

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Sheridan Redevelopment Agency
Sheridan, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sheridan Redevelopment Agency (SRA), a blended component unit of the City of Sheridan, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the SRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the SRA, as of December 31, 2025, and the respective changes in financial position 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SRA, 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 SRA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SRA'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 SRA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and general fund budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SRA's basic financial statements. The debt service fund budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the debt service fund budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information as listed in the table of contents. The other information comprises SEC Rule 15c2-12 schedules but does not include the basic financial statements and our auditors' 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.

Report on Summarized Comparative Information

We have previously audited SRA's 2024 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated July 30, 2025. In our opinion, the summarized comparative information presented herein as of December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Adams Group, LLC

Greenwood Village, Colorado
July 28, 2026

MANAGEMENT'S DISCUSSION & ANALYSIS

SHERIDAN REDEVELOPMENT AGENCY MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion and analysis of the Sheridan Redevelopment Agency's (Agency) financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the Agency's financial statements. This report also contains other supplementary information in addition to the basic statements themselves.

Financial Highlights

- The liabilities and deferred inflows of resources of the Agency exceeded its assets and deferred outflows of resources at the close of 2025 by \$94,146,328. This deficit of net position is largely due to the refunding and defeasance of Tax Increment Revenue Bonds that were used to support the River Point redevelopment project and the reissuance costs for these bonds. However, the refunding provides for a developer guarantee to the bondholders that the debt service will be covered. Over time, the Bonds will be repaid through incremental revenues: property tax, sales tax, and public improvement fee (PIF) revenues.
- At December 31, 2025, the Agency's governmental funds reported a combined ending fund balance of \$12,096,823. This combined fund balance includes \$10,974,088 of Debt Service Fund balance, and \$1,122,735 of General Fund balance.
- The unassigned fund balance for the General Fund of \$969,312 is 47.5% of the total General Fund expenditures.
- Sales Tax revenues and PIF revenue combined, the Agency's largest sources of revenue, were \$11,227,176 for 2025 as compared to \$11,513,229 for the prior year, a decrease of 2.48%, due to \$430,937 in one time audit revenues in 2024.

Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the Sheridan Redevelopment Agency's basic financial statements. The Agency's basic financial statement comprises three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statement

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Agency's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities reflects how the Agency's net position changes during the most recent fiscal year.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Agency that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Governmental activities of the Agency include general government.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are governmental funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds – general fund and debt service fund – both of which are considered to be major funds.

The Agency adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for this fund in the required supplemental information to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3 & 5 of this report.

The Agency’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending.

The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7-24 of this report.

Required and Other Supplementary Information

The report includes individual fund schedules. As required, a budgetary comparison statement has been provided in this section for the General Fund, found on page 25. In addition, a budgetary comparison statement has been provided for the Debt Service Fund to demonstrate compliance with that budget, which is found on page 26 of this report.

Financial Analysis of the Agency as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$94,146,328 at the close of 2025.

Sheridan Redevelopment Agency
Condensed Statement of Net Position
December 31,

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Assets		
Current and Other Assets	\$ 15,717,181	\$ 15,671,658
Total Assets	<u>15,717,181</u>	<u>15,671,658</u>
Deferred Outflows of Resources		
Deferred loss on refunding	2,017,947	2,543,454
Deferred outflow of derivative instruments	1,217,340	923,233
Total Deferred Outflows of Resources	<u>3,235,287</u>	<u>3,466,687</u>
Liabilities		
Current Liabilities	154,147	1,310,625
Noncurrent Liabilities	<u>109,375,262</u>	<u>114,760,895</u>
Total Liabilities	<u>109,529,409</u>	<u>116,071,520</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	<u>3,569,387</u>	<u>3,376,018</u>
Total Liabilities	<u>3,569,387</u>	<u>3,376,018</u>
Net Position		
Restricted for debt service	10,870,912	9,745,117
Unrestricted	<u>(105,017,240)</u>	<u>(110,054,310)</u>
Total Net Position	<u>\$ (94,146,328)</u>	<u>\$ (100,309,193)</u>

Sheridan Redevelopment Agency
Condensed Statement of Activities
December 31,

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Revenues		
General Revenues		
Taxes	7,466,606	7,772,869
Investment Earnings	632,150	638,871
Other Revenues	7,133,052	6,347,767
Total General Revenues	<u>15,231,808</u>	<u>14,759,507</u>
Total Revenues	<u>15,231,808</u>	<u>14,759,507</u>
 Program Expenses		
General Government	2,045,050	1,891,054
Redevelopment Projects	1,369,145	1,812,235
Interest Expense	5,654,748	5,303,444
Total Program Expenses	<u>9,068,943</u>	<u>9,006,733</u>
Change in Net Position	<u>6,162,865</u>	<u>5,752,774</u>
Net Position, Beginning	<u>(100,309,193)</u>	<u>(106,061,967)</u>
Net Position, Ending	<u>\$ (94,146,328)</u>	<u>\$ (100,309,193)</u>

The Sheridan Redevelopment Agency's net position increased \$6,162,865 due primarily to property tax revenues, sales tax revenues, and public improvement fee revenues that exceeded the payment of interest and principal on the bonds.

Governmental Activities

Property tax revenues increased 29.34% between 2024 and 2025 due to property tax abatements in 2024. Sales Tax revenues decreased 3.94% between 2024 and 2025, the decrease was due to a one-time audit payment of \$303,694 in 2024.

Financial Analysis of the Agency's Funds

The Agency used fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Government Funds

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and the balance of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of 2025, the Agency's General Fund reported an ending fund balance of \$1,122,735, a decrease of \$117,163 in comparison with the previous year.

Debt Service Fund

The Agency's debt service fund provides information on the cost of annual debt, including interest expense, principal, facility fees, remarketing, and other debt related expenses.

General Fund Budgetary Highlights

The General Fund accounts for all of the general government services provided by the Agency, for such items as accounting, legal, City support services and operations.

Line item budget transfers are allowed within a fund with the approval of the Executive Director. Increases in the expenditure budget for any fund must be approved by the Board.

Long-term Debt

The Sheridan Redevelopment Agency's total debt decreased during the year ended 2025, due to principal payments made on the 2011 A and B Bonds. Total debt outstanding at December 31, 2025 is \$108,157,922.

Note 4 of the financial statements provides a more in-depth summary of the Agency's long-term debt.

The Sheridan Redevelopment Agency's River Point project is progressing. New businesses opened in 2025 and are expected to continue to open until the space is fully occupied.

Economic Factors and Next Year's Budget

Revenues in future years are expected to increase as the River Point project is fully leased and increasing sales tax, property tax and PIF revenues are realized. The Agency continues to monitor all debt service requirements, revenue projections, and the financial health of the Agency. The Agency continues to work with the City of Sheridan in their best collection efforts to ensure proper and timely receipts of PIF and sales tax revenues.

Agency expenditures for 2026 are estimated at \$2,113,891 in the General Fund and \$13,400,418 in the Debt Service Fund.

Request for Information

The financial report is designed to provide a general overview of the Agency's finances for all those interested in the government's finances. Questions concerning any of the information provided in the report or additional financial information should be addressed to the Finance Director at the Sheridan Redevelopment Agency, 4101 S. Federal Blvd., Sheridan, CO 80110 or by calling 303-762-2200.

