STERLING RANCH COMMUNITY AUTHORITY BOARD
Douglas County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

STERLING RANCH COMMUNITY AUTHORITY BOARD
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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Sterling Ranch Community Authority Board (the CAB), as of and for the year ended December 31, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CAB, as of December 31, 2025, and the respective changes in financial position and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CAB's basic financial statements. The combining financial statements for the debt service funds and other budgetary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Eide Bailly LLP

Denver, Colorado
May 29, 2026

BASIC FINANCIAL STATEMENTS

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 1,647,281
Cash and Investments - Restricted	30,163,557
Prepaid Expenses	214,585
Receivables, Net	824,819
Deposit - SIA/Douglas County	231,746
Capital Assets:	
Capital Assets, Not Being Depreciated	293,727,794
Capital Assets, Net of Depreciation and Amortization	33,142,748
Total Assets	359,952,530
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	663,226
Total Deferred Outflows of Resources	663,226
LIABILITIES	
Accounts Payable	1,166,071
Accrued Expenses	53,900
Retainage Payable	218,383
Tap Fees Credits Payable	720,000
Hydrant Meter Deposit	67,600
Accrued Interest Payable - Bonds	1,111,353
Noncurrent Liabilities:	
Due in More Than One Year	501,200,938
Total Liabilities	504,538,245
NET POSITION	
Net Investment in Capital Assets	(30,500)
Restricted for:	
Emergency Reserve	157,000
Capital Projects	2,551,822
Unrestricted	(146,600,811)
Total Net Position	$ (143,922,489)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF ACTIVITIES
DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 16,517,464	$ 5,530,295	$ 11,376,708	$ 14,032,596	$ 14,422,135
Finished Lots/Builders Improvements	168,297	-	-	13,821,667	13,653,370
Conveyance of Public Improvements to Another Government	31,745,917	-	-	-	(31,745,917)
Interest on Long-Term Debt and Related Costs	41,639,485	-	-	-	(41,639,485)
Total Governmental Activities	$ 90,071,163	$ 5,530,295	$ 11,376,708	$ 27,854,263	(45,309,897)
	GENERAL REVENUES				
	Other Income				39,550
	Net Investment Income				1,337,767
	Total General Revenues				1,377,317
	CHANGES IN NET POSITION				(43,932,580)
	Net Position - Beginning of Year				(99,989,909)
	NET POSITION - END OF YEAR				$ (143,922,489)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Special Revenue - Water and Wastewater Services	Special Revenue - Resident Support Services	Special Revenue - Conservation Trust Fund	Debt Service - Combined	Capital Projects - General and Preconstruction	Capital Projects - Filing 2-14 Trunk Improvements	Capital Projects - Filing 2-7 Intract Improvements	Total Governmental Funds
ASSETS									
Cash and Investments	$ 498,118	$ 878,753	$ 270,410	$ -	$ -	$ -	$ -	$ -	$ 1,647,281
Cash and Investments - Restricted	157,000	-	-	26,828	27,445,557	388,073	1,629,213	516,886	30,163,557
Deposits - SIA/Douglas County	-	-	-	-	-	-	231,746	-	231,746
Receivables, Net	49,081	630,212	93,094	-	52,432	-	-	-	824,819
Due from Other Funds	-	141,225	-	-	-	-	384,000	-	525,225
Prepaid Expense	18,194	-	196,391	-	-	-	-	-	214,585
Total Assets	$ 722,393	$ 1,650,190	$ 559,895	$ 26,828	$ 27,497,989	$ 388,073	$ 2,244,959	$ 516,886	$ 33,607,213
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	$ 93,214	$ 517,265	$ 175,879	$ -	$ -	$ 148,955	$ 230,758	$ -	$ 1,166,071
Accrued Expenses	-	-	53,900	-	-	-	-	-	53,900
Due to Other Funds	-	-	-	-	525,225	-	-	-	525,225
Retainage Payable	-	-	-	-	-	4,068	214,315	-	218,383
Hydrant Meter Refundable Deposits	-	67,600	-	-	-	-	-	-	67,600
Tap Fee Credits Payable	-	-	-	-	720,000	-	-	-	720,000
Total Liabilities	93,214	584,865	229,779	-	1,245,225	153,023	445,073	-	2,751,179
FUND BALANCES									
Nonspendable:									
Prepaid Expense	18,194	-	196,391	-	-	-	-	-	214,585
Restricted for:									
Emergency Reserves	157,000	-	-	-	-	-	-	-	157,000
Conservation Trust	-	-	-	26,828	-	-	-	-	26,828
Debt Service	-	-	-	-	26,252,764	-	-	-	26,252,764
Capital Projects	-	-	-	-	-	235,050	1,799,886	516,886	2,551,822
Committed:									
General Government	-	1,065,325	133,725	-	-	-	-	-	1,199,050
Assigned to:									
Subsequent Year's Expenditures	81,567	-	-	-	-	-	-	-	81,567
Unassigned									
General Government	372,418	-	-	-	-	-	-	-	372,418
Total Fund Balances	629,179	1,065,325	330,116	26,828	26,252,764	235,050	1,799,886	516,886	30,856,034
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 722,393	$ 1,650,190	$ 559,895	$ 26,828	$ 27,497,989	$ 388,073	$ 2,244,959	$ 516,886	
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.									326,870,542
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.									
Cost of Refunding									663,226
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.									
Bonds Payable									(429,830,824)
Accrued Interest Payable - Bonds									(21,724,423)
Advances Payable to SR Entities									(42,772,726)
Accrued Interest Payable - Advances from SR Entities									(7,858,244)
Lease Payable									(126,074)
Net Position of Governmental Activities									$ (143,922,489)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Special Revenue - Water and Wastewater Services	Special Revenue - Resident Support Services	Special Revenue - Conservation Trust Fund	Debt Service - Combined	Capital Projects - General and Preconstruction	Capital Projects - Filing 2-14 Trunk Improvements	Capital Projects - Filing 2-7 Intract Improvements	Total Governmental Funds
REVENUES									
Design Review Fees - Builders	$ 106,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 106,500
Net Investment Income	32,761	-	-	-	1,296,486	-	6,573	1,947	1,337,767
Other Income	25,000	-	-	-	-	-	14,550	-	39,550
Conservation Trust Fund Proceeds	-	-	-	25,851	-	-	-	-	25,851
Douglas County Contributions	-	-	-	-	-	-	1,917,217	-	1,917,217
Reimbursed Expenditures	41,892	-	-	-	-	-	-	-	41,892
Transfers from SRCMD 2	1,558,868	-	-	-	3,048,948	-	-	-	4,607,816
Transfers from SRCMD 3	3,113,142	-	-	-	6,004,421	-	-	-	9,117,563
Transfers from SRCMD 4	26	-	-	-	-	-	-	-	26
Transfers from SRCMD 4A	102	-	-	-	159	-	-	-	261
Transfers from SRCMD 7	69,662	-	-	-	-	-	-	-	69,662
Transfers from SRCMD 7A	43,589	-	-	-	-	-	-	-	43,589
Transfers from SRCMD 7B	223,879	-	-	-	-	-	-	-	223,879
Account Setup/Admin Fees	-	88,183	-	-	-	-	-	-	88,183
Storm Drainage Service Fees	-	680,501	-	-	-	-	-	-	680,501
Wastewater Service Fees	-	2,521,994	-	-	-	-	-	-	2,521,994
Water & Sewer Permit Connection Fees	-	28,400	-	-	-	-	-	-	28,400
Water Service - Construction	-	735,192	-	-	-	-	-	-	735,192
Water Service - Residential	-	3,998,663	-	-	-	-	-	-	3,998,663
CAB Operational Income	-	-	1,148,507	-	-	-	-	-	1,148,507
Park, Rec, Open Space Income	-	-	22,242	-	-	-	-	-	22,242
Shared Driveway Income	-	-	229,530	-	-	-	-	-	229,530
Amenity - Overlook Income	-	-	70,687	-	-	-	-	-	70,687
Commercial Operations Income	-	-	57,429	-	-	-	-	-	57,429
Tap Fees	-	-	-	-	1,012,000	-	1,226,540	-	2,238,540
Facilities Fees	-	-	-	-	2,024,000	-	941,475	-	2,965,475
Assessment Lien Proceeds	-	-	-	-	13,758,766	-	-	-	13,758,766
Builder Funds	-	-	-	-	-	-	-	169,936	169,936
Total Revenues	5,215,421	8,052,933	1,528,395	25,851	27,144,780	-	4,106,355	171,883	46,245,618

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	General	Special Revenue - Water and Wastewater Services	Special Revenue - Resident Support Services	Special Revenue - Conservation Trust Fund	Debt Service - Combined	Capital Projects - General and Preconstruction	Capital Projects - Filing 2-14 Trunk Improvements	Capital Projects - Filing 2-7 Intract Improvements	Total Governmental Funds
EXPENDITURES									
Current:									
Accounting	$ 282,651	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 282,651
Audit	158,043	-	-	-	-	-	-	-	158,043
Banking Fees	2,083	-	-	-	-	-	-	-	2,083
Dues and Memberships	27,752	978	-	-	-	-	-	-	28,730
GIS Licensing	69,000	-	-	-	-	-	-	-	69,000
Insurance and Bonds	157,301	-	-	-	-	-	-	-	157,301
IT Equipment and Software	318,107	-	-	-	-	-	-	-	318,107
Legal	229,896	1,795	-	-	-	110,382	-	-	342,073
Miscellaneous	20,684	-	-	-	-	-	-	-	20,684
Other Consulting	18,439	-	-	-	-	-	-	-	18,439
Parks/Landscape/Streets	7,565	-	-	-	-	213,218	13,868	-	234,651
Recruiting	12,628	-	-	-	-	-	-	-	12,628
Salary/ Benefits/ Payroll Tax	3,324,459	-	-	-	-	-	-	-	3,324,459
Vehicle Maintenance	22,337	-	-	-	-	-	-	-	22,337
Fencing Materials	1,607	-	-	-	-	-	-	-	1,607
Meals	7,823	-	-	-	-	-	-	-	7,823
Billing and Administration	-	187,471	-	-	-	-	-	-	187,471
Dominion - Construction Water	-	1,047,799	-	-	-	-	-	-	1,047,799
Dominion - Residential Wastewater	-	1,515,280	-	-	-	-	-	-	1,515,280
Dominion - Residential/Commercial/Irrigation Water	-	3,525,697	-	-	-	-	-	-	3,525,697
CAB Operations Expenses	-	-	1,101,442	-	-	-	-	-	1,101,442
Park, Rec, Open Space Expenses	-	-	1,358,792	-	-	-	-	-	1,358,792
Shared Driveway Expenses	-	-	36,442	-	-	-	-	-	36,442
Amenity - Overlook Expenses	-	-	429,327	-	-	-	-	-	429,327
Commercial Operations Expenses	-	-	219,879	-	-	-	-	-	219,879
Debt Service:									
Trustee/Paying Agent Fees	-	-	-	-	32,000	-	-	-	32,000
Interest Payment	-	-	-	-	12,925,641	-	-	-	12,925,641
Interest Payment - Subordinate	-	-	-	-	281,910	-	-	-	281,910
Principal Payment	-	-	-	-	9,543,056	-	-	-	9,543,056
Cost of Issuance	-	-	-	-	1,913,972	-	-	-	1,913,972
Payment to Refunding Escrow	-	-	-	-	38,973,216	-	-	-	38,973,216
Miscellaneous	-	-	-	-	600	-	-	-	600
Capital Projects:									
Cost Verifications/Certifications	-	-	-	-	-	41,483	-	-	41,483
Engineering and Management	-	-	-	-	-	476,762	3,065,767	-	3,542,529
Damage Deposit Release	-	-	-	-	-	-	-	103,113	103,113
Parks and Rec (Landscaping)	-	-	-	-	-	167,122	12,553,133	4,093,684	16,813,939
Sterling Center Refresh	-	-	-	-	-	419,944	-	-	419,944
Streets	-	-	-	-	-	235,655	23,449,901	14,247,793	37,933,349
Streets - Grading and Erosion Control	-	-	-	-	-	-	869,408		869,408
Storm Sewer	-	-	-	-	-	7,463	16,955,604	4,548,446	21,511,513
Sanitation	-	-	-	-	-	-	8,750,126	5,183,593	13,933,719
Dry Utilities	-	-	-	-	-	-	78,592	-	78,592
Dominion - Irrigation Taps	-	-	-	-	-	-	2,108,140	-	2,108,140
Water	-	-	-	-	-	-	11,893,489	4,569,595	16,463,084
Total Expenditures	4,660,375	6,279,020	3,145,882	-	63,670,395	1,672,029	79,738,028	32,746,224	191,911,953

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	General	Special Revenue - Water and Wastewater Services	Special Revenue - Resident Support Services	Special Revenue - Conservation Trust Fund	Debt Service - Combined	Capital Projects - General and Preconstruction	Capital Projects - Filing 2-14 Trunk Improvements	Capital Projects - Filing 2-7 Intract Improvements	Total Governmental Funds
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 555,046	$ 1,773,913	$ (1,617,487)	$ 25,851	$ (36,525,615)	$ (1,672,029)	$ (75,631,673)	$ (32,574,341)	$ (145,666,335)
OTHER FINANCING SOURCES (USES)									
Bond Issuance	-	-	-	-	133,936,133	-	-	-	133,936,133
Bond Premium	-	-	-	-	1,628,816	-	-	-	1,628,816
SR Entities Cash Advances:									
Cash Advances	-	-	-	-	325,000	606,775	64,322,249	32,367,779	97,621,803
Repayment to SR Entities	-	-	-	-	-	-	(52,868,028)	(41,655,997)	(94,524,025)
Transfers from Other Funds	833,991	10,830	1,631,910	977	2,725,046	1,683,852	68,417,191	42,030,254	117,334,051
Transfers to Other Funds	(831,832)	(1,883,985)	(56,163)	-	(111,620,280)	(59,718)	(1,402,338)	(1,479,735)	(117,334,051)
Total Other Financing Sources	2,159	(1,873,155)	1,575,747	977	26,994,715	2,230,909	78,469,074	31,262,301	138,662,727
NET CHANGE IN FUND BALANCES	557,205	(99,242)	(41,740)	26,828	(9,530,900)	558,880	2,837,401	(1,312,040)	(7,003,608)
Fund Balances - Beginning of Year	71,974	1,164,567	371,856	-	35,783,664	(323,830)	(1,037,515)	1,828,926	37,859,642
FUND BALANCES - END OF YEAR	$ 629,179	$ 1,065,325	$ 330,116	$ 26,828	$ 26,252,764	$ 235,050	$ 1,799,886	$ 516,886	$ 30,856,034

