances	-	(10,990,425)	(11,021,629)	(31,204)
Transfers from Other Funds	300,000	11,027,388	11,058,593	31,205
Total Other Financing Sources (Uses)	<u>19,299,800</u>	<u>18,128,279</u>	<u>15,911,646</u>	<u>(2,216,633)</u>
NET CHANGES IN FUND BALANCE	-	1,119,104	(338,417)	(1,457,521)
Fund Balance (Deficit) - Beginning of Year	-	(1,119,104)	(1,119,104)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,457,521)</u>	<u>\$ (1,457,521)</u>

**SKY RANCH COMMUNITY AUTHORITY BOARD
REGIONAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Transfer from Sky Ranch District No. 3	\$ 320,341	\$ 287,718	\$ (32,623)
Transfer from Sky Ranch District No. 5	141,082	140,930	(152)
Net Investment Income	-	4,332	4,332
Total Revenues	<u>461,423</u>	<u>432,980</u>	<u>(28,443)</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	461,423	432,980	(28,443)
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	-	(504,000)	(504,000)
Repay Developer Advance	(554,196)	-	554,196
Total Other Financing Sources (Uses)	<u>(554,196)</u>	<u>(504,000)</u>	<u>50,196</u>
NET CHANGES IN FUND BALANCE			
	(92,773)	(71,020)	21,753
Fund Balance - Beginning of Year	<u>92,773</u>	<u>82,243</u>	<u>(10,530)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 11,223</u></u>	<u><u>\$ 11,223</u></u>

OTHER INFORMATION

**SKY RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

<u>Year Ending December 31,</u>	\$23,345,000 Limited Tax Supported District No. 3 Senior Bonds Series 2022A Dated August 16, 2022 Principal Due December 1, Interest Rate of 5.75% Payable June 1 and December 1		
<u>Bonds and Interest Maturing in the</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 1,342,338	\$ 1,342,338
2026	-	1,342,338	1,342,338
2027	140,000	1,342,338	1,482,338
2028	245,000	1,334,288	1,579,288
2029	270,000	1,320,200	1,590,200
2030	315,000	1,304,675	1,619,675
2031	335,000	1,286,563	1,621,563
2032	385,000	1,267,300	1,652,300
2033	405,000	1,245,163	1,650,163
2034	465,000	1,221,875	1,686,875
2035	490,000	1,195,138	1,685,138
2036	550,000	1,166,963	1,716,963
2037	585,000	1,135,338	1,720,338
2038	650,000	1,101,700	1,751,700
2039	690,000	1,064,325	1,754,325
2040	765,000	1,024,650	1,789,650
2041	810,000	980,663	1,790,663
2042	890,000	934,088	1,824,088
2043	940,000	882,913	1,822,913
2044	1,035,000	828,863	1,863,863
2045	1,090,000	769,350	1,859,350
2046	1,195,000	706,675	1,901,675
2047	1,260,000	637,963	1,897,963
2048	1,370,000	565,513	1,935,513
2049	1,450,000	486,738	1,936,738
2050	1,575,000	403,363	1,978,363
2051	1,665,000	312,800	1,977,800
2052	3,775,000	217,063	3,992,063
Total	<u>\$ 23,345,000</u>	<u>\$ 27,421,184</u>	<u>\$ 50,766,184</u>

**SKY RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

<u>Year Ending December 31,</u>	\$11,435,000 Limited Tax Supported District No. 1 Refunding and Improvement Senior Bonds Series 2024A Dated October 30, 2024 Principal Due December 1, Interest Rates of 4.00%-5.00% Payable June 1 and December 1		
<u>Bonds and Interest Maturing in the</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 85,000	\$ 820,863	\$ 905,863
2026	135,000	816,612	951,612
2027	225,000	809,863	1,034,863
2028	255,000	798,612	1,053,612
2029	270,000	785,863	1,055,863
2030	305,000	772,362	1,077,362
2031	320,000	757,113	1,077,113
2032	360,000	741,112	1,101,112
2033	375,000	723,113	1,098,113
2034	415,000	704,362	1,119,362
2035	440,000	683,613	1,123,613
2036	480,000	661,612	1,141,612
2037	505,000	637,613	1,142,613
2038	555,000	612,362	1,167,362
2039	580,000	584,613	1,164,613
2040	635,000	555,612	1,190,612
2041	660,000	530,213	1,190,213
2042	710,000	503,812	1,213,812
2043	740,000	475,413	1,215,413
2044	770,000	445,812	1,215,812
2045	805,000	415,013	1,220,013
2046	840,000	380,800	1,220,800
2047	875,000	345,100	1,220,100
2048	910,000	307,913	1,217,913
2049	950,000	269,237	1,219,237
2050	990,000	228,863	1,218,863
2051	1,030,000	186,787	1,216,787
2052	1,075,000	143,012	1,218,012
2053	1,120,000	97,325	1,217,325
2054	1,170,000	49,725	1,219,725
Total	\$ 18,585,000	\$ 15,844,325	\$ 34,429,325