BASIC FINANCIAL STATEMENTS

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2025

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and investments	\$ 967,786
Restricted cash and investments	9,914,321
Taxes receivable	4,835,074
Total Assets	<u>15,717,181</u>
 <u>Deferred Outflows of Resources</u>	
Deferred loss on refunding	2,017,947
Derivative instruments	1,217,340
Total Deferred Outflow of Resources	<u>3,235,287</u>
 <u>Liabilities</u>	
Current Liabilities	
Accounts payable	3,603
Accrued remarketing fees	3,303
Accrued interest payable	103,176
Unearned revenue	31,248
Due to City of Sheridan	12,817
Noncurrent Liabilities	
Due in one year	5,395,000
Due in more than one year	102,762,922
Liability for derivative instruments	1,217,340
Total Liabilities	<u>109,529,409</u>
 <u>Deferred Inflows of Resources</u>	
Unavailable revenue - property taxes	3,569,387
Total Deferred Inflows of Resources	<u>3,569,387</u>
 <u>Net Position</u>	
Restricted for debt service	10,870,912
Unrestricted (deficit)	(105,017,240)
Total Net Position (deficit)	<u>\$ (94,146,328)</u>

The accompanying notes are an integral part of these financial statements.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General government	\$ 2,045,050	\$ -	\$ -	\$ -	\$ (2,045,050)
Redevelopment projects	1,369,145	-	-	-	(1,369,145)
Interest and fiscal charges	5,654,748	-	-	-	(5,654,748)
Total Primary Government	<u>9,068,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,068,943)</u>
General revenues:					
Public improvement fees					3,760,570
Tax increment financing					3,372,482
Sales taxes					7,466,606
Investment income					<u>632,150</u>
Total General Revenues					<u>15,231,808</u>
Change in Net Position					6,162,865
Net Position - Beginning of year (deficit)					<u>(100,309,193)</u>
Net Position - End of year (deficit)					<u><u>\$ (94,146,328)</u></u>

The accompanying notes are an integral part of these financial statements.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
BALANCE SHEETS – GOVERNMENTAL FUNDS
DECEMBER 31, 2025 AND 2024

			Totals	
	General Fund	Debt Service Fund	2025	2024
<u>Assets</u>				
Cash and investments	\$ 938,188	\$ 29,598	\$ 967,786	\$ 1,104,152
Restricted cash and investments	-	9,914,321	9,914,321	9,941,648
Taxes receivable	192,868	4,642,206	4,835,074	4,625,858
Due from other funds	-	-	-	3,394
Total assets	<u>\$ 1,131,056</u>	<u>\$ 14,586,125</u>	<u>\$ 15,717,181</u>	<u>\$ 15,675,052</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 3,603	\$ -	\$ 3,603	\$ 1,044,397
Accrued facility fees	-	-	-	92,114
Accrued remarketing fees	-	3,303	3,303	3,831
Unearned revenue	2,754	28,494	31,248	37,713
Due to other funds	-	-	-	3,394
Due to City of Sheridan	1,964	10,853	12,817	12,564
Total liabilities	<u>8,321</u>	<u>42,650</u>	<u>50,971</u>	<u>1,194,013</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	-	3,569,387	3,569,387	3,376,018
Fund balances:				
Restricted for debt service	-	10,974,088	10,974,088	9,865,123
Assigned for subsequent appropriation	153,423	-	153,423	79,067
Unassigned	969,312	-	969,312	1,160,831
Total fund balances	<u>1,122,735</u>	<u>10,974,088</u>	<u>12,096,823</u>	<u>11,105,021</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,131,056</u>	<u>\$ 14,586,125</u>	<u>\$ 15,717,181</u>	<u>\$ 15,675,052</u>

The accompanying notes are an integral part of these financial statements.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2025

Fund balance - governmental funds	\$ 12,096,823
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Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities, including bonds, payable and derivative instruments are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Deferred derivative instruments	1,217,340
Bonds payable	(75,548,139)
Accreted interest	(32,609,783)
Accrued interest payable	(103,176)
Deferred loss on refunding	2,017,947
Liability for derivative instruments	<u>(1,217,340)</u>

Net Position of Governmental Activities	<u>\$ (94,146,328)</u>
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The accompanying notes are an integral part of these financial statements.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEARS ENDED DECEMBER 31, 2025 AND 2024

			Totals	
	General Fund	Debt Service Fund	2025	2024
Revenues				
Property tax increment revenue	\$ -	\$ 3,372,482	\$ 3,372,482	\$ 2,607,407
Sales tax increment revenue	-	7,466,606	7,466,606	7,772,869
Public improvement fees	1,880,285	1,880,285	3,760,570	3,740,360
Investment earnings	41,817	590,333	632,150	643,628
Total revenues	<u>1,922,102</u>	<u>13,309,706</u>	<u>15,231,808</u>	<u>14,764,264</u>
Expenditures				
General Government				
Accounting and administration	104,281	-	104,281	126,613
City support costs	1,758,552	-	1,758,552	1,569,264
Trustee fee expense	-	4,000	4,000	3,800
Collection and treasurer fees	18,796	144,172	162,968	175,659
Draw fee expense	-	6,000	6,000	6,000
Other general government	9,249	-	9,249	9,718
Total General Government	<u>1,890,878</u>	<u>154,172</u>	<u>2,045,050</u>	<u>1,891,054</u>
Redevelopment Projects				
Salaries and benefits	140,760	-	140,760	142,788
Rent	7,560	-	7,560	7,560
Legal	-	-	-	57
Other expenses	67	-	67	66
Total Redevelopment Projects	<u>148,387</u>	<u>-</u>	<u>148,387</u>	<u>150,471</u>
Debt Service				
Principal payments	-	8,990,000	8,990,000	10,485,000
City public improvement fee allocation	-	1,220,758	1,220,758	1,224,283
Interest expense	-	1,440,205	1,440,205	1,628,874
Facility fee expense	-	331,314	331,314	375,792
Rating service fees	-	11,500	11,500	11,000
LOC renewal fee	-	8,100	8,100	-
Remarketing fee expense	-	44,692	44,692	50,689
Total Debt Service	<u>-</u>	<u>12,046,569</u>	<u>12,046,569</u>	<u>13,775,638</u>
Total Expenditures	<u>2,039,265</u>	<u>12,200,741</u>	<u>14,240,006</u>	<u>15,817,163</u>
Net change in fund balances	(117,163)	1,108,965	991,802	(1,052,899)
Fund balances - beginning of year	<u>1,239,898</u>	<u>9,865,123</u>	<u>11,105,021</u>	<u>12,157,920</u>
Fund balances - end of year	<u>\$ 1,122,735</u>	<u>\$ 10,974,088</u>	<u>\$ 12,096,823</u>	<u>\$ 11,105,021</u>

The accompanying notes are an integral part of these financial statements.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - governmental funds:	\$ 991,802
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Amounts reported for governmental activities in the statement of activities
are different because:

Issuances of debt are treated as revenues in the governmental funds, but
are recorded as liabilities on the statement of net position. Repayments of
debt are recorded as expenses in the governmental funds and reduce
liabilities on the statement of net position.