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (7,003,608)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. This is the amount of capital outlay, depreciation, and dedication of capital assets to other governments in the current period.	
Capital Outlay	113,884,871
Conveyance of Capital Assets to Other Governments	(31,745,917)
Depreciation and Amortization	(2,541,662)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Bond Issuances, Including Bond Premium	(135,564,949)
Advances from SR Entities - Intract	(32,474,814)
Advances from SR Entities - Trunk	(65,254,024)
Repayment - Advances from SR Entities (Principal)	81,455,405
Cost of Refunding	703,111
Bond Principal Payments - Senior & Subordinate	44,547,000
Bond Principal Payments - Junior Bonds	2,544,056
Lease Payment	103,303
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Cost of Refunding - Amortization	(407,841)
Bond Premium - Amortization	416,922
Bond Discount - Amortization	(69,393)
Accrued Interest on Advances from SR Entities - Change in Liability	(2,190,324)
Accrued Interest on Senior Bonds - Change in Liability	6,271
Accrued Interest on Subordinate & Junior Bonds - Change in Liability	(10,340,987)
Changes in Net Position of Governmental Activities	$ (43,932,580)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Design Review Fees - Builders	$ 425,250	$ 425,250	$ 106,500	$ (318,750)
Net Investment Income	-	35,000	32,761	(2,239)
Other Income	-	230,000	25,000	(205,000)
Reimbursed Expenditures	-	45,000	41,892	(3,108)
Transfers from SRCMD 2	1,577,039	1,577,039	1,558,868	(18,171)
Transfers from SRCMD 3	3,150,599	3,150,599	3,113,142	(37,457)
Transfers from SRCMD 4	146	146	26	(120)
Transfers from SRCMD 4A	-	-	102	102
Transfers from SRCMD 7	70,461	70,461	69,662	(799)
Transfers from SRCMD 7A	44,124	44,124	43,589	(535)
Transfers from SRCMD 7B	226,252	226,252	223,879	(2,373)
Total Revenues	5,493,871	5,803,871	5,215,421	(588,450)
EXPENDITURES				
Accounting	250,000	270,000	282,651	(12,651)
Audit	45,000	160,000	158,043	1,957
Banking Fees	1,000	1,000	2,083	(1,083)
Business Development	20,000	10,000	-	10,000
CAB Management	10,000	10,000	-	10,000
Contingency	50,000	50,000	-	50,000
Design and Landscape Review	15,000	15,000	-	15,000
Dues and Memberships	25,000	25,000	27,752	(2,752)
Furniture and Equipment	20,000	20,000	-	20,000
GIS Licensing	100,000	100,000	69,000	31,000
Insurance and Bonds	150,000	160,000	157,301	2,699
IT Equipment and Software	280,000	305,000	318,107	(13,107)
Legal	100,000	205,000	229,896	(24,896)
Miscellaneous	50,000	50,000	20,684	29,316
Other Consulting	25,000	25,000	18,439	6,561
Parks/Landscape/Streets	120,000	120,000	7,565	112,435
Rates and Fees Studies	150,000	45,000	-	45,000
Recruiting	5,400	5,400	12,628	(7,228)
Salary/ Benefits/ Payroll Tax	3,676,498	3,501,498	3,324,459	177,039
Vehicle Maintenance	100,000	100,000	22,337	77,663
Fencing Materials	-	5,000	1,607	3,393
Meals	-	10,000	7,823	2,177
Total Expenditures	5,192,898	5,192,898	4,660,375	532,523
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	300,973	610,973	555,046	(55,927)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	300,000	300,000	833,991	533,991
Transfers to Other Funds	-	(807,102)	(831,832)	(24,730)
Total Other Financing Sources (Uses)	300,000	(507,102)	2,159	509,261
NET CHANGE IN FUND BALANCE	600,973	103,871	557,205	453,334
Fund Balance - Beginning of Year	85,426	71,974	71,974	-
FUND BALANCE - END OF YEAR	$ 686,399	$ 175,845	$ 629,179	$ 453,334

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SPECIAL REVENUE FUND – WATER, WASTEWATER AND STORM DRAINAGE SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Account Setup/Admin Fees	$ 113,400	$ 113,400	$ 88,183	$ (25,217)
Storm Drainage Service Fees	663,069	663,069	680,501	17,432
Wastewater Service Fees	2,594,425	2,594,425	2,521,994	(72,431)
Water & Sewer Permit Connection Fees	56,700	56,700	28,400	(28,300)
Water Service - Construction	600,000	600,000	735,192	135,192
Water Service - Residential	3,806,579	3,806,579	3,998,663	192,084
Total Revenues	7,834,173	7,834,173	8,052,933	218,760
EXPENDITURES				
Billing and Administration	158,262	168,262	187,471	(19,209)
Dominion - Construction Water	450,000	940,000	1,047,799	(107,799)
Dominion - Residential Wastewater	1,556,655	1,556,655	1,515,280	41,375
Dominion - Residential/Commercial/Irrigation Water	3,387,855	3,587,855	3,525,697	62,158
Legal	-	2,000	1,795	205
Dues and memberships	-	-	978	(978)
Total Expenditures	5,552,772	6,254,772	6,279,020	(24,248)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,281,401	1,579,401	1,773,913	194,512
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	10,830	10,830
Transfers to Other Funds	(2,664,187)	(2,245,228)	(1,883,985)	361,243
Total Other Financing Uses	(2,664,187)	(2,245,228)	(1,873,155)	372,073
NET CHANGE IN FUND BALANCE	(382,786)	(665,827)	(99,242)	566,585
Fund Balance - Beginning of Year	548,729	1,164,567	1,164,567	-
FUND BALANCE - END OF YEAR	$ 165,943	$ 498,740	$ 1,065,325	$ 566,585

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SPECIAL REVENUE FUND – RESIDENT SUPPORT SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
CAB Operational Income	$ 1,401,950	$ 1,148,507	$ (253,443)
Park, Rec, Open Space Income	46,981	22,242	(24,739)
Shared Driveway Income	155,701	229,530	73,829
Amenity - Overlook Income	17,000	70,687	53,687
Amenity - Prospect Park	14,500	-	(14,500)
Commercial Operations Income	55,720	57,429	1,709
Total Revenues	1,691,852	1,528,395	(163,457)
EXPENDITURES			
CAB Operational Expenses	1,245,100	1,101,442	143,658
Park, Rec, Open Space Expenses	1,658,983	1,358,792	300,191
Shared Driveway Expenses	64,800	36,442	28,358
Amenity - Overlook Expenses	376,277	429,327	(53,050)
Amenity - Prospect Park	235,318	-	235,318
Commercial Operations Expenses	327,562	219,879	107,683
Total Expenditures	3,908,040	3,145,882	762,158
EXCESS OF REVENUES UNDER EXPENDITURES	(2,216,188)	(1,617,487)	598,701
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	2,364,187	1,631,910	(732,277)
Transfers to Other Funds	-	(56,163)	(56,163)
Total Other Financing Sources	2,364,187	1,575,747	(788,440)
NET CHANGE IN FUND BALANCE	147,999	(41,740)	(189,739)
Fund Balance - Beginning of Year	19,142	371,856	352,714
FUND BALANCE - END OF YEAR	$ 167,141	$ 330,116	$ 162,975

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SPECIAL REVENUE FUND – CONSERVATION TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Conservation Trust Proceeds	$ -	$ 25,851	$ 25,851
Total Revenues	-	25,851	25,851
EXPENDITURES			
Total Expenditures	-	-	-
EXCESS OF REVENUES UNDER EXPENDITURES	-	25,851	25,851
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	-	977	977
Total Other Financing Sources	-	977	977
NET CHANGE IN FUND BALANCE	-	26,828	26,828
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 26,828	$ 26,828

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Sterling Ranch Community Authority Board (CAB) was organized in January 2014 to own, operate, and maintain all public improvements within the boundaries of the Sterling Ranch Colorado Metropolitan District Nos. 1 through 7 (collectively, the Districts), under the Sterling Ranch Community Authority Board Establishment Agreement (the CABEA) entered into by the Districts. The Second Amended and Restated CABEA was entered into on March 18, 2020. The First Amendment to the Second Amended and Restated CABEA was entered into on March 26, 2025.

The Districts were created for the purposes of designing, acquiring, constructing, installing, financing, operating, and maintaining certain public improvements as set forth in the respective service plans. Pursuant to the CABEA, the CAB will furnish, operate, and maintain these public improvements on behalf of the Districts, and each District shall transfer certain revenues received by it in order to fund the operation and maintenance costs and capital costs of the public improvements. Either the CAB or any of the Districts may, from time to time, issue debt and use proceeds to finance public improvements and the CAB will enter into construction contracts for the public improvements.

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the CAB. The effect of interfund activity has been removed from these statements.

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The CAB reports the following major governmental funds:

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

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

The Debt Service Fund – Combined consists of the Debt Service Fund – 2019 Bonds, the Debt Service Fund – 2020/2025 Bonds, the Debt Service Fund – 2022 Bonds, the Debt Service Fund – 2023 Junior Bonds, the Debt Service Fund- 2024 SID Bonds, the Debt Service Fund 2024 MD4A F7A Dirt Bonds, the Debt Service Fund – 2024 MD4B F7B&C Bonds, and the Debt Service Fund – 2025 Junior Bonds. These 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 – General and Preconstruction is used to account for financial resources to be used for the acquisition and construction of public improvements related to all filings within the Districts.

The Capital Projects Fund – Filing 2-14 – Trunk Improvements are used to account for financial resources to be used for the acquisition and construction of public improvements within Filings 2 through 14.

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

Budgets

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

The CAB has amended its annual budget for the year ended December 31, 2025.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

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

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

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

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

Pooled Cash and Investments

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

Amortization

Original Issue Discount/Premium

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

Cost of Bond Refunding

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the defeased bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Effective January 1, 2024, the CAB implemented GASB Statement No. 101, *Compensated Absences* (Statement 101). Statement 101 updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. There was not a significant effect on the CAB's financial statements as a result of the implementation of this standard.

Capital Assets

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

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the CAB may operate and maintain, are recorded as construction in progress.

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

Vehicles	5 Years
Furniture and Fixtures/Equipment	6 to 7 Years
Streetlights	7 Years
Civic Center Improvements	7 Years
Recreation Center Improvements	7 Years
Technology Integration	7 Years
Information Trailer	10 Years
Parks and Recreation	15 Years
Sewer – Sanitary & Storm	30 Years
Water Lines	30 Years

Equity

Net Position

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

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.

New Accounting Pronouncements

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures (Statement 102)*. Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (Continued)

The CAB adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 1,647,281
Cash and Investments - Restricted	30,163,557
Total Cash and Investments	$ 31,810,838

Cash and investments as of December 31, 2025, consist of the following:

Deposits with Financial Institutions	$ 1,591,669
Investments	30,219,169
Total Cash and Investments	$ 31,810,838

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, 2025, the CAB's cash deposits had a bank balance of $2,601,243 and carrying balance of $1,591,669. $250,000 each from Alpine Bank and BOK Financial is insured through the FDIC and the balance is collateralized in single institution pools pursuant to PDPA.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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

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

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

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

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

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government	Weighted-Average	
Liquid Asset Trust (COLOTRUST)	Under 60 Days	$ 30,219,169

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

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 Fitch Ratings. 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

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress:				
Streets	$ 105,582,331	$ 39,910,216	$ 15,361,166	$ 130,131,381
Sanitation	25,347,539	14,355,213	2,899,624	36,803,128
Storm Sewer	31,419,271	22,331,478	7,033,125	46,717,624
Water	24,713,013	17,026,551	2,343,500	39,396,064
Traffic and Safety	7,568,420	-	2,114,693	5,453,727
Parks and Recreation (Landscaping)	20,204,980	19,841,469	5,240,522	34,805,927
Sterling Center Refresh	-	419,944	-	419,944
Total Capital Assets, Not Being Depreciated	214,835,554	113,884,870	34,992,630	293,727,794
Capital Assets, Being Depreciated:				
Furniture and Fixtures/Equipment	32,321	-	-	32,321
Vehicle	227,736	-	-	227,736
Information Trailer	357,217	-	-	357,217
Technology Integration	182,248	-	-	182,248
Civic Center Improvements	86,385	-	-	86,385
Recreation Center Improvements	73,340	-	-	73,340
Sewer - Sanitary & Storm	19,862,937	-	-	19,862,937
Water Lines	8,672,430	-	-	8,672,430
Parks and Recreation	7,426,603	1,011,542	-	8,438,145
Streetlights	4,946,777	2,235,172	-	7,181,949
Total Capital Assets, Being Depreciated	41,867,994	3,246,714	-	45,114,708
Lease Assets, Being Amortized:				
Right-to-Use Lease Building	1,092,856	-	-	1,092,856
Total Lease Assets Being Amortized	1,092,856	-	-	1,092,856
Less Accumulated Depreciation for:				
Furniture and Fixtures/Equipment	(31,303)	(11,116)	-	(42,419)
Vehicle	(146,477)	(9,650)	-	(156,127)
Information Trailer	(250,053)	(35,722)	-	(285,775)
Technology Integration	(138,853)	(26,035)	-	(164,888)
Civic Center Improvements	(69,932)	(12,341)	-	(82,273)
Recreation Center Improvements	(42,781)	(10,477)	-	(53,258)
Sewer - Sanitary & Storm	(3,362,177)	(662,098)	-	(4,024,275)
Water Lines	(1,467,109)	(289,081)	-	(1,756,190)
Parks and Recreation	(2,059,167)	(509,004)	-	(2,568,171)
Streetlights	(2,081,017)	(866,853)	-	(2,947,870)
Total Accumulated Depreciation	(9,648,869)	(2,432,377)	-	(12,081,246)
Less Lease Asset Accumulated Amortization:				
Right-to-Use Lease Building	(874,285)	(109,285)		(983,570)
Total Lease Asset Accumulated Amortization	(874,285)	(109,285)	-	(983,570)
Total Capital Assets, Being Depreciated and Amortized, Net	32,437,696	705,052	-	33,142,748
Governmental Activities Capital Assets, Net	$ 247,273,250	$ 114,589,922	$ 34,992,630	$ 326,870,542

Depreciation expense and amortization expense were charged to the governmental function of the CAB in the amount of $2,432,377 and $109,285, respectively.

