

**SKY RANCH COMMUNITY AUTHORITY BOARD**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2025**

**SKY RANCH COMMUNITY AUTHORITY BOARD  
SUMMARY  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 4,351,104	\$ 4,622,362	\$ 3,431,578
REVENUES			
Transfers from Sky Ranch MD No. 1	1,005,849	1,469,829	1,480,873
Transfers from Sky Ranch MD No. 3	722,115	701,360	2,151,503
Transfers from Sky Ranch MD No. 5	205,436	316,977	3,611,325
Public Improvement Fees	410,459	250,000	648,000
O&M Fees	451,292	470,000	470,000
Administrative Fee	15,215	18,000	20,000
Alley Assessment Fee	11,043	15,000	25,000
Other Revenue	966,101	543,379	10,000
Interest Income	306,644	291,600	112,000
Developer advance	10,665,933	17,291,241	18,539,259
Developer Advance - Project Management	421,921	800,000	925,000
Bond Issuance	-	21,858,694	-
Total revenues	<u>15,182,008</u>	<u>44,026,080</u>	<u>27,992,960</u>
TRANSFERS IN	<u>908,141</u>	<u>11,134,592</u>	<u>5,285,741</u>
Total funds available	<u>20,441,253</u>	<u>59,783,034</u>	<u>36,710,279</u>
EXPENDITURES			
General Fund	332,335	368,037	400,000
Operations and Maintenance Fee Fund	574,154	641,500	672,000
Alley Assessment Fee Fund	-	24,800	34,191
Debt Service Fund - 2019/2024 Bonds	930,165	14,923,060	1,244,067
Debt Service Fund - 2022 Bonds	1,349,338	1,352,338	1,360,000
Capital Projects Fund	11,724,758	27,907,129	24,600,000
Total expenditures	<u>14,910,750</u>	<u>45,216,864</u>	<u>28,310,258</u>
TRANSFERS OUT	<u>908,141</u>	<u>11,134,592</u>	<u>5,285,741</u>
Total expenditures and transfers out requiring appropriation	<u>15,818,891</u>	<u>56,351,456</u>	<u>33,595,999</u>
ENDING FUND BALANCES	<u>\$ 4,622,362</u>	<u>\$ 3,431,578</u>	<u>\$ 3,114,280</u>
EMERGENCY RESERVE	\$ 37,200	\$ 38,400	\$ 113,600
DEBT SERVICE RESERVE - SERIES 2019	915,000	-	-
SURPLUS FUND - SERIES 2019	450,000	-	-
DEBT SERVICE RESERVE - SERIES 2022	1,978,363	1,978,363	1,978,363
CAPITALIZED INTEREST - SERIES 2022	1,342,338	-	-
AVAILABLE FOR FUTURE DEBT SERVICE	599,445	1,130,736	972,142
TOTAL RESERVE	<u>\$ 5,322,346</u>	<u>\$ 3,147,499</u>	<u>\$ 3,064,105</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
GENERAL FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 433,655	\$ 308,922	\$ 97,444
REVENUES			
Public Improvement Fees	410,459	250,000	648,000
Transfers from Sky Ranch MD No. 1	167,642	251,353	246,806
Transfers from Sky Ranch MD No. 3	65,774	72,974	220,255
Transfers from Sky Ranch MD No. 5	112,337	176,195	2,139,746
Interest Income	1,390	13,000	10,000
Total revenues	<u>757,602</u>	<u>763,522</u>	<u>3,264,807</u>
Total funds available	<u>1,191,257</u>	<u>1,072,444</u>	<u>3,362,251</u>
EXPENDITURES			
General and administrative			
Accounting	81,803	86,000	90,000
Auditing	24,800	15,000	17,000
Dues and Membership	-	1,270	2,500
Insurance	30,641	34,391	38,000
District management	70,495	80,000	85,000
Legal	118,817	130,000	136,000
Election	4,787	-	5,000
Contingency	992	21,376	26,500
Total expenditures	<u>332,335</u>	<u>368,037</u>	<u>400,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>550,000</u>	<u>606,963</u>	<u>2,850,000</u>
Total expenditures and transfers out requiring appropriation	<u>882,335</u>	<u>975,000</u>	<u>3,250,000</u>
ENDING FUND BALANCES	<u>\$ 308,922</u>	<u>\$ 97,444</u>	<u>\$ 112,251</u>
EMERGENCY RESERVE	<u>\$ 22,800</u>	<u>\$ 23,000</u>	<u>\$ 98,000</u>
TOTAL RESERVE	<u>\$ 22,800</u>	<u>\$ 23,000</u>	<u>\$ 98,000</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
OPERATIONS AND MAINTENANCE FEE FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 137,871	\$ 30,224	\$ 80,724
REVENUES			
Interest Income	-	4,000	2,000
O&M Fees	451,292	470,000	470,000
Administrative Fee	15,215	18,000	20,000
Other Revenue	-	-	-
Total revenues	<u>466,507</u>	<u>492,000</u>	<u>492,000</u>
TRANSFERS IN			
Transfers from other funds	-	200,000	150,000
Total funds available	<u>604,378</u>	<u>722,224</u>	<u>722,724</u>
EXPENDITURES			
Operations and maintenance			
Landscaping	193,203	165,000	165,000
Community Management	38,388	45,000	47,000
Fee Billing and Collection	56,073	62,000	65,000
Repairs and maintenance	-	-	5,000
Covenant enforcement	21,600	24,500	26,000
Legal	14,982	15,000	15,000
Snow removal	45,509	50,000	50,000
Utilities	159,573	200,000	200,000
Detention Ponds	-	-	3,000
Fencing	-	-	6,000
Holiday Lights	16,256	25,000	25,000
Mailboxes	-	-	2,500
Pet Stations	4,110	5,300	5,300
Operations and Maintenance Reserve	-	13,700	21,200
Status Letter Processing	20,911	21,000	21,000
Community Event	3,549	15,000	15,000
Total expenditures	<u>574,154</u>	<u>641,500</u>	<u>672,000</u>
Total expenditures and transfers out requiring appropriation	<u>574,154</u>	<u>641,500</u>	<u>672,000</u>
ENDING FUND BALANCES	<u>\$ 30,224</u>	<u>\$ 80,724</u>	<u>\$ 50,724</u>
EMERGENCY RESERVE	<u>\$ 14,000</u>	<u>\$ 14,800</u>	<u>\$ 14,800</u>
TOTAL RESERVE	<u>\$ 14,000</u>	<u>\$ 14,800</u>	<u>\$ 14,800</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
ALLEY ASSESSMENT FEE FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 8,748	\$ 19,791	\$ 9,991
REVENUES			
Alley Assessment Fee	11,043	15,000	25,000
Total revenues	11,043	15,000	25,000
Total funds available	19,791	34,791	34,991
EXPENDITURES			
Repairs and maintenance	-	2,250	2,250
Snow removal	-	21,000	21,000
Contingency	-	1,550	10,941
Total expenditures	-	24,800	34,191
Total expenditures and transfers out requiring appropriation	-	24,800	34,191
ENDING FUND BALANCES	\$ 19,791	\$ 9,991	\$ 800
EMERGENCY RESERVE	\$ 400	\$ 600	\$ 800
TOTAL RESERVE	\$ 400	\$ 600	\$ 800