Amortization of loss on refunding	(525,507)
Principal and accreted interest payments	8,990,000
Additions to accreted interest	(3,310,260)
Change in accrued interest payable	<u>16,830</u>

Change in Net Position of Governmental Activities	<u>\$ 6,162,865</u>
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The accompanying notes are an integral part of these financial statements.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On November 12, 2003, the City of Sheridan, Colorado (the "City") created the Sheridan Redevelopment Agency ("SRA") as an urban renewal authority as defined by Colorado Revised Statutes Title 31, Article 25, Part 1. The SRA was established to redevelop identified areas of blight within the City. The SRA Board of Commissioners is comprised of the Mayor and Council of the City, with the Mayor serving as the chair of the Commission. The City includes the SRA as a blended component unit in its reporting entity.

The accounting policies of the SRA conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The SRA is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the SRA officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the SRA. The SRA may also be financially accountable for organizations that are fiscally dependent upon it.

Based upon the application of the criteria, there are no other entities that meet the requirements to be included in the SRA's financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the SRA. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary activity is not reported in the government-wide financial statements. The SRA's entire operation is classified as a governmental activity.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)

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. Taxes, and other items not included among program revenues, are reported instead as general revenues.

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the SRA considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Property tax increment revenues, public improvement fees, sales tax increment revenues, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered measurable and available only when cash is received by the SRA.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major Funds - In the fund financial statements, the SRA reports the following major governmental funds.

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds (Continued)

- *The Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on general long-term obligations of the SRA.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances

Cash and Investments – Cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at net asset value.

Receivables – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2025, the SRA has determined that all receivables are expected to be collected.

Property tax levies are certified by taxing bodies to the County Commissioners by December 15, so that the County Commissioners apply a tax lien on the individual properties by January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens are held in November or December. The County Treasurer will remit the taxes collected monthly to the SRA, less the County collection fee. The SRA is the recipient of property tax increment revenues based on the mill levies of other local governmental units.

Interfund Receivables and Payables – During the course of operations, transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *due from other funds* and *due to other funds* because they are short-term in nature.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a depletion of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category.

SHERIDAN REDEVELOPMENT AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances (Continued)

Deferred Outflows/Inflows of Resources (Continued)

They are the deferred charges on refunding and the liability related to the swap agreement hedging the SRA's long term debt, which are reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The swap agreement is more fully described in Note 4 to the financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, *unavailable revenue*, is reported for property taxes levied in the current year but collected for use in the next fiscal period.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method over the term of the debt. Long-term debt payable is reported net of the applicable unamortized premiums or discounts. Debt issuance costs are reported as an outflow of resources.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Bond discounts are reported as other financing uses. Issuance costs, even if withheld from the debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact.

SHERIDAN REDEVELOPMENT AGENCY
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances (Continued)

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of SRA's Board. The Board is the highest level of decision-making body for the SRA. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the SRA considers restricted funds to have been spent first.

Generally, the SRA would first apply restricted, then committed, and then assigned resources prior to unassigned resources when an expenditure is incurred for purposes for which more than one classification of fund balance is available.

Concentration of Revenues

For the year ended December 31, 2025, two retailers comprised approximately 76% of public improvement fees and 66% of the sales tax collected on behalf of the SRA. In addition, one taxpayer accounts for approximately 46% of the taxable assessed property valuation allocated to the SRA. The City, in cooperation with the owner of the development, is continuing efforts to attract additional businesses, so as not to rely on any particular revenue source. Further, both the City and the owner of the development are confident it can attract similar large retailers, should there ever be a need, as the referred to retail operations are in prime locations.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Information

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the SRA's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

In accordance with State Budget Law, the SRA Board of Commissioners holds hearings in the fall of each year to approve the budget and appropriate funds. The appropriation is at the total fund expenditure level and lapses at year end.

The Board can modify the budget by line item only within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

NOTE 3 - DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2025, follows:

Cash deposits	\$ 42,681
Investments	10,839,426
Total Cash and Investments	<u>\$ 10,882,107</u>

The above amounts are classified in the financial statements as follows:

Cash and investments	\$ 967,786
Restricted cash and investments	9,914,321
Total Cash and Investments	<u>\$ 10,882,107</u>

Cash Deposits

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.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash Deposits (Continued)

The eligible collateral is determined by the PDPA. 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 financial 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 the 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, all of the SRA's cash deposits were insured by federal depository insurance and are therefore not deemed to be exposed to custodial credit risk. The bank balance was \$42,681 with a carrying value of \$42,681 at December 31, 2025.

Investments

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

Colorado statutes specify instruments in which units of local government may invest, which include:

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

SHERIDAN REDEVELOPMENT AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

COLOTRUST

The Agency 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 AAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the Agency 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.

As of December 31, 2025, the SRA invested \$925,105 in COLOTRUST PLUS +.

SHERIDAN REDEVELOPMENT AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fidelity Government Portfolio II

At December 31, 2025, the SRA had invested in Fidelity Government Portfolio CL II (the Fund), a money market fund. The Fund invests in U.S. government repurchase agreements, agency floating-rate securities, U.S. Treasuries, agency fixed-rate securities, and U.S. Treasury inflation-protected securities. The Fund's investments have a weighted average of less than 30 days. The Fund is rated AAAM by Standard & Poor's and is measured by NAV. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of December 31, 2025, the SRA invested \$9,914,321 in the Fund.

Restricted Cash and Investments

At December 31, 2025, the SRA had the following restricted cash and investment balances:

Restricted for:

Debt service reserves	\$ 7,407,500
Debt repayment	2,506,821
Total Governmental Activities	<u>\$ 9,914,321</u>

NOTE 4 - LONG-TERM DEBT

Following is a summary of long-term debt transactions for governmental activities for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Due in One Year
<u>Tax Increment Revenue Bonds</u>					
Series 2011A-1	\$ 31,760,000	\$ -	\$ 4,455,000	\$ 27,305,000	\$ 4,735,000
Series 2011A-2	4,425,000	-	620,000	3,805,000	660,000
Series 2011B-1	12,014,435	-	1,226,606	10,787,829	-
Series 2011B-2	18,125,600	-	1,938,556	16,187,044	-
Series 2011C	17,463,266	-	-	17,463,266	-
Series 2011B-1 Accreted Interest	2,450,804	242,303	333,394	2,359,713	-
Series 2011B-2 Accreted Interest	3,680,121	364,207	416,444	3,627,884	-
Series 2011C Accreted Interest	23,918,436	2,703,750	-	26,622,186	-
Total	<u>\$ 113,837,662</u>	<u>\$ 3,310,260</u>	<u>\$ 8,990,000</u>	<u>\$ 108,157,922</u>	<u>\$ 5,395,000</u>

Colorado Urban Renewal Law states that the City has no obligation to repay the SRA's debt.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 4 - LONG-TERM DEBT

Variable Rate Tax Increment Refunding Revenue Bonds Series 2011A

On April 28, 2011, the SRA issued \$65,000,000 and \$9,075,000 of Variable Rate Tax Increment Revenue Bonds Series 2011A-1 and Series 2011A-2 Bonds (collectively the Series 2011A Bonds). Bond proceeds were used for the purpose of refunding the SRA's Series 2007A-1 and Series 2007A-2 bonds, funding a bond reserve and paying the fees and expenses of issuing the bonds.