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, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
Limited Tax Supported Revenue Bonds:					
Senior - Series 2020A	$ 34,120,000	$ -	$ 34,120,000	$ -	$ -
Subordinate - Series 2020B	3,428,000	-	3,428,000	-	-
Bond Premium - Series 2020A	395,063	-	395,063	-	-
Limited Tax Supported and Special Revenue Bonds:					
Senior - Series 2022	99,745,000	-	-	99,745,000	-
Bond Premium - Series 2022	67,342	-	3,116	64,226	-
Limited Tax Supported and Special Revenue District No. 3 Subordinate Bonds:					
Subordinate - Series 2023B	12,472,000	-	-	12,472,000	-
Limited Tax Supported and Special Revenue Bonds Subdistrict 4A:					
Senior - Series 2024A	24,035,000	-	-	24,035,000	-
Subordinate - Series 2024B	7,680,000	-	-	7,680,000	-
Bond Discount - Series 2024 A&B	(482,902)	21,073	-	(461,829)	-
Limited Tax Supported and Special Revenue Bonds Subdistrict 4B:					
Senior - Series 2024A	25,405,000	-	-	25,405,000	-
Subordinate - Series 2024B	7,874,000	-	-	7,874,000	-
Bond Premium - Series 2024A	161,086	-	7,353	153,733	-
Special Assessment Revenue Bonds:					
Series 2024	37,315,000	-	6,999,000	30,316,000	-
Bond Discount - Series 2024A&B	(600,610)	48,320	-	(552,290)	-
Limited Tax Supported Revenue Bonds:					
Senior - Series 2025A	-	38,955,000	-	38,955,000	-
Subordinate - Series 2025B	-	11,948,000	-	11,948,000	-
Bond Premium - Series 2025A	-	1,628,816	11,390	1,617,426	-
Accrued Interest					
Series 2020B	10,855	233,390	244,245	-	-
Series 2023B	1,861,792	1,200,455	-	3,062,247	-
Subdistrict 4A Series 2024B	477,735	712,705	281,910	908,530	-
Subdistrict 4B Series 2024B	97,692	657,665	-	755,357	-
Series 2025B	-	187,563	-	187,563	-
Subtotal Bonds Payable	254,062,053	55,592,987	45,490,077	264,164,963	-
Direct Borrowings and Direct Placements:					
Limited Tax Supported Districts 1-7:					
Junior Subordinate Bonds, Series 2023A-1	2,544,056	-	2,544,056	-	-
Junior Subordinate Bonds, Series 2023A-2	87,546,425	-	-	87,546,425	-
Junior Subordinate Bonds, Series 2025A-1	-	18,629,112	-	18,629,112	-
Junior Subordinate Bonds, Series 2025A-2	-	23,026,885	-	23,026,885	-
Junior Subordinate Bonds, Series 2025A-3	-	11,854,103	-	11,854,103	-
Junior Subordinate Bonds, Series 2025A-4	-	29,523,033	-	29,523,033	-
Accrued Interest	7,824,009	8,028,793	153,429	15,699,373	-
Subtotal Direct Borrowings and Direct Placements	97,914,490	91,061,926	2,697,485	186,278,931	-
Other Debts:					
Advances Payable to SR Entities:					
Operations	23,412,747	-	-	23,412,747	-
Capital - Trunk	-	65,254,024	49,087,626	16,166,398	-
Capital - Intract	3,086,546	32,474,814	32,367,779	3,193,581	-
Accrued Interest	5,667,920	15,258,944	13,068,620	7,858,244	-
Lease Payable	229,377	-	103,303	126,074	-
Subtotal Other Debts	32,396,590	112,987,782	94,627,328	50,757,044	-
Total Long-Term Obligations	$ 384,373,133	$ 259,642,695	$ 142,814,890	$ 501,200,938	$ -

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

Bond Proceeds

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

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

2022 Senior Bonds Details

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

2022 Bonds Optional Redemption

The 2022 Bonds are subject to redemption by the CAB prior to maturity, at the option of the CAB, on any business day on and after December 1, 2027, at a redemption price equal to the principal amount of the 2022 Bonds called for redemption, a redemption premium equal to a percentage of the principal amount redeemed (as follows), plus accrued interest to such date.

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

2022 Bonds Pledged Revenue

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

District No. 3 Required Mill Levy

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

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

Additional Security

The 2022 Bonds are additionally secured by deposit to the Surplus Fund at closing of the 2022 Bonds in the amount of $2,498,922.55. The Maximum Surplus Amount is an amount equal to $4,987,250. The balance in the 2022 Bonds Surplus Fund as of December 31, 2025 is $3,409,186.42.

2022 Bonds Debt Service

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

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 6,619,578	$ 6,619,578
2027	415,000	6,619,578	7,034,578
2028	820,000	6,595,508	7,415,508
2029	865,000	6,547,948	7,412,948
2030	1,065,000	6,497,778	7,562,778
2031-2035	7,325,000	31,393,055	38,718,055
2036-2040	12,320,000	28,434,890	40,754,890
2041-2045	19,155,000	23,575,077	42,730,077
2046-2050	29,090,000	15,887,475	44,977,475
2051-2053	28,690,000	4,291,313	32,981,313
Total	$ 99,745,000	$ 136,462,200	$ 236,207,200

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

Events of Default

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

Acceleration of the 2022 Bonds shall not be an available remedy for an Event of Default.

Collateral

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

Termination Events

The Series 2022 Bonds are not subject to early termination.

Acceleration

The Series 2022 Bonds are not subject to acceleration.

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

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

Proceeds of the 2023A Junior Subordinate Bonds

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

Details of the 2023A Junior Subordinate Bonds

The 2023A-1 Junior Subordinate Bonds bear interest at the rate of 6.500% and the 2023A-2 Junior Subordinate Bonds bear interest at the rate of 5.500%. Interest on the 2023A Junior Subordinate Bonds is payable annually on December 15, beginning on December 15, 2023. Principal payments on the 2023A Junior Subordinate Bonds are due annually on each December 15, commencing on December 15, 2023. The 2023A Junior Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. The principal of and interest on the 2023A-2 Junior Subordinate Bonds shall be paid only after principal and interest is paid on the 2019A Junior Subordinate Bonds (fully paid on November 7, 2024) and the 2023A-1 Junior Subordinate Bonds (fully paid on October 9, 2025). The 2023A-2 Junior Subordinate Bonds mature on May 31, 2063.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

Details of the 2023A Junior Subordinate Bonds (Continued)

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

The 2023A-2 Junior Subordinate Bonds are not subject to early termination or acceleration and do not have any unused lines of credit. No assets have been pledged as collateral on the 2023A-2 Junior Subordinate Bonds.

Events of Default

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

Acceleration of the 2023A-2 Junior Subordinate Bonds shall not be an available remedy for an Event of Default.

Optional Redemption

The 2023A-2 Junior Subordinate Bonds are subject to redemption prior to maturity, at the option of the CAB, on any date upon payment of par and accrued interest without redemption premium.

Junior Subordinate Bonds Pledged Revenue

The 2023A-2 Junior Subordinate Bonds are secured by and payable solely from and to the extent of Junior Subordinate Bonds Pledged Revenue derived by the CAB from the following sources: (a) the Pledge Districts Junior Required Mill Levies; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Pledge Districts Junior Required Mill Levies; and (c) any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Junior Subordinate Pledged Revenue.

Pledge Districts Junior Required Mill Levies

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

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

Proceeds of the 2023B Subordinate Bonds

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

Details of the 2023B Subordinate Bonds

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

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

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

Events of Default

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

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

Optional Redemption

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

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

The 2023B Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Bonds Pledged Revenue derived by the CAB from the following sources: (a) the District No. 3 Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the District No. 3 Subordinate Required Mill Levy; (c) Subordinate Pledged Facilities Fee Revenues and Subordinate Pledged Storm Water Tap Fee Revenues; and (d) any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

District No. 3 Subordinate Required Mill Levy

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

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Special Improvement District No. 1 Special Assessment Revenue Bonds, Series 2024 (the "SID Bonds")

The CAB issued the SID Bonds on April 16, 2024, in the amount of $43,000,000.

Details of the Bonds

The SID Bonds will bear interest at 5.625% payable semi-annually on June 1 and December 1, beginning June 1, 2024. The SID Bonds were issued as one term bond with annual mandatory sinking fund principal payments due on December 1, commencing on December 1, 2027. The SID Bonds mature on December 1, 2043.

To the extent principal of the SID Bond is not paid when due, such principal shall remain outstanding until the date on which they are paid. To the extent interest on the SID Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the SID Bond. The CAB shall not be obligated to pay more than the amount permitted by law and the electoral authorization in repayment of the SID Bonds, including all payments of principal, premium, if any, and interest.

It is anticipated that all Pledged Revenue will be received by the end of 2026 and applied to the extraordinary mandatory redemption of the SID Bonds resulting in the SID Bonds being paid in full by the end of 2026.

Optional Redemption

The SID Bonds are subject to redemption prior to maturity, at the option of the CAB, on June 1, 2029, and on any Business Day thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
June 1, 2029, to May 31, 2030	3.00%
June 1, 2030, to May 31, 2031	2.00
June 1, 2031, to May 31, 2032	1.00
June 1, 2032, and thereafter	0.00

Extraordinary Mandatory Redemption

The owner of any property in the SID which is not in default on any installment of principal or interest on its Special Assessment, may at any time pay the whole of the unpaid Special Assessment upon payment to the CAB of the sum of: (a) the unpaid principal of the Special Assessment; and (b) accrued interest on the Special Assessment to the next occurring June 1 (if such payment is received by April 15) or December 1 (if such payment is received after April 15 but on or prior to October 15) (each being an Interest Payment Date on the SID Bonds). In accordance with the Indenture, any such prepaid Special Assessments shall be applied to the Redemption Account of the Bond Fund, and the Trustee shall apply such moneys to the extraordinary mandatory redemption of the outstanding SID Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Special Improvement District No. 1 Special Assessment Revenue Bonds, Series 2024 (the "SID Bonds") (Continued)

The SID Bonds are subject to mandatory redemption in part by lot on March 1, June 1, September 1, and December 1 of each year (each an "Extraordinary Mandatory Redemption Date"), commencing on June 1, 2024, to the extent of moneys on deposit, if any, in the Redemption Account of the Bond Fund 45 days prior to the applicable Extraordinary Mandatory Redemption Date, and subject to any minimum requirements with respect to the principal amount of SID Bonds to be redeemed as set forth in the Indenture, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the Extraordinary Mandatory Redemption Date.

Pledged Revenue

The SID Bonds are secured by and payable solely from and to the extent of Pledged Revenue, consisting of: (i) the proceeds of Special Assessments (including prepayments thereof); (ii) any Assessment Lien Sale Proceeds received by the CAB; and (iii) any other legally available moneys which the CAB determines, in its absolute discretion, to credit to the Bond Fund.

Security for the SID Bonds

The SID Bonds are additionally secured by: (i) capitalized interest, which was funded with proceeds of the Bonds in the amount of $4,837,500 and (ii) by amounts in the Reserve Fund, which was funded with proceeds of the SID Bonds in the amount of the Reserve Fund Requirement of $4,300,000.

Reserve Fund

In the event the amounts credited to the Bond Fund are insufficient to pay the principal of and/or interest on the SID Bonds when due on any Scheduled Payment Date, the Trustee shall transfer from the Reserve Fund to the Bond Fund an amount which, when combined with moneys in the Bond Fund, will be sufficient to make such payments on the applicable payment date.

The Reserve Fund Requirement will be reduced by 10% of the principal amount paid on the SID Bonds, either as a result of annual mandatory sinking fund payments or extraordinary mandatory redemption. Any proceeds released from the Reserve Fund Requirement will be used to redeem the SID Bonds to the extent of the release amount.

2024 Bonds Debt Service

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

Year Ending December 31,	Principal	Interest*	Total
2026	$ -	$ 1,705,275	$ 1,705,275
2027	1,491,000	1,705,275	3,196,275
2028	1,583,000	1,621,406	3,204,406
2029	1,684,000	1,532,363	3,216,363
2030	1,787,000	1,437,638	3,224,638
2031-2035	10,764,000	5,547,882	16,311,882
2036-2040	13,007,000	2,117,982	15,124,982
Total	$ 30,316,000	$ 15,667,821	$ 45,983,821

*Original estimated interest, not considering early redemption.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 4 Subdistrict – A, Refunding Senior Bonds, Series 2024A (the "4A Senior Bonds") and the Limited Tax Supported and Special Revenue District No. 4 Subdistrict – A, Refunding and Improvement Subordinate Bonds, Series 2024B (the "4A Subordinate Bonds" and together with the 2024A Senior Bonds, the "4A Bonds")

The CAB issued the 4A Bonds on April 16, 2024, in the amounts of $24,035,000 for the 4A Senior Bonds and $7,680,000 for the 4A Subordinate Bonds.

Details of the 4A Senior Bonds

The 4A Senior Bonds will bear interest at rates ranging from 6.125% to 6.500% per annum payable semi-annually on June 1 and December 1, beginning June 1, 2024. The 4A Senior Bonds were issued as two term bonds with annual mandatory sinking fund principal payments due on December 1, commencing on December 1, 2029. The 4A Senior Bonds mature on December 1, 2054.

To the extent principal of the 4A Senior Bonds is not paid when due, such principal shall remain outstanding until the date on which it is paid. In the event interest on the 4A Senior Bonds is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by such 4A Senior Bonds. The District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the 4A Bonds.

Senior Pledged Revenues

The 4A Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, defined as: a) Subdistrict Senior Required Mill Levy Revenue; (b) Senior Specific Ownership Taxes, generated from the imposition by the Subdistrict of the Subdistrict Senior Required Mill Levy; (c) Senior Pledged Facilities Fee Revenues; (d) Senior Pledged Storm Water Tap Fee Revenues; (e) Senior PILOT Revenues, if any; and (f) any other legally available amounts that the CAB may designate to be paid to the Trustee for deposit into the Senior Revenue Fund.

Reserve Fund

In the event the Reserve Fund is drawn upon to fund debt service requirements and the amount therein is less than the Reserve Fund Requirement, the Reserve Fund shall be replenished in the amount necessary to cause the amount therein to equal the Reserve Fund Requirement. Amounts on deposit in the Reserve Fund on the final maturity date of the 4A Senior Bonds are to be applied to the payment of the 4A Senior Bonds on such date.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 4 Subdistrict – A, Refunding Senior Bonds, Series 2024A (the "4A Senior Bonds") and the Limited Tax Supported and Special Revenue District No. 4 Subdistrict – A, Refunding and Improvement Subordinate Bonds, Series 2024B (the "4A Subordinate Bonds" and together with the 2024A Senior Bonds, the "4A Bonds") (Continued)

Optional Redemption

The 4A Bonds are subject to redemption prior to maturity, at the option of the CAB, on June 1, 2029, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
June 1, 2029, to May 31, 2030	3.00%
June 1, 2030, to May 31, 2031	2.00
June 1, 2031, to May 31, 2032	1.00
June 1, 2032, and thereafter	0.00

4A Senior Bonds Debt Service

The annual debt service requirements on the 4A Senior Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 1,547,650	$ 1,547,650
2027	-	1,547,650	1,547,650
2028	-	1,547,650	1,547,650
2029	150,000	1,547,650	1,697,650
2030	220,000	1,538,463	1,758,463
2031-2035	1,545,000	7,457,420	9,002,420
2036-2040	2,615,000	6,861,457	9,476,457
2041-2045	4,095,000	5,853,250	9,948,250
2046-2050	6,215,000	4,264,325	10,479,325
2051-2054	9,195,000	1,751,750	10,946,750
Total	$ 24,035,000	$ 33,917,265	$ 57,952,265

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 4 Subdistrict – A, Refunding Senior Bonds, Series 2024A (the "4A Senior Bonds") and the Limited Tax Supported and Special Revenue District No. 4 Subdistrict – A, Refunding and Improvement Subordinate Bonds, Series 2024B (the "4A Subordinate Bonds" and together with the 2024A Senior Bonds, the "4A Bonds") (Continued)

Details of the 4A Subordinate Bonds

The 4A Subordinate Bonds will bear interest at the rate of 8.75% per annum payable annually on December 15, beginning December 15, 2024, only to the extent of Subordinate Bonds Pledged Revenues. The 4A Subordinate Bonds are structured as cash flow bonds meaning that there are no regularly scheduled payments of principal or interest prior to their maturity date. The stated maturity date of the 4A Subordinate Bonds is December 15, 2054.