The Series 2011A Bonds bear interest based on a weekly rate which is adjusted each Thursday and is payable on the first day of each month and shall be equal to the rate as set by the remarketing agent.

The Series 2011A-1 Bonds are subject to optional and mandatory sinking fund redemption and mandatory purchase. Mandatory sinking fund redemptions began in 2013 in the amount of \$295,000 and increase annually through December 2029 to \$12,185,000. The bonds can be optionally redeemed if the bonds are in the weekly or monthly mode on the first day of any month.

The Series 2011A-2 Bonds are also subject to optional and mandatory sinking fund redemption and mandatory purchase. Mandatory sinking fund redemptions began in 2013 in the amount of \$40,000 and increase annually through December 2029 to \$1,700,000.

The principal, interest on, and purchase price of the Series 2011A-1 and Series 2011A-2 Bonds will be payable by the Trustee under separate irrevocable, direct pay letters of credit issued by JPMorgan Chase Bank, N.A. The letters of credit allow the Trustee to draw up to an amount sufficient to pay the principal of the Series 2011A Bonds when due and up to 34 days' interest on the Series 2011A-1 and Series 2011A-2 Bonds at a maximum interest rate of 12% per annum. The letters of credit were issued pursuant to a reimbursement agreement between the SRA and JPMorgan Chase Bank, N.A., which obligates the SRA to reimburse the bank for draws and to pay certain fees and expenses.

During the year ended December 31, 2025, principal and interest borrowed and repaid under the letters of credit totaled \$6,126,133.

SHERIDAN REDEVELOPMENT AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Variable Rate Tax Increment Refunding Revenue Bonds Series 2011A (Continued)

The Series 2011A Bonds are also special, limited revenue obligations of the SRA payable from and secured by the Series 2011A Bonds Trust Estate. The Bond Trust Estate shall include, among other things, ad valorem property tax increment revenues and sales tax increment revenues received by the SRA from a designated urban renewal area. The SRA has also pledged a portion of the public improvement fees and interest thereon related to the urban renewal area. The bonds are secured by a Series 2011A Bonds Reserve Fund initially funded with proceeds from the Series 2011A Bonds in the amount of \$7,407,500. At December 31, 2025, the Series 2011A Bonds Reserve Fund is fully funded.

The payment of principal and interest related to the Series 2011A Bonds is also guaranteed by the developer and a related entity until such time as the Rolling Twelve Month Debt Service Coverage Ratio as of the preceding 24 months is not less than 1.40. The Rolling Twelve Month Debt Service Coverage Ratio is defined as the twelve-month previous pledged incremental tax revenues divided by the average annual debt service.

At December 31, 2025, the Agency was in compliance with Rolling Twelve Month Debt Service Coverage Ratio requirement.

Variable Rate Tax Increment Refunding Revenue Bonds Series 2011A (Continued)

Projected annual debt service requirements for the outstanding Series 2011A-1 Bonds at December 31, 2025, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 4,735,000	\$ 1,081,278	\$ 5,816,278
2027	5,035,000	893,772	5,928,772
2028	5,350,000	696,288	6,046,288
2029	12,185,000	482,526	12,667,526
Total	<u>\$ 27,305,000</u>	<u>\$ 3,153,864</u>	<u>\$ 30,458,864</u>

SHERIDAN REDEVELOPMENT AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Projected annual debt service requirements for the outstanding Series 2011A-2 Bonds at December 31, 2025, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 660,000	\$ 200,524	\$ 860,524
2027	700,000	165,742	865,742
2028	745,000	129,205	874,205
2029	1,700,000	89,590	1,789,590
Total	<u>\$ 3,805,000</u>	<u>\$ 585,061</u>	<u>\$ 4,390,061</u>

Subordinate Tax Increment Refunding Revenue Bonds Series 2011B

On April 28, 2011, the SRA issued \$23,039,349 and \$34,705,443 of Series 2011B-1 Bonds and Series 2011B-2 Bonds (collectively the Series 2011B Bonds). This was a private placement with Weingarten Realty Investors. Bond proceeds were used for the purpose of refunding the SRA's Series 2007A-1, Series 2007A-2 Bonds, and Series 2007 B Bonds and paying the fees and expenses of issuing the bonds. The Series 2011B Bonds do not bear interest and mature on December 15, 2039. Failure to pay the full maturity amount of any sinking fund payment is not an Event of Default under the Indenture. Any unpaid Series 2011B Bond amounts still outstanding after maturity on December 15, 2039 will be defeased.

Payments on the Series 2011B Bonds are subordinated to the payment of current principal and interest on the Series 2011A Bonds. The bonds accrete interest at a rate of 1.419%. The Series 2011B-1 Bonds are subject to optional and mandatory sinking fund redemption and mandatory purchase. Mandatory sinking fund redemptions began in 2011 in the amount of \$305,000 and increase annually through December 2039 to \$1,510,000. The Series 2011B-2 Bonds are also subject to optional and mandatory sinking fund redemption and mandatory purchase. Mandatory sinking fund redemptions began in 2011 in the amount of \$465,000 and increase annually through December 2039 to \$2,280,000.

The 2011B Bonds can be optionally redeemed on any date after the Series 2011A Bonds are no longer outstanding from any Pledged Incremental Tax Revenues and on any December 15 from the Debt Service Public Improvement Fee or the SRA Public Improvement Fee, at a redemption price equal to the maturity value, subject to the following provisions.

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NOTE 4 - LONG-TERM DEBT (CONTINUED)

Subordinate Tax Increment Refunding Revenue Bonds Series 2011B (Continued)

No payment will be made on the Series 2011B Bonds until (a) the Series 2011A's Reserve Fund contains an amount equal to the reserve requirement, (b) the Series 2011A Bond Payment Fund contains an amount equal to the sum of (i) three months of interest on the Series 2011A Bonds and (ii) one-fourth of the principal due on the Series 2011A Bonds in the next calendar year (c) all Agency Bond Fees and Bank Fees then due have been paid, (d) all amounts due and payable under the Bank Reimbursement Agreement, or any Interest Rate Exchange Agreement have been paid, and (vii) no Event of Default under the Indenture has occurred and is continuing.

Any sinking fund amounts not paid in the current year, no longer accrete interest, and become due and payable in the subsequent period. As of December 31, 2025, there were no past due sinking fund requirements.

Subordinate Tax Increment Refunding Revenue Bonds Series 2011B

Projected annual debt service requirements for the outstanding Series 2011B-1 Bonds at December 31, 2025, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Total</u>
2026	\$ -	\$ -	\$ -
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	1,139,595	365,405	1,505,000
2031 - 2035	5,529,996	2,080,004	7,610,000
2036 - 2039	4,118,238	1,921,762	6,040,000
Total	<u>\$ 10,787,829</u>	<u>\$ 4,367,171</u>	<u>\$ 15,155,000</u>

SHERIDAN REDEVELOPMENT AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Subordinate Tax Increment Refunding Revenue Bonds Series 2011B (Continued)

Projected annual debt service requirements for the outstanding Series 2011B-2 Bonds at December 31, 2025, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Total</u>
2026	\$ -	\$ -	\$ -
2027	-	-	-
2028	-	-	-
2029	-	90,001	90,001
2030	1,728,263	551,737	2,280,000
2031 - 2035	8,240,515	3,099,485	11,340,000
2036 - 2039	6,218,266	2,901,734	9,120,000
Total	<u>\$ 16,187,044</u>	<u>\$ 6,642,957</u>	<u>\$ 22,830,001</u>

Series 2011C Note Payable

On April 28, 2011, the SRA refinanced \$13,139,024 of Series 2007C Notes and \$2,243,698 of interest by issuing 73 promissory 2011C Notes totaling \$17,463,266. The notes are owed to the Developer.

The notes accrete interest at an annual rate of 6.533%. Payments of principal and interest begin in December 2034 in the amount of \$1,525,000 and increase annually through December 2106 to \$26,420,000. These notes are payable from public improvement fee revenues. Payments of principal and interest on the notes are subordinate to the payment of the Series 2011A Bonds and the Series 2011B Bonds.

Any Series 2011C note not paid as of its maturity date will no longer accrete interest, and if not paid by December 15, 2106, will be defeased.

Deferred Loss on Refunding

As described above, during the year ended December 31, 2011, the SRA undertook a refunding of all of its debt. In the refunding, the reacquisition price exceeded the net carrying amount of the old debt by \$9,721,880. This amount is recorded as a deferred outflow of resources and is being amortized over the remaining life of the refunded debt.

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YEAR ENDED DECEMBER 31, 2025

NOTE 5 - DERIVATIVE INSTRUMENTS

The SRA is party to interest rate swap agreements classified as cash flow hedges which are recorded as deferred outflows of resources and long-term liabilities in the statement of net position. The contracts were entered into on March 7, 2007 and terminate on December 1, 2029.

Under the agreements, the SRA agreed to pay a fixed interest rate of 3.80% on a notional amount equal to the outstanding principal on the Series 2011A-1 Bonds and a fixed interest rate of 5.27% on a notional amount equal to the outstanding principal on the Series 2011A-2 Bonds to the counterparty, Royal Bank of Canada ("RBC"). The counterparty will in turn pay variable interest rate equal to the seven-day USD-SIFMA Municipal SWAP Index on a notional amount equal to the outstanding principal on the Series 2011 A-1 Bonds and a variable interest rate equal to the one-month SOFR Index on a notional amount equal to the outstanding principal on the Series 2011 A-2 Bonds.

Net settlement payments are due to/from the counterparty on a monthly basis. During the year ended December 31, 2025, the SRA paid the counterparty approximately \$389,072 under the interest rate swap agreements.

Payments due to the counterparty are guaranteed by the developer and a related entity.

Fair Value

Fair value for the SRA's derivative instruments were estimated using the zero-coupon method, which calculates the future net settlement payments, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates. The payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

At December 31, 2025, the fair value of this contract is estimated to be a negative \$1,217,340 (i.e., a net liability to the SRA).

Credit Risk

The SRA has no net exposure to actual credit risk as the swap agreements were a net liability as of December 31, 2025.

RBC was rated Aa1 and AA- under Moody's and Standard and Poor's, respectively.

SHERIDAN REDEVELOPMENT AGENCY
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YEAR ENDED DECEMBER 31, 2025

NOTE 5 - DERIVATIVE INSTRUMENTS (CONTINUED)

Interest Rate Risk

The SRA pays a fixed interest rate under the swap agreements and therefore has limited interest rate risk.

Basis Risk

The SRA is exposed to basis risk because the variable rate payments received on these derivative instruments are based on a rate or index other than interest rates the SRA pays on its hedged variable-rate debt (Series 2011 A-1 and A-2 Bonds), which is remarketed every 7 days. As of December 31, 2025, the weighted average interest rate on the SRA's hedged variable-rate debt was 2.9 percent, while the seven-day USD-SIFMA swap index rate was approximately 2.8 percent and the one-month SOFR was approximately 3.9 percent.

Termination Risk

The counterparty may terminate this contract if the SRA fails to perform under the contract or credit support agreement. In addition, the swap may automatically terminate due to cross default or other provisions included in the contract. If the derivative instruments is in a liability position at the time of termination, the SRA would be liable for a payment equal to the liability, adjusted for netting arrangements.

Rollover Risk

As the swap agreements are scheduled to terminate when the 2011 A-1 and A-2 bonds mature, the SRA has no rollover risk.

NOTE 6 - ENVIRONMENTAL REMEDIATION

A large portion of the property in the South Santa Fe Drive Corridor Redevelopment Plan (the "site") consisted of landfills and junk yards in addition to a medical transfer station, various businesses that generated hazardous wastes, vehicle repair facilities, and petroleum service stations, all or some of which may have resulted in contamination of the site. Above and below ground storage tanks were also discovered on the site. Contaminants from various off-site commercial/industrial activities have or may have migrated or may migrate in the future onto the site. As a result of historic on and off-site operations, a variety of contaminants have been documented or are suspected to be present at the site.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 6 - ENVIRONMENTAL REMEDIATION

The developer submitted a voluntary cleanup plan application (the “plan”) for the site to the Colorado Department of Public Health and Environment (the CDPHE”). The plan contained several sub-plans that addressed materials removal, vapor intrusion and accumulation issues, and operations. The plan and related modifications have been approved by CDPHE. While a large quantity of municipal waste material was excavated and disposed of off-site, municipal waste and other waste materials and contaminants remain on-site. Every owner, tenant, or occupant, within the mitigated zone, is required to design and construct a vapor intrusion mitigation system to address concerns related to methane gas produced by the remaining decomposing material. In addition, the plan did not address remediation of groundwater contamination existing on the site. The developer anticipates that the remediation efforts will take several years and will require additional CDPHE extensions to the plan.

The developer and related entities have jointly and severally agreed to indemnify the owners of the Series 2011A Bonds, through the Trustee, from certain losses that might be incurred as a result of claims arising under certain environmental laws.

In addition, the developer has obtained two environmental insurance policies covering potential liabilities associated with the development of the site, including Pollution Legal Liability policy in the amount of \$40 million and a Contractor’s Pollution Liability policy in the amount of \$10 million.

The SRA is unaware of any contingent liabilities arising from environmental remediation costs as of December 31, 2025.

NOTE 7 - RISK MANAGEMENT

The SRA is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters. In order to reduce insurance costs, the SRA participates in the City’s risk management program. Settled claims have not exceeded insurance coverage in any of the last three years.

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 8 - CONTINGENCIES

TABOR Amendment

In November 1992, Colorado voters passed Article X, Section 20 (TABOR Amendment) to the State Constitution, which limits state and local government tax powers and imposes spending limitations. The Agency is not subject to the TABOR Amendment. See Olson v. City of Golden, 53 p.3d 747 (Colo. App. 2002), certiorari denied.