To the extent principal of any 4A Subordinate Bonds is not paid when due, such principal shall remain outstanding until the earlier of (a) its payment or defeasance, or (b) December 16, 2064 (the "2024B Termination Date"). To the extent interest on the 4A Subordinate Bonds is not paid when due, such interest shall compound annually on each December 15, at the rate then borne by the 4A Subordinate Bonds.

All of the 4A Subordinate Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the 2024B Termination Date, regardless of the amount of principal and interest paid prior to the 2024B Termination Date.

Subordinate Pledged Revenues

The 4A Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Bonds Pledged Revenues meaning the moneys derived by the CAB from the following sources, net of any costs of collection: (a) Subdistrict Subordinate Required Mill Levy Revenue; (b) Subordinate Specific Ownership Taxes generated from the imposition by the Subdistrict of the Subdistrict Subordinate Required Mill Levy; (c) Subordinate PILOT Revenues, if any; (d) Subordinate Pledged Facilities Fee Revenues and Subordinate Pledged Storm Water Tap Fee Revenues; and (e) any other legally available moneys which the CAB may designate to be paid to the Trustee for deposit in the Subordinate Bonds Fund.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 4 Subdistrict - B, Refunding and Improvement Senior Bonds, Series 2024A (the "4B Senior Bonds"), and Limited Tax Supported and Special Revenue District No. 4 Subdistrict - B, Refunding and Improvement Subordinate Bonds, Series 2024B (the "4B Subordinate Bonds", and together with the Senior Bonds, the "4B Bonds")

The CAB issued the 4B Senior Bonds and the 4B Subordinate Bonds on November 7, 2024, in the amount of $25,405,000 and $7,874,000, respectively.

Details of the 4B Senior Bonds

The 4B Senior Bonds will bear interest at the rate of 5.75%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 (the Interest Payment Date), beginning on June 1, 2025. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2027. The 4B Senior Bonds mature on December 1, 2054.

To the extent principal of the 4B Senior Bonds is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 2, 2064, of the calendar year which is forty years follow the year of the initial imposition of the Required Mill Levy by the last of the Pledge Districts to initially impose its Required Mill Levy (the "Senior Termination Date"). To the extent interest on the 4B Senior Bonds is not paid when due, such interest shall compound annually on each December 1 at the rate then borne by the 4B Senior Bonds. The CAB shall not be obligated to pay more than the amount permitted by law in repayment of the 4B Senior Bonds.

Senior Pledged Revenues

The 4B Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, defined as: a) Subdistrict Senior Required Mill Levy Revenue; (b) Senior Specific Ownership Taxes, generated from the imposition by the Subdistrict of the Subdistrict Senior Required Mill Levy; (c) Senior Pledged Facilities Fee Revenues; (d) Senior Pledged Storm Water Tap Fee Revenues; (e) Senior PILOT Revenues, if any; and (f) any other legally available amounts that the CAB may designate to be paid to the Trustee for deposit into the Senior Revenue Fund.

Reserve Fund

In the event the Reserve Fund is drawn upon to fund debt service requirements and the amount therein is less than the Reserve Fund Requirement, the Reserve Fund shall be replenished in the amount necessary to cause the amount therein to equal the Reserve Fund Requirement. Amounts on deposit in the Reserve Fund on the final maturity date of the 4B Senior Bonds are to be applied to the payment of the 4B Senior Bonds on such date.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 4 Subdistrict - B, Refunding and Improvement Senior Bonds, Series 2024A (the "4B Senior Bonds"), and Limited Tax Supported and Special Revenue District No. 4 Subdistrict - B, Refunding and Improvement Subordinate Bonds, Series 2024B (the "4B Subordinate Bonds", and together with the Senior Bonds, the "4B Bonds") (Continued)

Optional Redemption

The 4B Senior Bonds are subject to redemption prior to maturity, at the option of the CAB, on December 1, 2029, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
December 1, 2029, to November 30, 2030	3.00%
December 1, 2030, to November 30, 2031	2.00
December 1, 2031, to November 30, 2032	1.00
December 1, 2032, and thereafter	0.00

4B Senior Bonds Debt Service

The annual debt service requirements on the 4B Senior Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 1,460,788	$ 1,460,788
2027	1,000,000	1,460,788	2,460,788
2028	5,000	1,403,288	1,408,288
2029	5,000	1,403,000	1,408,000
2030	130,000	1,402,713	1,532,713
2031-2035	1,785,000	6,791,615	8,576,615
2036-2040	2,875,000	6,160,838	9,035,838
2041-2045	4,285,000	5,181,902	9,466,902
2046-2050	6,235,000	3,738,939	9,973,939
2051-2054	9,085,000	1,537,264	10,622,264
Total	$ 25,405,000	$ 30,541,135	$ 55,946,135

Details of the 4B Subordinate Bonds

The 4B Subordinate Bonds will bear interest at the rate of 8.25% per annum payable annually on December 15, beginning December 15, 2025, only to the extent of 4B Subordinate Bonds Pledged Revenues. The 4B Subordinate Bonds are structured as cash flow bonds meaning that there are no regularly scheduled payments of principal or interest prior to their maturity date. The stated maturity date of the 4B Subordinate Bonds is December 15, 2054.

To the extent principal of the 4B Subordinate Bonds is not paid when due, such principal shall remain outstanding until the earlier of (a) its payment or defeasance, or (b) December 15, 2064 (the Subordinate Termination Date). To the extent interest on the 4B Subordinate Bonds is not paid when due, such interest shall compound annually on each December 15, at the rate then borne by the 4B Subordinate Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue District No. 4 Subdistrict - B, Refunding and Improvement Senior Bonds, Series 2024A (the "4B Senior Bonds"), and Limited Tax Supported and Special Revenue District No. 4 Subdistrict - B, Refunding and Improvement Subordinate Bonds, Series 2024B (the "4B Subordinate Bonds", and together with the Senior Bonds, the "4B Bonds") (Continued)

Subordinate Pledged Revenues

The 4B Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Bonds Pledged Revenues meaning the moneys derived by the CAB from the following sources, net of any costs of collection: (a) Subdistrict Subordinate Required Mill Levy Revenue; (b) Subordinate Specific Ownership Taxes generated from the imposition by the Subdistrict of the Subdistrict Subordinate Required Mill Levy; (c) Subordinate PILOT Revenues, if any; (d) Subordinate Pledged Facilities Fee Revenues and Subordinate Pledged Storm Water Tap Fee Revenues; and (e) any other legally available moneys which the CAB may designate to be paid to the Trustee for deposit in the Subordinate Bonds Fund.

Subordinate Pledged Facilities Fee Revenues and Subordinate Pledged Storm Water Tap Fee Revenues

Subordinate Pledged Facilities Fee Revenues and Subordinate Pledged Storm Water Tap Fee Revenues mean only that portion of revenues from Pledged Facilities Fees and Pledged Storm Water Tap Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of debt service on the 4B Senior Bonds in accordance with the 2024A Senior Indenture.

Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2025A-1 (Tax Exempt) (the "2025A-1 Junior Subordinate Bonds"), Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2025A-2 (Tax Exempt) (the "2025A-2 Junior Subordinate Bonds"), Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2025A-3 (Tax Exempt) (the "2025A-3 Junior Subordinate Bonds"), Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2025A-4 (Tax Exempt) (the "2025A-4 Junior Subordinate Bonds") and together with the Series 2023A-1, 2023A-2, 2023A-3 Junior Subordinate Bonds, the "2025A Junior Subordinate Bonds")

The CAB issued the 2025A-1 Junior Subordinate Bonds, the 2025A-2 Junior Subordinate Bonds, the 2025A-3 Junior Subordinate Bonds, and the 2025A-4 Junior Subordinate Bonds on June 3, 2025, in the amounts of $18,629,112, $23,026,885, $11,854,103, and $29,523,033, respectively.

Proceeds of the 2025A Junior Subordinate Bonds

The proceeds of the 2025A-1 and 2025A-2 Junior Subordinate Bonds were used to reimburse the cost of public improvements financed under the In-Tract Funding Agreement. The proceeds of the 2025A-3 and 2025A-4 Junior Subordinate Bonds were used to reimburse the cost of public improvements financed under the Infrastructure Acquisition Agreement.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2025A-1 (Tax Exempt) (the "2025A-1 Junior Subordinate Bonds"), Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2025A-2 (Tax Exempt) (the "2025A-2 Junior Subordinate Bonds"), Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2025A-3 (Tax Exempt) (the "2025A-3 Junior Subordinate Bonds"), Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds, Series 2025A-4 (Tax Exempt) (the "2025A-4 Junior Subordinate Bonds") and together with the Series 2023A-1, 2023A-2, 2023A-3 Junior Subordinate Bonds, the "2025A Junior Subordinate Bonds") (Continued)

Details of the 2025A Junior Subordinate Bonds

The 2025A Junior Subordinate Bonds will bear interest at rates ranging from 5.40%-5.65% payable annually on December 15, beginning December 15, 2025, only to the extent of Junior Subordinate Bond Pledged Revenues. The stated maturity date of the 2025A Junior Subordinate Bonds is December 15, 2065. To the extent principal of any 2025A Junior Subordinate Bonds is not paid when due, such principal shall remain outstanding until paid.

To the extent interest on any 2025A Junior Subordinate Bonds is not paid when due, such interest shall compound annually on each December 15, at the rate then borne by the 2025A Junior Subordinate Bonds. The CAB shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the 2025A Junior Subordinate Bonds. In the event that any amount of principal of or interest on the 2025A Junior Subordinate Bonds remains unpaid on December 15, 2065 (i.e. the Series 2025A Termination Date), such unpaid amounts and the Series 2025A Junior Subordinate Bonds shall be deemed discharged. The 2025A Junior Subordinate Bonds are not subject to early termination or acceleration and do not have any unused lines of credit. No assets have been pledged as collateral on the 2025A Junior Subordinate Bonds.

2025A Junior Subordinate Bond Pledged Revenues

Junior Subordinate Bond Pledged Revenues means each of the Districts' Junior Required Mill Levy Revenue, Specific Ownership Taxes, and any other legally available amounts that the CAB may designate by resolution of the Board, to be paid to the Trustee for deposit into the Junior Subordinate Bonds Revenue Fund, or otherwise held under the Indenture.

Optional Redemption

The 2025A Junior Subordinate Bonds are subject to redemption by the CAB prior to the Stated Maturity thereof, at the option of the CAB, in whole or in part on any Business Day on and after the date of issuance thereof, at a price equal to the par amount thereof, plus all accrued interest thereon, without any redemption premium.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds, Series 2025A (the "2025A Senior Bonds") and the Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds, Series 2025B (the "2025B Subordinate Bonds" and together with the 2025A Senior Bonds, the "2025 Bonds")

The CAB issued the 2025 Bonds on October 9, 2025, in the amounts of $38,955,000 for the 2025A Senior Bonds and $11,948,000 for the 2025B Subordinate Bonds.

Proceeds from the sale of the 2025 Bonds were used to: (i) refund all of the CAB's outstanding Limited Tax Supported Revenue Senior and Subordinate Series 2020A (the 2020 Senior Bonds) and 2020B Bonds (the 2020 Subordinate Bonds); (ii) refund the 2023A-1 Junior Bonds; (iii) finance, refinance, or reimburse the cost of public improvements benefitting a master planned community known as "Sterling Ranch"; and (iv) pay other costs in connection with the issuance of the 2025 Bonds.

Details of the Senior Bonds

The 2025A Senior Bonds bear interest at the rates ranging from 5.00% to 5.25%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 (the "Interest Payment Date"), beginning on December 1, 2025. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The 2025A Bonds mature on December 1, 2055.

Senior Pledged Revenues

The 2025A Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, defined as: (a) District No. 2 Senior Required Mill Levy Revenue; (b) Specific Ownership Taxes; and (c) any other legally available amounts that the CAB may designate to be paid to the Trustee for deposit into the Senior Bonds Revenue Fund, or otherwise held under the Senior Indenture.

District No. 2 Senior Required Mill Levy Revenue

Pursuant to the Senior Indenture, the District No. 2 Senior Required Mill Levy is defined as an ad valorem mill levy imposed by District No. 2 pursuant to the District No. 2 Pledge Agreement upon all taxable property within its boundaries each year in the following amount: subject to adjustment, an amount sufficient (taking into account amounts then on deposit in the Senior Bonds Fund available for payment of the applicable Senior Bonds) to pay the principal of, premium if any, and interest on the Senior Bonds, as the same become due and payable, and to replenish the Senior Bonds Reserve Fund to the Senior Bonds Reserve Fund Requirement, to the extent necessary, but not in excess of 50.000 mills (subject to adjustment).

Provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2013, the levy cap of 50.000 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the CAB Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes; for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds, Series 2025A (the "2025A Senior Bonds") and the Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds, Series 2025B (the "2025B Subordinate Bonds" and together with the 2025A Senior Bonds, the "2025 Bonds") (Continued)

District No. 2 Senior Required Mill Levy Revenue (Continued)

Provided, further, however, notwithstanding anything in the Senior Indenture to the contrary, in no event may the District No. 2 Senior Required Mill Levy be established at a mill levy amount which would cause District No. 2 to derive tax revenue in any year in excess of the maximum tax increases permitted by its electoral authorization, and if the District No. 2 Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 2's electoral authorization, the District No. 2 Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

2025A Senior Bonds Debt Service

The annual debt service requirements on the 2025A Senior Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 330,000	$ 2,002,950	$ 2,332,950
2027	345,000	1,986,450	2,331,450
2028	410,000	1,969,200	2,379,200
2029	430,000	1,948,700	2,378,700
2030	500,000	1,927,200	2,427,200
2031-2035	3,210,000	9,217,500	12,427,500
2036-2040	4,810,000	8,263,500	13,073,500
2041-2045	6,840,000	6,868,750	13,708,750
2046-2050	9,530,000	4,857,300	14,387,300
2051-2055	12,550,000	2,043,563	14,593,563
Total	$ 38,955,000	$ 41,085,113	$ 80,040,113

Details of the 2025B Subordinate Bonds

The 2025B Subordinate Bonds bear interest at the rate of 6.875% per annum payable annually on December 15, beginning December 15, 2025, only to the extent of Subordinate Pledged Revenues. The 2025B Subordinate Bonds are structured as cash flow bonds meaning that there are no regularly scheduled payments of principal or interest prior to their maturity date. The stated maturity date of the 2025B Subordinate Bonds is December 15, 2055.

To the extent principal of the 2025B Subordinate Bonds is not paid when due, such principal shall remain outstanding until December 16, 2065 (the Subordinate Termination Date). To the extent interest on the 2025B Subordinate Bonds is not paid when due, such interest shall compound annually on each December 15, at the rate then borne by the 2025B Subordinate Bonds.

All of the 2025B Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Subordinate Termination Date, regardless of the amount of principal and interest paid prior to the Subordinate Termination Date.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds, Series 2025A (the "2025A Senior Bonds") and the Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds, Series 2025B (the "2025B Subordinate Bonds" and together with the 2025A Senior Bonds, the "2025 Bonds") (Continued)

Subordinate Pledged Revenues

The 2025B Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Bonds Pledged Revenues meaning the moneys derived by the CAB from the following sources, net of any costs of collection: (a) the District No. 2 Subordinate Required Mill Levy Revenue; (b) Specific Ownership Taxes; and (c) any other legally available moneys which the CAB may designate, by resolution of the Board to be paid to the Trustee for deposit in the Subordinate Bonds Fund.

District No. 2 Subordinate Required Mill Levy Revenue

Pursuant to the Subordinate Indenture, the District No. 2 Subordinate Required Mill Levy is defined as an ad valorem mill levy imposed by District No. 2 pursuant to the District No.2 Pledge Agreement upon all taxable property within its boundaries each year in the following amount: subject to adjustment (i) 50.000 mills, less the amount of the District No. 2 Senior Required Mill Levy, or (ii) such lesser mill levy which, when combined with other Subordinate Bonds Pledged Revenue legally available in the Subordinate Bonds Fund, will permit the Subordinate Bonds Fund to be fully funded for the next Bond Year and pay all of the principal and interest on the 2025B Subordinate Bonds in full.

In the event the method of calculating assessed valuation is or was changed after January 1, 2013, the levy cap of 50.000 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes; for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

In no event may the District No. 2 Subordinate Required Mill Levy be established at a mill levy amount which would cause District No. 2 to derive tax revenue in any year in excess of the maximum tax increases permitted by its electoral authorization, and if the District No. 2 Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 2's electoral authorization, the District No. 2 Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Events of Default

Events of default occur if District No. 2 fails to impose the Required Mill Levies, or to apply the Pledged Revenues as required by the Indentures and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Funding and Reimbursement Agreements

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

Authorized Debt

The Service Plans for the Districts limit the aggregate amount of debt they may issue together with any debt issued by the CAB to $1,800,000,000. As of December 31, 2025, CAB and the Districts have issued $539,011,546 of debt. In the future, the CAB may issue a portion or all of the remaining authorized but unissued general obligation debt on behalf of the Districts for purposes of providing public improvements to support development as it occurs within the Districts' service areas.

NOTE 6 NET POSITION

As of December 31, 2025, 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/amortization 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, 2025, the CAB had net investment in capital assets of ($30,500).

The restricted component of net position includes assets that are restricted for use by external parties such as creditors, grantors or contributors, or as imposed by laws and regulations of other governments, or as imposed by law through constitutional provisions or enabling legislation. The CAB had restricted net position as of December 31, 2025, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 157,000
Capital Projects	2,551,822
Total Restricted Net Position	$ 2,708,822

The CAB had a negative unrestricted net position as of December 31, 2025. The negative amount was mainly a result of the CAB being responsible for the repayment of long-term debts issued for public improvements which were conveyed to other governmental entities.

NOTE 7 COMMITMENTS

Major Construction Commitments

CAB regularly contracts for the construction of public improvements within its service area. Public improvements include the construction of roads, water systems, sanitary sewer systems, storm water management systems including grading, parks, open space and trails, and landscaping improvements. Related agreements include various disbursement agreements where CAB establishes accounts that are deposited into by multiple parties and draws for qualifying improvements are issued from. As of December 31, 2025, CAB has unexpended construction commitments outstanding including the following:

Agreement	With	Entered	Terms / Notes
Sterling Ranch Filing No. 1 Construction Administration, Financing and Allotment Agreement	Dominion Water and Sanitation District	6/17/2015	Financing and administration of construction of water and wastewater facilities in Filing No. 1
Construction Disbursement Agreement	Developer & Hobbs	11/5/2015	Construction of Castle Rock Pipeline, construction and disbursement step in rights for Richmond
Landscaping Filing 3	Brightview	6/22/2023	Concerns disbursement rights and procedures for Castle Rock Pipeline Project
Landscaping Filing 5A	ELCI	8/31/2023	Describes and confirms obligations to fund improvements and disburse from segregated account
Landscaping Filing 5B			Construction, conveyance, warranty, operation, and maintenance of shared improvements
Landscaping Filing 3A (Prospect Park)			To install landscaping in Filing 3
Landscaping Filing 3B			To install landscaping in Filing 5A
Warranty Repair Filing 3A	Loya		Related to ACC Litigation
Warranty Repair Filing 3B	Loya	7/1/2025	Related to ACC Litigation

Lease Commitment

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

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

Year Ending December 31,	Principal	Interest	Total
2026	$ 101,568	$ 46,153	$ 147,721
2027	24,506	12,651	37,157
Total	$ 126,074	$ 58,804	$ 184,878

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

Governmental Activities:	
Right-to-Use Lease Building	$ 1,092,856
Less: Lease Asset Accumulated Amortization	(983,570)
Total	$ 109,286

NOTE 8 RELATED PARTIES

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

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

<u>Operation Funding Agreement</u>

- Purpose: To pay general, administrative, operations and maintenance costs of the CAB.
- Parties: CAB and Hobbs Investments LLC
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 01/01/2016
- Years Covered/Amended Years Covered (if applicable): 2016-2019
- Maximum Amount: $6,850,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2025: $534,236
- Accrued Interest Balance at December 31, 2025: $397,758

<u>2017-2019 Operation Funding Agreement</u>

- Purpose: To pay general, administrative, operations and maintenance costs of the CAB.
- Parties: CAB and Sterling Ranch LLC
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 01/01/2017 / Amended 12/15/2022
- Years Covered/Amended Years Covered (if applicable): 2017-2023
- Maximum Amount: $39,000,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2025: $22,411,139
- Accrued Interest Balance at December 31, 2025: $6,192,836

<u>Operation Funding Agreement</u>

- Purpose: To pay general, administrative, operations and maintenance costs of the CAB.
- Parties: CAB and Sterling Ranch Development Company
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 01/06/2014 / Amended 06/29/2015
- Years Covered/Amended Years Covered (if applicable):
- Maximum Amount: $800,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2025: $467,371
- Accrued Interest Balance at December 31, 2025: $404,990

NOTE 8 RELATED PARTIES (CONTINUED)

Facilities Funding and Acquisition Agreement

- Purpose: To fund public improvements within the District(s).
- Parties: CAB and Sterling Ranch LLC
- Original Date/Original Effective Date/Amended Date (if applicable)/Amended Effective Date: Effective 1/1/2025
- Years Covered/Amended Years Covered (if applicable):
- Maximum Amount: $20,000,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2025: $0
- Accrued Interest Balance at December 31, 2025: $0

NOTE 9 ECONOMIC DEPENDENCY

The CAB has not yet established a revenue base sufficient to pay for certain capital expenditures. Until a sufficient revenue base is established, financing of certain capital improvements are dependent upon funding from the SR Entities.

NOTE 10 AGREEMENTS

Sterling Ranch Community Authority Board Establishment Agreement (CABEA)

The Districts exist for the purposes of designing, acquiring, constructing, installing, financing, operating, and maintaining certain streets, traffic and safety controls, water, sanitation, stormwater, parks and recreation, TV relay and translation, mosquito control, limited fire protection, and security, all in accordance with their Service Plans. Their Service Plans contemplated that the Districts, with the approval of their electors would enter into the CABEA. On November 5, 2013, the Districts' qualified electors voted in favor of the Districts entering into the CABEA pursuant to which the Districts established the CAB. The CABEA was amended and restated on June 29, 2015, pursuant to the First Amended and Restated Sterling Ranch Community Authority Board Establishment Agreement. The CABEA was further amended and restated on March 18, 2020 by the Second Amended and Restated Community Authority Board Establishment Agreement, which was further amended by the First Amendment to Second Amended and Restated Community Authority Board Establishment Agreement effective as of March 26, 2025, and as the same may be amended from time to time. Pursuant to the CABEA, the CAB will furnish, operate, and plan for certain Public Improvements and each District shall transfer certain revenues received by it in order to fund the operation and maintenance costs and capital costs of the Public Improvements. Each District has agreed, and their Service Plans provide, that the CAB will own, operate, maintain, finance, and construct Public Improvements benefiting the Districts, and that the Districts will contribute to the costs of construction, operation and maintenance of such Public Improvements. It is the intent of the Districts that either the CAB or any of the Districts may, from time to time, issue its own debt and use proceeds to finance the Public Improvements and that the CAB will enter into contracts to construct the Public Improvements.

NOTE 10 AGREEMENTS (CONTINUED)

General Indemnity Agreement

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

Subdivision Bond

On July 31, 2017, the CAB obtained a Subdivision Bond from Atlantic Specialty Insurance Company in the amount of $5,000,000, expanded July 1, 2021, to $7,000,000, on December 16, 2022, to $8,000,000 AND AGAIN July 21, 2024, to $9,500,000 to secure the CAB's warranty obligations under the Warranty Security IGA and subdivision improvement agreements. The Subdivision Bond is subject to the terms of the General Indemnity Agreement, discussed above.

Letter of Credit and Reimbursement Agreement with FirstBank

On December 1, 2023, Flagstar Bank, N.A., granted the CAB a standby letter of credit for the benefit of Douglas County Board of County Commissioners in the amount of $500,000 (Flagstar LOC). Amounts owed under the Flagstar LOC accrue interest at a rate equal to the greater of 4.00% or the sum of 0.75% plus the Prime Rate. The Flagstar LOC expires each December 31 and is subject to automatic renewal. The Board of County Commissioners of Douglas County, Colorado is entitled to draw on the Flagstar LOC pursuant to the terms of the Warranty Security IGA (discussed below).

Waterton Boulevard Infrastructure Development Agreement

On September 2, 2020, the CAB, Developer and the County entered into the Amended and Restated Waterton Boulevard Infrastructure Development Agreement (original agreement dated November 13, 2018), whereby the County agreed to perform certain pre-construction activities to be reimbursed by CAB, and to bid, manager and complete construction of Waterton Road. The County agreed to a contribution of up to $13,000,000 toward construction with the CAB funding any amount that exceeds $13,000,000. The CAB is also responsible for performing and funding certain preconstruction activities such as design, easement and right-of-way procurement, and site preparation (grading). In exchange for the County's contribution of up to $13,000,000, the CAB agreed to impose, collect, and remit to the County a Waterton Road fee in the amount of $4,000 per lot, which shall increase by 2% each year after certified completion of the project.

NOTE 10 AGREEMENTS (CONTINUED)

In-Tract Funding and Reimbursement Agreement

On December 16, 2020, the CAB and Sterling Ranch Development Company entered into the In-Tract Funding and Reimbursement Agreement, pursuant to which, the CAB agreed to reimburse Sterling Ranch Development Company for the costs of certain certified, district eligible, public improvements, defined as “In-Tract Improvements” either advanced or constructed by Sterling Ranch Development Company or others, such as home builders, upon the occurrence of certain circumstances and the provision of certain documents. On May 1, 2023, Sterling Ranch Development Company assigned all rights, title, interest and obligations to Sterling Ranch, LLC, and CAB accepted such assignment. Interest on cost verified public improvements or funds actually advanced for those improvements accrues at 8% simple interest from the later of the date of the agreement or the date of initial acceptance.

CAB Operation Funding Agreements

Pursuant to these Agreements certain designated private parties agreed to advance funds to CAB for designated operation and maintenance activities of CAB, including the payment of CAB consultants. Maximum amounts to be advanced, interest rates and duration vary by agreement. See below table for a listing of all Agreements in place during 2025.

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

CAB Facilities Funding Agreements

Pursuant to these agreements, certain designated private parties agreed to make advances to CAB for defined purposes including organizational expenses and the development, construction, or acquisition of public improvements. These agreements do not constitute debt but are annual appropriation agreements intended to be repaid through future bond issuances. Maximum amounts to be advanced, applicable interest rates and duration vary by Agreement. See below table for a listing of all Agreements in place during 2025.

Agreement	With	Entered | Effective	Duration	Original Amount	Amended | Effective	Amended Duration	Amended Amount	Terms / Notes
Facilities Funding Agreement	Sterling Ranch, LLC	11/15/2016 | 11/15/2019	2016-2019	$ 84,000,000.00	12/15/2022 | 12/15/2022	1/1/2025	$ 20,000,000.00	-8% per annum
Facilities Funding Agreement	Sterling Ranch, LLC	01/01/2025 | 01/01/2025	01/01/2025-12/31/2025	$ 20,000,000.00	n/a	n/a	n/a	-8% per annum

NOTE 10 AGREEMENTS (CONTINUED)

CAB Intergovernmental Agreements (IGA's)

The CAB has entered into multiple IGA's with Douglas County and Dominion Water and Sanitation District concerning the planning, design, and construction and maintenance of various public improvements including road, traffic, right-of-way, drainage, water, sewer, and storm sewer improvements both within and without the CAB boundaries. See below table for a listing of all Agreements in place during 2025.