NOTE 9 - NET POSITION

At December 31, 2025, the SRA had a deficit net position. The ability of the SRA to meet future debt service payments is dependent upon the ability of the River Point Project to generate future sufficient tax increment revenues and public improvement fees, the ability of the developer to reach agreements with additional retail tenants for the River Point Project, and the ability of the developer and related entities to meet debt service guarantees.

NOTE 10 - INTERNAL BALANCES

The following are the balances owed between funds and between the primary government and its component units as of December 31, 2025. All balances are expected to be repaid within one year. At December 31, 2025, the SRA owed the City \$12,817.

NOTE 11 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025, the SRA transferred \$1,906,872 to the City's General Fund as reimbursement for services provided by the City to the SRA. Additionally, as described in Note 10, the SRA owed the City amounts at December 31, 2025, for such services and collected fees.

REQUIRED SUPPLEMENTARY INFORMATION

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2024
<u>Revenues</u>					
Public improvement fees	\$ 1,824,168	\$ 1,877,909	\$ 1,880,285	\$ 2,376	\$ 1,870,180
Investment earnings	50,000	44,326	41,817	(2,509)	53,434
Total revenues	<u>1,874,168</u>	<u>1,922,235</u>	<u>1,922,102</u>	<u>(133)</u>	<u>1,923,614</u>
<u>Expenditures</u>					
General Government					
Accounting and administration	130,820	120,932	104,281	16,651	126,613
Collection and treasurer fees	19,742	18,779	18,796	(17)	20,943
Payments to the City of Sheridan	1,616,341	1,758,552	1,758,552	-	1,569,264
Other general government	9,000	9,000	9,249	(249)	9,718
Total General Government	<u>1,775,903</u>	<u>1,907,263</u>	<u>1,890,878</u>	<u>16,385</u>	<u>1,726,538</u>
Redevelopment Projects					
Salaries and benefits	147,072	140,760	140,760	-	142,788
Rent and utilities	7,560	7,560	7,560	-	7,560
Legal	2,500	-	0	-	57
Other expenses	200	50	67	(17)	66
Total Redevelopment Projects	<u>157,332</u>	<u>148,370</u>	<u>148,387</u>	<u>(17)</u>	<u>150,471</u>
Contingency	<u>20,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Total Expenditures	<u>1,953,235</u>	<u>2,105,633</u>	<u>2,039,265</u>	<u>66,368</u>	<u>1,877,009</u>
Net change in fund balance	<u>\$ (79,067)</u>	<u>\$ (183,398)</u>	<u>(117,163)</u>	<u>\$ 66,235</u>	<u>46,605</u>
Fund balances - beginning of year			<u>1,239,898</u>		<u>1,193,293</u>
Fund balances - end of year			<u>\$ 1,122,735</u>		<u>\$ 1,239,898</u>

SUPPLEMENTARY INFORMATION

SHERIDAN REDEVELOPMENT AGENCY
(SHERIDAN, COLORADO)
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	2025				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2024
Revenues					
Tax increment financing	\$ 3,310,328	\$ 3,372,393	\$ 3,372,482	\$ 89	\$ 2,607,407
Sales tax	7,521,680	7,462,469	7,466,606	4,137	7,772,869
Public improvement fees	1,824,168	1,877,909	1,880,285	2,376	1,870,180
Investment earnings	500,000	529,824	590,333	60,509	590,194
Total revenues	<u>13,156,176</u>	<u>13,242,595</u>	<u>13,309,706</u>	<u>67,111</u>	<u>12,840,650</u>
Expenditures					
General Government					
Trustee fee expense	5,000	5,000	4,000	1,000	3,800
Collection & treasurer fees	147,614	148,227	144,172	4,055	154,716
Draw fee expense	6,000	6,000	6,000	-	6,000
Total General Government	<u>158,614</u>	<u>159,227</u>	<u>154,172</u>	<u>5,055</u>	<u>164,516</u>
Debt Service					
Bond principal payment	9,895,000	10,045,000	8,990,000	1,055,000	10,485,000
City public improvement fee allocation	1,172,877	1,207,810	1,220,758	(12,948)	1,224,283
Interest expense	1,490,894	1,440,350	1,440,205	145	1,628,874
Facility fee expense and LOC expense	330,227	330,227	331,314	(1,087)	375,792
Rating service fee	11,500	14,200	11,500	2,700	11,000
LOC renewal fee		-	8,100	(8,100)	-
Remarketing fee expense	44,692	44,692	44,692	-	50,689
Total Debt Service	<u>12,945,190</u>	<u>13,082,279</u>	<u>12,046,569</u>	<u>1,035,710</u>	<u>13,775,638</u>
Contingency	<u>50,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>13,153,804</u>	<u>13,341,506</u>	<u>12,200,741</u>	<u>1,140,765</u>	<u>13,940,154</u>
Net change in fund balance	<u>\$ 2,372</u>	<u>\$ (98,911)</u>	1,108,965	<u>\$ 1,207,876</u>	(1,099,504)
Fund balances - beginning of year			9,865,123		10,964,627
Fund balances - end of year			<u>\$ 10,974,088</u>		<u>\$ 9,865,123</u>

OTHER INFORMATION

SHERIDAN REDEVELOPMENT AGENCY

CONTINUING DISCLOSURE

December 31, 2025

TABLE I

Assessed Valuation in the Urban Renewal Area

Levy/ Collection Year	Total Assessed Valuation	Assessed Valuation Property Tax Base	Assessed Valuation Property Tax Increment Value
2019/2020	38,579,639	6,560,189	32,019,450
2020/2021	39,277,965	6,542,773	32,735,192
2021/2022	42,741,599	6,916,811	35,824,788
2022/2023	43,130,901	6,894,641	36,236,260
2023/2024	49,007,159	7,614,880	41,392,279
2024/2025	44,486,949	6,867,457	37,619,492
2025/2026	46,295,421	7,146,619	39,148,802

Source: Arapahoe County Assessor's Office

TABLE II

Pledged Incremental Property Tax Revenue Collections for the Urban Renewal Area

Levy/ Collection Year	Pledged Incremental Property Taxes Due from Taxes Levied	Pledged Incremental Property Tax Revenues Collected(1)	Collection as Percent of Levy
2018/2019	3,245,396	3,220,158	99%
2019/2020	3,033,522	3,000,293	99%
2020/2021	3,071,916	3,067,471	100%
2021/2022	3,225,326	3,177,545	99%
2022/2023	3,322,394	3,334,298	100%
2023/2024	3,217,454	2,607,407	81%
2024/2025	3,376,018	3,372,482	100%

(1) Property tax increment revenues also include some revenues for property tax payments due in 2024 but received in 2025.