Agreement	With	Entered | Effective	Duration	Amount	Terms / Notes
IGA Willow Creek	Douglas County	10/09/2018 | 10/09/2018	n/a	$ 297,019.00	Drainage improvement in Willow Creek
IGA for Warranty Security	Douglas County	06/13/2017 | 06/13/2017	n/a	$ 500,000.00	Warranty for subdivision improvements Filing 1
Infrastructure Development Agreement (Moore Road)	Douglas County	07/12/2022 | 07/12/2022	n/a	$ 3,410,000.00	Expansion of Moore Road from Waterton Road to Titan Road Amended on 11/17/2022
IGA CAB and Distr. 7A & 7B for Operations Funding Agreement	Sterling Ranch Colorado Metropolitan Districts 1-7	03/16/2022 | 01/01/2022	n/a	n/a	Provides for transfer of subdistrict tax revenues (if any) to CAB and CAB provision of services to subdistricts
IGA CAB and Distr. 4A,4B,4C & 4D for Operations Funding Agreement	Sterling Ranch Colorado Metropolitan Districts 1-7	11/15/2023 | 11/15/2023	n/a	n/a	Provides for transfer of subdistrict tax revenues (if any) to CAB and CAB provision of services to subdistricts
IGA CAB and Distr. 7C for Operations Funding Agreement	Sterling Ranch Colorado Metropolitan Districts 1-7	11/15/2023 | 11/15/2023	n/a	n/a	Provides for transfer of subdistrict tax revenues (if any) to CAB and CAB provision of services to subdistricts
Intergovernmental Funding & Construction Agreement	Dominion Water and Sanitation District	45,646	n/a	$ 12,002,676.00	Reimbursement to Dominion for pledged tap revenue from Filing 1 / CAB to reimburse for future infrastructure
Subdivision Improvement Agreement 7A	Dominion Water and Sanitation District	45,741	n/a	n/a	
Amended and Restated Moore Road Agreement	Douglas County	45,766		4,057,929	

CAB SIA & IGA

The CAB has entered into multiple Subdivision Improvement Agreements and Intergovernmental Agreements with certain parties including Douglas County, Dominion Water and Sanitation District, and the Developer (depending on agreement) concerning the construction and provision of public improvements to support the development of Sterling Ranch. Covered improvements include landscape and park improvements, wholesale water and wastewater improvements, water treatment improvements, on and off-site grading, streets, sidewalks, and storm water improvements as specified within each Agreement. See below table for a listing of all Agreements in place during 2025.

Agreement	With	Entered | Effective	Amended | Effective	Amended Duration	Terms / Notes
SIA / IGA Filing 2	Developer/Douglas County	10/10/2017	n/a	n/a	Construction of public improvements
SIA / IGA Filing 2 | First Amendment	Sterling Ranch LLC & Board of County Commissioners	4/23/2019	n/a	n/a	Providing addition improvements to Tita Road, stormwater and Sterling Gulch
SIA / IGA Filing 4A	Dominion/Developer/Douglas County	8/14/2018	n/a	n/a	Construction of public improvements
SIA / IGA Filing 4A | First Amendment	Dominion/Developer/Douglas County	8/27/2019	n/a	n/a	Administrative amendments to the SIA
SIA / IGA Filing 4B	Dominion/Developer/Douglas County	10/23/2018	n/a	n/a	Construction of public improvements
SIA / IGA Filing 4C	Dominion/Developer/Douglas County	11/22/2018	n/a	n/a	Construction of public improvements
SIA / IGA Filing 3A	Dominion/Developer/Douglas County	7/9/2019	n/a	n/a	Construction of public improvements / Willow Creek / Waterton Road
SIA / IGA Filing 5A	Dominion/Developer/Douglas County	5/26/2020	n/a	n/a	Construction of public improvements / Middle Fork Extension / Sterling Gulch Phase II
SIA / IGA Filing 5B	Dominion/Developer/Douglas County	4/13/2021	n/a	n/a	Construction of public improvements
SIA / IGA Filing 3B	Dominion/Developer/Douglas County	10/13/2020	n/a	n/a	Construction of public improvements
SIA / IGA Filing 6A	Dominion/Developer/Douglas County	8/24/2021	n/a	n/a	Construction of public improvements
SIA / IGA Filing 6B	Dominion/Developer/Douglas County	12/7/2021	n/a	n/a	Construction of public improvements
SIA / IGA Filing 6C	Dominion/Developer/Douglas County	3/22/2022	n/a	n/a	Construction of public improvements
SIA / IGA Filing 5C	Dominion/Developer/Douglas County	9/10/2024	n/a	n/a	Construction of public improvements
SIA / IGA Filing 7A	Dominion/Developer/Douglas County	6/11/2024	n/a	n/a	Construction of public improvements
Public Improvement Agreement Filing 5C	Sterling Ranch LLC & Board of County Commissioners	4/23/2024	n/a	n/a	Construction of public improvements
SIA / IGA Filing 7A 1st Amendment	Sterling Ranch LLC & Board of County Commissioners	3/25/2025	n/a	n/a	Construction of public improvements
SIA / IGA Filing 7B	Developer	3/11/2025	n/a	n/a	Construction of public improvements
SIA / IGA Filing 7C	Developer	3/11/2025	n/a	n/a	Construction of public improvements

NOTE 10 AGREEMENTS (CONTINUED)

CAB Public Improvement Agreements

CAB is a party to a number of Public Improvement Agreements whereby certain designated parties, including Builders or the Developer, have agreed to construct certain public improvements on CAB owned property. CAB agreed to take ownership of the defined improvements upon completion and other terms specified in each Agreement. See below table for a listing of all Agreements in place during 2025.

Agreement	With	Entered	Terms / Notes
Lennar Filing 6B	Lennar	11/29/2023	Landscaping tracts installed by Builder
TNHC Colorado Inc. Filing 6C	New Home	11/15/2023	Landscaping tracts installed by Builder
TH Sterling Ranch Colorado 6C	Trumark	11/13/2023	Landscaping tracts installed by Builder
Filing 5C First Amendment	David Weekley / CND-VP STERLLING, LLC	11/1/2024	Landscaping tracts installed by Builder

CAB Tap and Facilities Agreements

CAB has entered into multiple Tab and Facilities Fee Purchase Agreements with Builders specific to certain areas of development. Pursuant to each such Agreement, Builders or the Developer agreed to pay to CAB certain adopted tap and facilities fees on a scheduled basis to the CAB as a partial funding source for designated on-site and off-site improvements. Specific improvements vary by Agreement. Each Builder's obligation is secured by various arrangements including bonds, letters of credit, or other CAB approved security. A portion of fees may be pledged to debt, other CAB obligations or paid over to Dominion as specified in each Agreement. See below table for a listing of all Agreements in place during 2025.

Agreement	With	Entered	Payment Status	Terms / Notes
Tap and Facilities Fee Purchase Agreement Filing 6B/C	Taylor Morrison	10/6/2023	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 6B/C	Trumark	11/13/2023	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 6B/C	New Home	11/15/2023	Paid in full	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 7A	Richmond	7/25/2025	Paid in full	Funding public improvements
Tap and Facilities Fee Pre-Purchase Agreement Filing 7A	Trumark	7/25/2025	Paid in full	Funding public improvements / Paid in full
Tap and Facilities Fee Purchase Agreement Filing 7A	Pulte	12/3/2025	38 Lots remaining	Paid in full at closing / Agreement pending
Tap and Facilities Fee Purchase Agreement Filing 7A	Lions Residential	12/22/2025	16 Lots remaining	Deferred payment due on 12/22/2026 - Agreement pending as of 12/23/2025
Tap and Facilities Fee Pre-Purchase Agreement with Sterling Ranch, LLC	Sterling Ranch LLC	11/1/2025	$720,000 outstanding	Funding public improvements
Tap and Facilities Fee Purchase Agreement Filing 7B	Richmond	7/25/2025	22 Lots remaining	Funding public improvements

CAB Infrastructure Acquisition Agreements

CAB is a party to a number of Public Improvement Agreements or Infrastructure Acquisition Agreements whereby certain designated parties, including Builders or the Developer, have agreed to construct certain public improvements on CAB owned property. CAB agreed to take ownership of the defined improvements upon completion and other terms specified in each Agreement. See below table for a listing of all Agreements in place during 2025.

Agreement	With	Entered	Amount	Terms / Notes
Infrastructure Acquisition Agreement 6A	Sterling Ranch LLC & Richmond American Homes	10/6/2022	$ 2,521,678.00	CAB re-payment to Sterling Ranch LLC for public improvement constructed by Richmond American Homes
Infrastructure Acquisition Agreement 7A & 5C	Sterling Ranch, LLC	5/1/2024	open	CAB re-payment to Sterling Ranch LLC for public improvement constructed and accepted
Infrastructure Acquisition Agreement 6B/6C	Sterling Ranch, LLC	7/1/2024	converted	2025 Junior Subordinate - 4 (updated version on March 21, 2025)
Facility Acquisition Agreement 4C	Sterling Ranch, LLC	8/29/2025	repaid	Repayment with 2025 Bond Refunding (refunded 2020 Bonds)
Infrastructure Acquisition Agreement 6B/C	Sterling Ranch, LLC	3/21/2025	converted	Updated and amended on March 21, 2025 (original version on 7/1/2024)

NOTE 10 AGREEMENTS (CONTINUED)

CAB Cost Sharing Agreements

CAB is party to a number of Development and Cost Sharing Agreements and Joint Development Agreements with identified parties including the Developer, Hobbs, specified Builders, and escrow agents. Under these Agreements, each party thereto assumed certain defined responsibilities for the construction of various defined improvements and financial responsibility for the payment of such improvements to be built by others. Specific improvements vary by Agreement but include roads, right-of-way improvements, grading, public infrastructure, finished lot improvements and other improvements necessary to facilitate buildout of the community. Each Agreement contains provision for financial assurance, security and/or step-in rights. See below table for a listing of all Agreements in place during 2025.

CAB Cost Sharing Agreements

Agreement	With	Entered | Effective	Security	Amount	Terms / Notes
DCSA Filing 2	CalAtlantic Group	12/27/2017		n/a	CAB for construction of certain trunk and certain lot improvement in Filing 2 and CalAtlantic for foundation of drain system/over excavation of lots
JDA Filing 4A	Richmond, Taylor Morrison, Tri Pointe, I	10/30/2018			CAB will cause construction for main trunk roads, utility mains & certain site grading, Richmond develops the lots & First American serves as escrow agent
JDA Filing 4B	Richmond, Taylor Morrison, Tri Pointe, I	11/30/2018			CAB will cause construction for main trunk roads, utility mains & certain site grading, Richmond develops the lots & First American serves as escrow agent
JDA Filing 4B | First Amendment	Richmond, Taylor Morrison, Tri Pointe, I	11/26/2019			Remove the CAB's obligation to build Fraser Road and release of associated funds
DCSA Filing 4C	Lennar, Developer & First American	12/27/2018			CAB is responsible to build trunk improvements and Lennar is responsible for lot improvements / CAB deposited $7,093,138 into construction account
DCSA Filing 4C	Richmond, Developer & Land Title Guar	7/30/2019			CAB is responsible to build trunk improvements and Richmond is responsible for lot improvements up to $3,290,000.00 (secured by LOC)
DCSA Filing 4C	Parkwood Homes, Developer & Land Ti	9/27/2019			CAB is responsible to build trunk improvements and Parkwood Homes is responsible for lot improvements up to $675,000.00 (secured by PN / deed of trust)
DCSA Filing 3A Phases 1C & 1D	Developer, William Lyon Homes & Merit	1/14/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements. Lennar joined the agreement on 03/26/2020
DCSA Filing 3A Phase 1B	Developer & Meritage	12/11/2019			CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $4,103,642.
DCSA Filing 3A Phase 1E &1F	Developer, Meritage & Lennar	3/26/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
DCSA Filing 3B Phases 2B-A,3B-B & 3B-C	Developer & Lennar	11/20/2020			CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $10,608,000.00.
DCSA Filing 3B Phase 3B-N-A2	Developer & TFCC	12/17/2020			CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $1,551,413
DCSA Filing 3A Phase 1A	Developer & Dream Finder Homes	12/23/2019			CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $2,014,000.00 / amended on 02/14/2020
In-Tract Improvement Agreement - Filing 2 Superblock	Sterling Ranch Development Company, First American Title and DFC Sterling Ranch	3/13/2019	Performance Bond and corporate guaranty by DFC	$ 1,560,000.00	DFC Sterling Ranch, LLC will provide funding for the improvements up to $1,560,000 to be adjusted based on the final lot count.
In-Tract Improvement Agreement - Filing 4A Superblock	Sterling Ranch Development Company, First American Title and DFC Sterling Ranch	3/19/2019	Performance Bond and corporate guaranty by DFC	$ 1,440,000.00	DFC Sterling Ranch will provide funding for the improvements up to $1,440,000
DCSA Filing 5A, Phase 1	Developer, Tri Piointe	7/30/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
DCSA Filing 5A, Phase 2	Dreamfinders, TFCC, Developer	12/23/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
PCCA Filing 5A	Pulte, Developer	12/30/2020			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
PCCA Filing 5B	Pulte, Developer	6/17/2021			CAB is responsible to build trunk improvements and builders are responsible for in-tract improvements
PCCA Filing 6A	Developer & Richmond	10/2/2021	LOC	$ 12,193,893.00	CAB is responsible to build trunk improvements and builder is responsible for lot improvements up to $12,193,893.00
PCCA Filing 5C	Alliance	6/28/2024			CAB responsible for water & sewer / Builder responsible for stormwater & retention

NOTE 11 INTERFUND TRANSFERS

TRANSFER FROM

TRANSFER TO	General	Water and Wastewater Services	Resident Support Services	Debt Service Fund-2025 Junior Subs	Debt Service Fund-2020/2025 Bonds	Debt Service Fund-SID Bonds	CPF-General & Preconstruction	CPF-Filing 2-7 Trunk Improvements	CPF-Filing 2-7 Intract Improvements	Total
General Fund	$ -	$ 793,509 (1)	$ -	$ 40,482 (3)	$ -	$ -	$ -	$ -	$ -	$ 833,991
Water and Wastewater	10,830 (1)	-	-	-	-	-	-	-	-	10,830
Resident Support Services	793,509 (1)	838,401 (1)	-	-	-	-	-	-	-	1,631,910
Conservation Trust Fund	977 (1)	-	-	-	-	-	-	-	-	977
Debt Service Fund-2019 Bonds	5,050 (1)	-	-	-	-	-	-	-	-	5,050
Debt Service Fund-2020 Bonds	3,631 (1)	-	-	-	-	-	-	-	-	3,631
Debt Service Fund-2023B Bonds	3,000 (1)	-	-	-	-	-	-	-	-	3,000
Debt Service Fund-2023 Junior Subs	-	-	-	-	2,700,485 (7)	-	-	-	-	2,700,485
Debt Service Fund-Subdistrict 4A Bonds	1,500 (1)	-	-	-	-	-	-	-	-	1,500
Debt Service Fund-2025 Junior Subs	9,880 (1)	-	-	-	-	-	-	-	-	9,880
Debt Service Fund-Subdistrict 4B Bonds	1,500 (1)	-	-	-	-	-	-	-	-	1,500
CPF - General & Preconst.	1,955 (1)	252,075 (1)	56,163 (2)	-	-	-	-	1,028,081 (4)	345,578 (6)	1,683,852
CPF-Filing 2-7 Trunk Improvements	-	-	-	41,377,136 (7)	13,543,133 (7)	12,303,047 (5)	59,718 (1)	-	1,134,157 (6)	68,417,191
CPF-Filing 2-7 Intract Improvements	-	-	-	41,655,997 (7)	-	-	-	374,257 (4)	-	42,030,254
Total	$ 831,832	$ 1,883,985	$ 56,163	$ 83,073,615	$ 16,243,618	$ 12,303,047	$ 59,718	$ 1,402,338	$ 1,479,735	$ 117,334,051

(1) Transfers to fund expenditures
(2) Transfer PIF Revenues to Fund Sterling Refresh
(3) Transfer remaining COI funds to fund expenditures
(4) Transfer of tap/facilities fees for capital expenditures
(5) Transfer of project funds
(6) Transfer excess builder funds
(7) Transfer bond proceeds to fund developer advance repayments

NOTE 12 RISK MANAGEMENT

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

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

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

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

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

NOTE 14 SUBSEQUENT EVENTS

On March 31, 2026 the CAB issued a District 3, District 4 Subdistrict – A, and District 4 Subdistrict – B Supported Bond Anticipation Senior Refunding Note in the amount of $40,690,404.04.

SUPPLEMENTARY INFORMATION

STERLING RANCH COMMUNITY AUTHORITY BOARD
COMBINING BALANCE SHEET – DEBT SERVICE FUNDS
DECEMBER 31, 2025

	Debt Service - 2019 Bonds	Debt Service - 2020/2025 Bonds	Debt Service - 2022 Bonds	Debt Service - 2023B Bonds	Debt Service - 2023 Juniors	Debt Service - 2024 SID Bonds	Debt Service - MD4A F7A Dirt Bonds	Debt Service - MD4B F7B&C Bonds	Debt Service - 2025 Juniors	Debt Service Combined
ASSETS										
Cash and Investments - Restricted	$ -	$ 132,358	$ 3,766,287	$ 1	$ 3,658	$ 12,947,742	$ 6,579,536	$ 4,009,345	$ 6,630	$ 27,445,557
Receivables, Net	-	18,445	33,986	-	-	-	1	-	-	52,432
Total Assets	$ -	$ 150,803	$ 3,800,273	$ 1	$ 3,658	$ 12,947,742	$ 6,579,537	$ 4,009,345	$ 6,630	$ 27,497,989
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Due to Other Funds	$ -	$ -	$ 525,225	$ -	$ -	$ -	$ -	$ -	$ -	$ 525,225
Tap Fee Credits Payable	-	-	720,000	-	-	-	-	-	-	720,000
Total Liabilities	-	-	1,245,225	-	-	-	-	-	-	1,245,225
FUND BALANCES										
Restricted for:										
Debt Service	-	150,803	2,555,048	1	3,658	12,947,742	6,579,537	4,009,345	6,630	26,252,764
Total Fund Balances	-	150,803	2,555,048	1	3,658	12,947,742	6,579,537	4,009,345	6,630	26,252,764
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ -	$ 150,803	$ 3,800,273	$ 1	$ 3,658	$ 12,947,742	$ 6,579,537	$ 4,009,345	$ 6,630	$ 27,497,989

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Debt Service - 2019 Bonds	Debt Service - 2020/2025 Bonds	Debt Service - 2022 Bonds	Debt Service - 2023B Bonds	Debt Service - 2023 Juniors	Debt Service - 2024 SID Bonds	Debt Service - MD4A F7A Dirt Bonds	Debt Service - MD4B F7B&C Bonds	Debt Service - 2025 Juniors	Debt Service Combined
REVENUES										
Net Investment Income	$ -	$ 120,817	$ 189,849	$ 1	$ -	$ 561,700	$ 210,849	$ 213,270	$ -	$ 1,296,486
Transfers from SRCMD2	-	3,048,948	-	-	-	-	-	-	-	3,048,948
Transfers from SRCMD3	-	-	6,004,421	-	-	-	-	-	-	6,004,421
Transfers from SRCMD4A	-	-	-	-	-	-	159	-	-	159
Tap Fees	-	-	-	-	-	-	1,012,000	-	-	1,012,000
Facilities Fees	-	-	-	-	-	-	2,024,000	-	-	2,024,000
Assessment Lien Proceeds	-	-	-	-	-	13,758,766	-	-	-	13,758,766
Total Revenues	-	3,169,765	6,194,270	1	-	14,320,466	3,247,008	213,270	-	27,144,780
EXPENDITURES										
Debt Service:										
Trustee/Paying Agent Fees	1,500	7,000	3,500	3,000	3,000	3,500	6,000	1,500	3,000	32,000
Interest Payment	-	971,678	6,619,578	-	153,429	2,075,133	1,547,650	1,558,173	-	12,925,641
Interest Payment - Subordinate	-	-	-	-	-	-	281,910	-	-	281,910
Principal Payment	-	-	-	-	2,544,056	6,999,000	-	-	-	9,543,056
Cost of Issuance	-	1,582,068	-	-	-	-	-	47,136	284,768	1,913,972
Payment to Refunding Escrow	-	38,973,216	-	-	-	-	-	-	-	38,973,216
Miscellaneous	-	-	-	-	600	-	-	-	-	600
Total Expenditures	1,500	41,533,962	6,623,078	3,000	2,701,085	9,077,633	1,835,560	1,606,809	287,768	63,670,395
EXCESS OF REVENUES OVER EXPENDITURES	(1,500)	(38,364,197)	(428,808)	(2,999)	(2,701,085)	5,242,833	1,411,448	(1,393,539)	(287,768)	(36,525,615)
OTHER FINANCING SOURCES (USES)										
Bond Issuance	-	50,903,000	-	-	-	-	-	-	83,033,133	133,936,133
Bond Premium	-	1,628,816	-	-	-	-	-	-	-	1,628,816
SR Entities Cash Advances	-	-	-	-	-	-	-	-	325,000	325,000
Transfer from Other Funds	5,050	3,631	-	3,000	2,700,485	-	1,500	1,500	9,880	2,725,046
Transfer to Other Funds	-	(16,243,618)	-	-	-	(12,303,047)	-	-	(83,073,615)	(111,620,280)
Total Other Financing Sources (Uses)	5,050	36,291,829	-	3,000	2,700,485	(12,303,047)	1,500	1,500	294,398	26,994,715
NET CHANGE IN FUND BALANCES	3,550	(2,072,368)	(428,808)	1	(600)	(7,060,214)	1,412,948	(1,392,039)	6,630	(9,530,900)
Fund Balances - Beginning of Year	(3,550)	2,223,171	2,983,856	-	4,258	20,007,956	5,166,589	5,401,384	-	35,783,664
FUND BALANCES - END OF YEAR	$ -	$ 150,803	$ 2,555,048	$ 1	$ 3,658	$ 12,947,742	$ 6,579,537	$ 4,009,345	$ 6,630	$ 26,252,764

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2019 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Trustee/Paying Agent Fees	-	1,500	1,500	-
Total Expenditures	-	1,500	1,500	-
EXCESS OF REVENUES UNDER EXPENDITURES	-	(1,500)	(1,500)	-
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	-	5,050	5,050	-
Total Other Financing Sources	-	5,050	5,050	-
NET CHANGE IN FUND BALANCE	-	3,550	3,550	-
Fund Balance - Beginning of Year	-	(3,550)	(3,550)	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2020/2025 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ 350,000	$ 120,817	$ (229,183)
Transfers from SRCMD2	3,084,488	3,048,948	3,048,948	-
Other Income	-	342,065	-	(342,065)
Total Revenues	3,084,488	3,741,013	3,169,765	(571,248)
EXPENDITURES				
Trustee/Paying Agent Fees	6,000	7,000	7,000	-
Interest Payment	1,364,725	1,000,000	971,678	28,322
Interest Payment - Subordinate	273,763	-	-	-
Principal Payment	535,000	-	-	-
Principal Payment - Subordinate	905,000	-	-	-
Cost of Issuance	-	1,782,100	1,582,068	200,032
Payment to Refunding Escrow	-	39,000,000	38,973,216	26,784
Total Expenditures	3,084,488	41,789,100	41,533,962	255,138
EXCESS OF REVENUES UNDER EXPENDITURES	-	(38,048,087)	(38,364,197)	(316,110)
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	-	4,000	3,631	(369)
Transfer to Other Funds	-	(16,710,900)	(16,243,618)	467,282
Bond Issuance	-	50,903,000	50,903,000	-
Bond Premium	-	1,628,816	1,628,816	-
Total Other Financing Sources	-	35,824,916	36,291,829	466,913
NET CHANGE IN FUND BALANCE	-	(2,223,171)	(2,072,368)	150,803
Fund Balance - Beginning of Year	2,000,000	2,223,171	2,223,171	-
FUND BALANCE - END OF YEAR	$ 2,000,000	$ -	$ 150,803	$ 150,803

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2022 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ -	$ 189,849	$ 189,849
Facilities Fees	2,968,000	-	(2,968,000)
Transfer from SRCMD3	5,705,083	6,004,421	299,338
Tap Fees	1,484,000	-	(1,484,000)
Total Revenues	10,157,083	6,194,270	(3,962,813)
EXPENDITURES			
Trustee/Paying Agent Fees	6,000	3,500	2,500
Interest Payment	6,619,578	6,619,578	-
Interest Payment - Subordinate	875,646	-	875,646
Total Expenditures	7,501,224	6,623,078	878,146
NET CHANGE IN FUND BALANCE	2,655,859	(428,808)	(3,084,667)
Fund Balance - Beginning of Year	2,979,391	2,983,856	4,465
FUND BALANCE - END OF YEAR	$ 5,635,250	$ 2,555,048	$ (3,080,202)

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2023B BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ -	$ 1	$ 1
Total Revenues	-	-	1	1
EXPENDITURES				
Trustee/Paying Agent Fees	-	3,000	3,000	-
Total Expenditures	-	3,000	3,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,000)	(2,999)	1
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	-	3,000	3,000	-
Total Other Financing Sources	-	3,000	3,000	-
NET CHANGE IN FUND BALANCE	-	-	1	1
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ 1	$ 1

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2023 JUNIOR BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Total Revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Miscellaneous	-	99,515	600	98,915
Trustee/Paying Agent Fees	-	3,000	3,000	-
Interest Payment	-	153,429	153,429	-
Principal Payment	-	2,544,056	2,544,056	-
Total Expenditures	-	2,800,000	2,701,085	98,915
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,800,000)	(2,701,085)	98,915
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	-	2,795,742	2,700,485	(95,257)
Total Other Financing Sources (Uses)	-	2,795,742	2,700,485	(95,257)
NET CHANGE IN FUND BALANCE	-	(4,258)	(600)	3,658
Fund Balance - Beginning of Year	-	4,258	4,258	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ 3,658	$ 3,658

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2024 SID BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ 561,700	$ 561,700	$ -
Assessments Lien Proceeds	-	13,758,766	13,758,766	-
Total Revenues	-	14,320,466	14,320,466	-
EXPENDITURES				
Trustee/Paying Agent Fees	6,000	3,500	3,500	-
Interest Payment	-	2,075,133	2,075,133	-
Principal Payment	-	6,999,000	6,999,000	-
Total Expenditures	6,000	9,077,633	9,077,633	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,000)	5,242,833	5,242,833	-
OTHER FINANCING SOURCES (USES)				
Transfer To Other Funds	-	(12,422,367)	(12,303,047)	119,320
SR Entities Cash Advances	6,000	-	-	-
Total Other Financing Sources (Uses)	6,000	(12,422,367)	(12,303,047)	119,320
NET CHANGE IN FUND BALANCE	-	(7,179,534)	(7,060,214)	119,320
Fund Balance - Beginning of Year	-	20,007,956	20,007,956	-
FUND BALANCE - END OF YEAR	$ -	$ 12,828,422	$ 12,947,742	$ 119,320

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – MD4A F7A DIRT BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ 210,849	$ 210,849	$ -
Facilities Fees	-	2,024,000	2,024,000	-
Transfer from SRCMD4A	-	159	159	-
Tap Fee	-	1,012,000	1,012,000	-
Total Revenues	-	3,247,008	3,247,008	-
EXPENDITURES				
Trustee/Paying Agent Fees	-	6,000	6,000	-
Contingency	-	164,440	-	164,440
Interest Payment	-	1,547,650	1,547,650	-
Interest Payment - Subordinate	-	281,910	281,910	-
Total Expenditures	-	2,000,000	1,835,560	164,440
EXCESS OF REVENUES OVER EXPENDITURES	-	1,247,008	1,411,448	164,440
OTHER FINANCING SOURCES (USES)				
Transfer From Other Funds	-	1,500	1,500	-
Total Other Financing Sources	-	1,500	1,500	-
NET CHANGE IN FUND BALANCE	-	1,248,508	1,412,948	164,440
Fund Balance - Beginning of Year	-	5,166,589	5,166,589	-
FUND BALANCE - END OF YEAR	$ -	$ 6,415,097	$ 6,579,537	$ 164,440

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – MD4B F7B&C BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ 213,270	$ 213,270	$ -
Total Revenues	-	213,270	213,270	-
EXPENDITURES				
Cost of Issuance	-	47,136	47,136	-
Contingency	-	193,191	-	193,191
Trustee/Paying Agent Fees	6,000	1,500	1,500	-
Interest Payment	-	1,558,173	1,558,173	-
Total Expenditures	6,000	1,800,000	1,606,809	193,191
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,000)	(1,586,730)	(1,393,539)	193,191
OTHER FINANCING SOURCES (USES)				
SR Entities Cash Advances	6,000	-	-	-
Transfer From Other Funds	-	1,500	1,500	-
Transfer To Other Funds	-	-	-	-
Total Other Financing Sources	6,000	1,500	1,500	-
NET CHANGE IN FUND BALANCE	-	(1,585,230)	(1,392,039)	193,191
Fund Balance - Beginning of Year	-	5,401,384	5,401,384	-
FUND BALANCE - END OF YEAR	$ -	$ 3,816,154	$ 4,009,345	$ 193,191

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND – 2025 JUNIOR BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Other Income	$ -	$ 131,987	$ -	$ 131,987
Total Revenues	-	131,987	-	131,987
EXPENDITURES				
Cost of Issuance	-	284,768	284,768	-
Trustee/Paying Agent Fees	-	3,000	3,000	-
Total Expenditures	-	287,768	287,768	-
EXCESS OF REVENUES UNDER EXPENDITURES	-	(155,781)	(287,768)	(131,987)
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	83,033,133	83,033,133	-
SR Entities Cash Advances	-	325,000	325,000	-
Transfer to Other Funds	-	(83,212,232)	(83,073,615)	138,617
Transfer from Other Funds	-	9,880	9,880	-
Total Other Financing Sources	-	155,781	294,398	138,617
NET CHANGE IN FUND BALANCE	-	-	6,630	6,630
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ 6,630	$ 6,630