Source: Arapahoe County Treasurer's Office & the SRA Finance Department

SHERIDAN REDEVELOPMENT AGENCY

CONTINUING DISCLOSURE

December 31, 2025

TABLE III

2025 Assessed and "Actual" Valuation of Classes of Property in the Urban Renewal Area

<u>Class</u>	<u>Assessed</u> <u>Valuation</u>	<u>Percent of</u> <u>Assessed</u> <u>Valuation</u>	<u>"Actual"</u> <u>Valuation</u>	<u>Percent of</u> <u>"Actual"</u> <u>Valuation</u>
Commercial	\$ 45,846,146	99.03%	\$ 169,800,441	99.03%
Commercial Renewable Energy	39,982	0.09%	148,080	0.09%
Industrial	65,201	0.14%	241,484	0.14%
Residential	-	0.00%	-	0.00%
Vacant Land	98,012	0.21%	363,010	0.21%
State Assessed	246,080	0.53%	911,407	0.53%
Total	<u>\$ 46,295,421</u>	<u>100.00%</u>	<u>\$ 171,464,422</u>	<u>100%</u>

Source: Arapahoe County Assessor's Office

TABLE IV
Total Mill Levy

<u>Name</u>	<u>2025</u> <u>Mill</u> <u>Levy¹</u>
Arapahoe County	15.959
Arapahoe Library District	7.500
Development Disabilities	1.000
Sheridan (City of)	16.634
Sheridan Sanitation District No. 2	0.416
Sheridan School District No. 2	41.947
South Suburban Metropolitan Park and Recreation District	8.800
Urban Drainage and Flood Control District - CO	0.900
Urban Drainage and Flood Control District - SP	0.100
Sample Overlapping Mill Levy	<u>93.256</u>

¹ One mill equals 1/10 of one cent. Mill levies certified are for the collectin of ad valorem property taxes in the following year.

Source: Arapahoe County Assessor's Office

SHERIDAN REDEVELOPMENT AGENCY

CONTINUING DISCLOSURE

December 31, 2025

TABLE V

Largest Property Taxpayers Within the Urban Renewal Area

<u>Name</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation¹</u>
Weingarten Miller Sheridan LLC	\$ 15,093,361	33.93%
WPC Hampden Park LLC	4,368,251	9.82%
Target Corporation	4,322,437	9.72%
Costco Wholesale Corporation	4,081,438	9.17%
DePaul Hampden LLC	3,860,000	8.68%
Cobblestone Car Wash	3,024,589	6.80%
River Poiont MOB LLC	1,901,682	4.27%
Lochness Properties Inc	976,630	2.20%
Kube-Carrasco Leasing #	835,250	1.88%
Petvet Care Centers	731,923	1.65%
	<u>\$ 39,195,561</u>	<u>88.11%</u>

Source: Arapahoe County Assessor's Office

TABLE VI

City Sales Tax and Pledged Incremental Sales Tax Revenue Collections Within the Urban Renewal Area

<u>Calendar Year</u>	<u>Total City Sales Tax From Urban Renewal Area</u>	<u>Collection and Enforcement Costs</u>	<u>Sales Tax Base</u>	<u>Pledged Incremental Sales Tax</u>
2020	6,487,278	67,261	369,959	6,050,058
2021	7,341,180	76,460	369,959	6,894,761
2022	7,500,618	71,323	369,959	7,059,336
2023	7,768,868	98,266	369,959	7,300,644
2024	8,142,828	82,285	369,959	7,690,584
2025	7,836,565 #	74,756	369,959	7,391,850

Source: SRA Finance Department

SHERIDAN REDEVELOPMENT AGENCY

CONTINUING DISCLOSURE

December 31, 2025

TABLE VII

Pledged Public Improvement Fee Revenue Collections Within the Urban Renewal Area

Calendar	Total Public	City Collection	Pledged Public
Year	Improvement	and Enforcement	Improvement
	<u>Fee</u>	<u>Costs</u>	<u>Fees</u>
2019	2,664,347	33,920	1,315,214
2021	3,047,538	35,100	3,012,438
2022	3,295,740	33,065	3,262,674
2023	3,451,436	37,872	3,413,563
2024	3,613,118	41,886	3,571,232
2025	3,760,570	37,592	3,722,978

Source: SRA Finance Department

TABLE VIII

Pledged Revenue Collections for the Urban Renewal Area

Levy/	Pledged	Pledged	Pledged Public	Total
Collection	Incremental	Incremental	Improvement	Pledged
<u>Year</u>	<u>Sales Tax</u>	<u>Property Tax</u>	<u>Fees</u>	<u>Revenues</u>
2018/2019	6,050,058	3,000,293	1,315,214	10,365,565
2019/2020	6,894,761	3,067,471	3,012,438	12,974,670
2021/2022	7,059,336	3,177,545	3,262,674	13,499,555
2022/2023	7,300,644	3,334,298	3,413,563	14,048,505
2023/2024	7,690,584	2,607,407	3,571,232	13,869,223
2024/2025	7,391,850	3,372,482	3,722,978	14,487,310

Source: SRA Finance Department

SHERIDAN REDEVELOPMENT AGENCY

CONTINUING DISCLOSURE

December 31, 2025

TABLE XI

History of Agency General Fund Statement of Revenues, Expenditures and Changes in Fund Balance

	2021	2022	2023	2024	2025
Revenues					
Public Improvement Fee	\$ 1,523,769	\$ 1,647,870	\$ 1,725,718	\$ 1,870,180	\$ 1,880,285
Investment Earnings	321	15,241	50,342	53,434	41,817
SRA Expense Reimbursement	-	-	-	-	-
Total Operating Revenues	<u>1,524,090</u>	<u>1,663,111</u>	<u>1,776,060</u>	<u>1,923,614</u>	<u>1,922,102</u>
Expenses					
General Government					
Accounting and Administration	106,450	111,505	115,470	126,613	104,281
City Support Costs	1,122,144	1,156,512	1,419,948	1,569,264	1,758,552
Collection and Treasurers Fees	17,550	16,533	18,936	20,943	18,796
Other General Government	9,354	8,654	7,600	9,718	9,249
Total Government	<u>1,255,498</u>	<u>1,293,204</u>	<u>1,561,954</u>	<u>1,726,538</u>	<u>1,890,878</u>
Credit and Trustee Fees					
Redevelopment Project					
Salaries and Benefits	122,569	133,296	137,028	142,788	140,760
Engineering	-	-	-	-	-
Economic Consultants	-	-	-	-	-
Rent	7,560	7,560	7,560	7,560	7,560
Legal	360	1,048	17,539	57	-
Planning	-	-	-	-	-
Supplies	-	-	-	-	-
Other Expenses	75	37	43	66	67
Total Redevelopment Project	<u>130,564</u>	<u>141,941</u>	<u>162,170</u>	<u>150,471</u>	<u>148,387</u>
Debt Service					
Total Expenditures	<u>1,386,062</u>	<u>1,435,145</u>	<u>1,724,124</u>	<u>1,877,009</u>	<u>2,039,265</u>
Excess of Revenue Over (Under)					
Expenditures	<u>138,028</u>	<u>227,966</u>	<u>51,936</u>	<u>46,605</u>	<u>(117,163)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Debt Proceeds	-	-	-	-	-
Bond Discounts	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Transfers In (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing					
Sources Over (Under) Expenditures and					
Other Financing (Uses)	<u>138,028</u>	<u>227,966</u>	<u>51,936</u>	<u>46,605</u>	<u>(117,163)</u>
Beginning Fund Balance	<u>775,363</u>	<u>913,391</u>	<u>1,141,357</u>	<u>1,193,293</u>	<u>1,239,898</u>
Ending Fund Balance	<u>\$ 913,391</u>	<u>\$ 1,141,357</u>	<u>\$ 1,193,293</u>	<u>\$ 1,239,898</u>	<u>\$ 1,122,735</u>