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – GENERAL AND PRECONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Other Income	$ -	$ -	$ -
Total Revenues	- -	-	-
EXPENDITURES			
Legal	-	110,382	(110,382)
Sterling Center Refresh	-	419,944	(419,944)
Cost Verifications/Certifications	-	41,483	(41,483)
Engineering and Management	100,000	476,762	(376,762)
Parks/Landscape/Streets	350,000	213,218	136,782
Parks and Rec (Landscaping)	250,000	167,122	82,878
Streets	1,450,000	235,655	1,214,345
Streets - Grading & Erosion Control	1,500,000	-	1,500,000
Storm Sewer	-	7,463	(7,463)
Total Expenditures	3,650,000	1,672,029	1,977,971
EXCESS OF REVENUES UNDER EXPENDITURES	(3,650,000)	(1,672,029)	1,977,971
OTHER FINANCING SOURCES (USES)			
SR Entities Cash Advances	3,650,000	606,775	(3,043,225)
Transfer From Other Funds	-	1,683,852	1,683,852
Transfer To Other Funds	-	(59,718)	(59,718)
Total Other Financing Sources	3,650,000	2,230,909	(1,419,091)
NET CHANGE IN FUND BALANCE	-	558,880	558,880
Fund Balance - Beginning of Year	98,737	(323,830)	(422,567)
FUND BALANCE - END OF YEAR	$ 98,737	$ 235,050	$ 136,313

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – FILING 2-14 TRUNK IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

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	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Douglas County Contributions	$ 12,830,000	$ 1,917,217	$ 1,917,217	$ -
Other Income	-	14,550	14,550	-
Net Investment Income	-	7,000	6,573	(427)
Facilities Fees	1,027,670	941,475	941,475	-
Tap Fees	1,595,300	1,226,540	1,226,540	-
Total Revenues	15,452,970	4,106,782	4,106,355	(427)
EXPENDITURES				
Engineering and Management	5,930,392	4,028,254	3,065,767	962,487
Parks and Recreation (Landscaping)	32,957,969	13,000,000	12,553,133	446,867
Parks/Landscape/Streets	1,791,726	8,000	13,868	(5,868)
Contingency	3,206,813	-	-	-
Streets	10,408,043	23,500,000	23,449,901	50,099
Streets - Grading and Erosion Control	11,770,615	900,000	869,408	30,592
Storm Sewer	11,757,524	17,000,000	16,955,604	44,396
Sanitation	5,220,951	9,000,000	8,750,126	249,874
Dry Utilities	6,501,525	80,000	78,592	1,408
Dominion - Irrigation Taps	-	2,200,000	2,108,140	91,860
Dominion - Construction Water	915,367	-	-	-
Water	5,764,763	12,000,000	11,893,489	106,511
Total Expenditures	96,225,688	81,716,254	79,738,028	1,978,226
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(80,772,718)	(77,609,472)	(75,631,673)	1,977,799
OTHER FINANCING SOURCES (USES)				
SR Entities Cash Advances	78,676,718	64,513,542	64,322,249	(191,293)
Repayment To Sterling Ranch Entities	-	(53,000,000)	(52,868,028)	131,972
Transfer From Other Funds	-	68,417,191	68,417,191	-
Transfer To Other Funds	-	(1,283,746)	(1,402,338)	(118,592)
Total Other Financing Sources (Uses)	78,676,718	78,646,987	78,469,074	(177,913)
NET CHANGE IN FUND BALANCE	(2,096,000)	1,037,515	2,837,401	1,799,886
Fund Balance - Beginning of Year	6,010,438	(1,037,515)	(1,037,515)	-
FUND BALANCE - END OF YEAR	$ 3,914,438	$ -	$ 1,799,886	$ 1,799,886

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND – FILING 2-7 INTRACT IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Builder Funds	$ -	$ 169,936	$ 169,936	$ -
Net Investment Income	-	1,947	1,947	-
Total Revenues	-	171,883	171,883	-
EXPENDITURES				
Damage Deposit Release	-	103,000	103,113	(113)
Parks and Recreation (Landscaping)	-	4,100,000	4,093,684	6,316
Streets	-	14,300,000	14,247,793	52,207
Storm Sewer	-	4,600,000	4,548,446	51,554
Sanitation	-	5,097,000	5,183,593	(86,593)
Water	-	4,600,000	4,569,595	30,405
Total Expenditures	-	32,800,000	32,746,224	53,776
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(32,628,117)	(32,574,341)	53,776
OTHER FINANCING SOURCES (USES)				
Repayment to Sterling Ranch Entities	-	(41,700,000)	(41,655,997)	44,003
SR Entities Cash Advances	-	32,400,000	32,367,779	(32,221)
Transfer From Other Funds	-	42,049,191	42,030,254	(18,937)
Transfer To Other Funds	-	(1,500,000)	(1,479,735)	20,265
Total Other Financing Sources	-	31,249,191	31,262,301	13,110
NET CHANGE IN FUND BALANCE	-	(1,378,926)	(1,312,040)	66,886
Fund Balance - Beginning of Year	478,641	1,828,926	1,828,926	-
FUND BALANCE - END OF YEAR	$ 478,641	$ 450,000	$ 516,886	$ 66,886

See accompanying Notes to Basic Financial Statements.

OTHER INFORMATION

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

Bonds and Interest Maturing in the Year Ending December 31,	$99,745,000 Limited Tax Supported and Special Revenue District No. 3 Refunding and Improvement Bonds Series 2022 Dated November 30, 2022 Principal Due December 1, Interest Rate of 5.800 - 6.750% Payable June 1 and December 1		
	Principal	Interest	Total
2026	$ -	$ 6,619,578	$ 6,619,578
2027	415,000	6,619,578	7,034,578
2028	820,000	6,595,508	7,415,508
2029	865,000	6,547,948	7,412,948
2030	1,065,000	6,497,778	7,562,778
2031	1,125,000	6,436,008	7,561,008
2032	1,340,000	6,370,758	7,710,758
2033	1,420,000	6,293,038	7,713,038
2034	1,665,000	6,200,738	7,865,738
2035	1,775,000	6,092,513	7,867,513
2036	2,045,000	5,977,138	8,022,138
2037	2,180,000	5,844,213	8,024,213
2038	2,480,000	5,702,513	8,182,513
2039	2,640,000	5,541,313	8,181,313
2040	2,975,000	5,369,713	8,344,713
2041	3,170,000	5,176,338	8,346,338
2042	3,540,000	4,970,288	8,510,288
2043	3,770,000	4,740,188	8,510,188
2044	4,195,000	4,485,713	8,680,713
2045	4,480,000	4,202,550	8,682,550
2046	4,955,000	3,900,150	8,855,150
2047	5,285,000	3,565,687	8,850,687
2048	5,820,000	3,208,950	9,028,950
2049	6,215,000	2,816,100	9,031,100
2050	6,815,000	2,396,588	9,211,588
2051	7,275,000	1,936,575	9,211,575
2052	7,945,000	1,445,513	9,390,513
2053	13,470,000	909,225	14,379,225
Total	$ 99,745,000	$ 136,462,200	$ 236,207,200

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2025

Bonds and Interest Maturing in the Year Ending December 31,	$24,035,000 Limited Tax Supported and Special Revenue District No. 4 Subdistrict - A Dated April 16, 2024 Series 2024A Interest Rates Ranging from 6.125 %to 6.500% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2026	$ -	$ 1,547,650	$ 1,547,650
2027	-	1,547,650	1,547,650
2028	-	1,547,650	1,547,650
2029	150,000	1,547,650	1,697,650
2030	220,000	1,538,463	1,758,463
2031	235,000	1,524,988	1,759,988
2032	280,000	1,510,594	1,790,594
2033	300,000	1,493,444	1,793,444
2034	355,000	1,475,069	1,830,069
2035	375,000	1,453,325	1,828,325
2036	435,000	1,430,356	1,865,356
2037	460,000	1,403,713	1,863,713
2038	530,000	1,375,538	1,905,538
2039	560,000	1,343,075	1,903,075
2040	630,000	1,308,775	1,938,775
2041	675,000	1,267,825	1,942,825
2042	755,000	1,223,950	1,978,950
2043	805,000	1,174,875	1,979,875
2044	900,000	1,122,550	2,022,550
2045	960,000	1,064,050	2,024,050
2046	1,060,000	1,001,650	2,061,650
2047	1,130,000	932,750	2,062,750
2048	1,245,000	859,300	2,104,300
2049	1,325,000	778,375	2,103,375
2050	1,455,000	692,250	2,147,250
2051	1,550,000	597,675	2,147,675
2052	1,690,000	496,925	2,186,925
2053	1,800,000	387,075	2,187,075
2054	4,155,000	270,075	4,425,075
Total	$ 24,035,000	$ 33,917,265	$ 57,952,263

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2025

Bonds and Interest Maturing in the Year Ending December 31,	$25,405,000 Limited Tax Supported and Special Revenue District No. 4 Subdistrict - B Dated November 7, 2024 Series 2024A Interest Rate of 5.750% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2026	$ -	$ 1,460,788	$ 1,460,788
2027	1,000,000	1,460,788	2,460,788
2028	5,000	1,403,288	1,408,288
2029	5,000	1,403,000	1,408,000
2030	130,000	1,402,713	1,532,713
2031	280,000	1,395,238	1,675,238
2032	330,000	1,379,138	1,709,138
2033	350,000	1,360,163	1,710,163
2034	400,000	1,340,038	1,740,038
2035	425,000	1,317,038	1,742,038
2036	485,000	1,292,600	1,777,600
2037	515,000	1,264,713	1,779,713
2038	580,000	1,235,100	1,815,100
2039	610,000	1,201,750	1,811,750
2040	685,000	1,166,675	1,851,675
2041	720,000	1,127,288	1,847,288
2042	800,000	1,085,888	1,885,888
2043	845,000	1,039,888	1,884,888
2044	935,000	991,300	1,926,300
2045	985,000	937,538	1,922,538
2046	1,080,000	880,900	1,960,900
2047	1,145,000	818,800	1,963,800
2048	1,250,000	752,963	2,002,963
2049	1,320,000	681,088	2,001,088
2050	1,440,000	605,188	2,045,188
2051	1,520,000	522,388	2,042,388
2052	1,650,000	434,988	2,084,988
2053	1,745,000	340,113	2,085,113
2054	4,170,000	239,775	4,409,775
Total	$ 25,405,000	$ 30,541,135	$ 55,946,135

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2025

Bonds and Interest Maturing in the Year Ending December 31,	$43,000,000 Special Improvement District No. 1 Special Assessment Bonds Dated April 16, 2024 Series 2024 Interest Rate of 5.625% Payable June 1 and December 1 Principal Due December 1		
	Principal	Estimated Interest	Total
2026	$ -	$ 1,705,275	$ 1,705,275
2027	1,491,000	1,705,275	3,196,275
2028	1,583,000	1,621,406	3,204,406
2029	1,684,000	1,532,363	3,216,363
2030	1,787,000	1,437,638	3,224,638
2031	1,900,000	1,337,119	3,237,119
2032	2,019,000	1,230,244	3,249,244
2033	2,145,000	1,116,675	3,261,675
2034	2,279,000	996,019	3,275,019
2035	2,421,000	867,825	3,288,825
2036	2,572,000	731,644	3,303,644
2037	2,733,000	586,969	3,319,969
2038	2,905,000	433,238	3,338,238
2039	3,085,000	269,831	3,354,831
2040	1,712,000	96,300	1,808,300
Total	$ 30,316,000	$ 15,667,821	$ 45,983,821

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2025

Bonds and Interest Maturing in the Year Ending December 31,	$38,955,000 Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds Dated October 9, 2025 Series 2025A Interest Rate of 5.000-5.250% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2026	$ 330,000	$ 2,002,950	$ 2,332,950
2027	345,000	1,986,450	2,331,450
2028	410,000	1,969,200	2,379,200
2029	430,000	1,948,700	2,378,700
2030	500,000	1,927,200	2,427,200
2031	525,000	1,902,200	2,427,200
2032	600,000	1,875,950	2,475,950
2033	630,000	1,845,950	2,475,950
2034	710,000	1,814,450	2,524,450
2035	745,000	1,778,950	2,523,950
2036	830,000	1,741,700	2,571,700
2037	875,000	1,700,200	2,575,200
2038	970,000	1,656,450	2,626,450
2039	1,015,000	1,607,950	2,622,950
2040	1,120,000	1,557,200	2,677,200
2041	1,175,000	1,501,200	2,676,200
2042	1,290,000	1,442,450	2,732,450
2043	1,350,000	1,377,950	2,727,950
2044	1,475,000	1,310,450	2,785,450
2045	1,550,000	1,236,700	2,786,700
2046	1,680,000	1,159,200	2,839,200
2047	1,770,000	1,071,000	2,841,000
2048	1,915,000	978,075	2,893,075
2049	2,020,000	877,537	2,897,537
2050	2,145,000	771,488	2,916,488
2051	2,260,000	658,875	2,918,875
2052	2,380,000	540,225	2,920,225
2053	2,505,000	415,275	2,920,275
2054	2,635,000	283,763	2,918,763
2055	2,770,000	145,425	2,915,425
Total	$ 38,955,000	$ 41,085,113	$ 80,040,113

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2025

Year Ending December 31,	Totals Principal	Interest	Total
2026	$ 330,000	$ 13,336,241	$ 13,666,241
2027	3,251,000	13,319,741	16,570,741
2028	2,818,000	13,137,052	15,955,052
2029	3,134,000	12,979,661	16,113,661
2030	3,702,000	12,803,792	16,505,792
2031	4,065,000	12,595,553	16,660,553
2032	4,569,000	12,366,684	16,935,684
2033	4,845,000	12,109,270	16,954,270
2034	5,409,000	11,826,314	17,235,314
2035	5,741,000	11,509,651	17,250,651
2036	6,367,000	11,173,438	17,540,438
2037	6,763,000	10,799,808	17,562,808
2038	7,465,000	10,402,839	17,867,839
2039	7,910,000	9,963,919	17,873,919
2040	7,122,000	9,498,663	16,620,663
2041	5,740,000	9,072,651	14,812,651
2042	6,385,000	8,722,576	15,107,576
2043	6,770,000	8,332,901	15,102,901
2044	7,505,000	7,910,013	15,415,013
2045	7,975,000	7,440,838	15,415,838
2046	8,775,000	6,941,900	15,716,900
2047	9,330,000	6,388,237	15,718,237
2048	10,230,000	5,799,288	16,029,288
2049	10,880,000	5,153,100	16,033,100
2050	11,855,000	4,465,514	16,320,514
2051	12,605,000	3,715,513	16,320,513
2052	13,665,000	2,917,651	16,582,651
2053	19,520,000	2,051,688	21,571,688
2054	10,960,000	793,613	11,753,613
2055	2,770,000	145,425	2,915,425
Total	$ 218,456,000	$ 257,673,534	$ 476,129,534