SHERIDAN REDEVELOPMENT AGENCY

CONTINUING DISCLOSURE

December 31, 2025

TABLE XIII

History of Agency Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balance

	2021	2022	2023	2024	2025
Revenues					
Property Tax Increment	\$ 3,067,471	\$ 3,177,545	\$ 3,334,298	\$ 2,607,407	\$ 3,372,482
Sales Taxes Increment	6,971,221	7,130,659	7,398,910	7,772,869	7,466,606
Public Improvement Fee	1,523,769	1,647,870	1,725,718	1,870,180	1,880,285
Investment Earnings	3,863	184,584	704,876	590,194	590,333
Total Operating Revenues	<u>11,566,324</u>	<u>12,140,658</u>	<u>13,163,802</u>	<u>12,840,650</u>	<u>13,309,706</u>
Expenditures					
General Government					
	-	-	-	-	-
	-	-	-	-	-
City Support Costs	-	-	-	-	-
Trustee fee expense	3,500	3,800	3,800	3,800	4,000
Collection and Treasurers Fees	140,047	135,574	167,259	154,716	144,172
Draw fee expense	6,000	6,000	6,000	6,000	6,000
Other General Government	-	-	-	-	-
Total Government	<u>149,547</u>	<u>145,374</u>	<u>177,059</u>	<u>164,516</u>	<u>154,172</u>
Debt Service					
Principal Payments	7,250,000	8,594,999	9,420,000	10,485,000	8,990,000
Current refunding principal payments	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Swap termination agreement	-	-	-	-	-
City public improvement fee allocation	963,452	1,055,705	1,131,453	1,224,283	1,220,758
Interest expenses	2,155,764	1,990,897	1,830,289	1,628,874	1,440,205
Facility fee expense	494,815	455,647	365,728	375,792	331,314
Rating service fee	8,500	9,500	10,000	11,000	11,500
LOC renewal fee					8,100
Remarketing fee expense	66,640	61,645	56,335	50,689	44,692
Total Debt Service	<u>10,939,171</u>	<u>12,168,393</u>	<u>12,813,805</u>	<u>13,775,638</u>	<u>12,046,569</u>
Total Expenditures	<u>11,088,718</u>	<u>12,313,767</u>	<u>12,990,864</u>	<u>13,940,154</u>	<u>12,200,741</u>
Excess of Revenue Over (Under) Expenditures	<u>477,606</u>	<u>(173,109)</u>	<u>172,938</u>	<u>(1,099,504)</u>	<u>1,108,965</u>
Other financing sources (Uses)					
Refunding bonds and notes issued	-	-	-	-	-
Transfers in (out)	-	-	-	-	-
Payment for refunding notes and bond escrow agents	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>477,606</u>	<u>(173,109)</u>	<u>172,938</u>	<u>(1,099,504)</u>	<u>1,108,965</u>
Fund Balance, Beginning	<u>10,487,192</u>	<u>10,964,798</u>	<u>10,791,689</u>	<u>10,964,627</u>	<u>9,865,123</u>
Fund Balance, Ending	<u>\$ 10,964,798</u>	<u>\$ 10,791,689</u>	<u>\$ 10,964,627</u>	<u>\$ 9,865,123</u>	<u>\$ 10,974,088</u>

SHERIDAN REDEVELOPMENT AGENCY**CONTINUING DISCLOSURE****December 31, 2025**

TABLE XVI
Agency General Fund Budget Summary and Comparison

	2025 Final Budget	2025 Actual Year End	2026 Budget
Revenues			
Public Improvement Fee	\$ 1,877,909	\$ 1,880,285	\$ 1,915,467
Interest Income	44,326	41,817	40,000
Audit	-	-	5,000
Total Revenues	<u>1,922,235</u>	<u>1,922,102</u>	<u>1,960,467</u>
Expenses			
Personnel	140,760	140,760	147,407
Supplies	50	299	200
Accounting and Administration	107,082	90,429	100,000
Audit	13,850	13,850	15,000
Bank Fees	9,000	9,017	9,000
Collection and treasurer fees	18,779	18,796	20,705
Legal, SRA	-	-	2,500
City Reimbursables			
Other Personnel	1,758,552	1,758,552	1,791,519
Rent and utilities	7,560	7,560	7,560
Contingency	50,000	-	20,000
Total Expenditures	<u>2,105,633</u>	<u>2,039,263</u>	<u>2,113,891</u>
Excess of Revenue Over (Under)			
Expenditures	<u>(183,398)</u>	<u>(117,161)</u>	<u>(153,424)</u>
Beginning Fund Balance	<u>\$ 1,196,225</u>	<u>\$ 1,239,896</u>	<u>\$ 1,056,498</u>
Ending Fund Balance	<u><u>\$ 1,012,828</u></u>	<u><u>\$ 1,122,735</u></u>	<u><u>\$ 903,075</u></u>

SHERIDAN REDEVELOPMENT AGENCY

CONTINUING DISCLOSURE

December 31, 2025

TABLE XIV
Agency Debt Service Budget Summary and Comparison

	2025 Final Budget	2025 Actual Year End	2026 Budget
Revenues			
Property Tax Increment	\$ 3,372,393	\$ 3,372,482	\$ 3,531,910
Sales Tax Increment	\$ 7,462,469	\$ 7,466,606	\$ 7,462,469
Public Improvement Fee	1,877,909	1,880,285	1,915,467
Audits	-	-	10,000
Interest Income	529,823	590,333	500,000
Total Revenues	<u>13,242,594</u>	<u>13,309,706</u>	<u>13,419,847</u>
Expenses			
General Government			
Trustee fee expense	5,000	4,000	5,000
Collection and treasurer fees	148,228	144,172	151,358
Draw fee expense	6,000	6,000	6,000
Total General Government	<u>159,228</u>	<u>154,172</u>	<u>162,358</u>
Debt Service			
Bond Principal A Series	5,075,000	5,075,000	5,395,000
Interest A Series	1,440,350	1,440,205	1,281,802
Bond Principal B Series	4,970,000	3,915,000	4,940,000
Facility Fees/LOC Expense	330,227	331,313	283,448
Rating Service Fee	14,200	11,500	15,000
LOC renewal fee		8,100	-
Remarketing Fee	44,692	44,692	37,965
City Public Improvement Fee Allocation	1,207,809	1,220,758	1,234,845
Contingency	100,000	-	50,000
Total Debt Service	<u>13,182,277</u>	<u>12,046,569</u>	<u>13,238,060</u>
Total Expenditures	<u>13,341,505</u>	<u>12,200,742</u>	<u>13,400,418</u>
Excess of Revenue Over (Under)			
Expenditures	<u>(98,911)</u>	<u>1,108,965</u>	<u>19,429</u>
Other financing sources (uses)			
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(98,911)</u>	<u>1,108,965</u>	<u>19,429</u>
Beginning Fund Balance	<u>10,916,290</u>	<u>9,865,124</u>	<u>9,766,213</u>
Ending Fund Balance	<u>\$ 10,817,379</u>	<u>\$ 10,974,089</u>	<u>\$ 9,785,642</u>