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD**  
**DEBT SERVICE FUND - 2019/2024 BONDS**  
**2025 BUDGET**  
**WITH 2023 ACTUAL AND 2024 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 1,389,396	\$ 1,380,140	\$ -
REVENUES			
Interest Income	82,702	70,000	-
Transfers from Sky Ranch MD No. 1	838,207	1,218,476	1,234,067
Other Revenue	-	543,379	10,000
Bond Issuance	-	21,858,694	-
Total revenues	<u>920,909</u>	<u>23,690,549</u>	<u>1,244,067</u>
Total funds available	<u>2,310,305</u>	<u>25,070,689</u>	<u>1,244,067</u>
EXPENDITURES			
General and administrative			
Paying agent fees	7,500	7,500	7,500
Contingency	-	650,393	16,133
Debt Service			
Bond Interest - 2019A	571,750	736,805	-
Bond Interest - 2019B	122,915	134,542	-
Bond Principal - 2019A	55,000	11,380,000	-
Bond Principal - 2019B	173,000	1,439,000	-
Bond Principal - 2024A	-	-	85,000
Bond Principal - 2024B	-	-	71,000
Bond Interest - 2024A	-	70,685	820,863
Bond Interest - 2024B	-	-	243,571
Cost of Issuance	-	504,135	-
Total expenditures	<u>930,165</u>	<u>14,923,060</u>	<u>1,244,067</u>
TRANSFERS OUT			
Transfers to other fund	-	10,147,629	-
Total expenditures and transfers out requiring appropriation	<u>930,165</u>	<u>25,070,689</u>	<u>1,244,067</u>
ENDING FUND BALANCES	<u>\$ 1,380,140</u>	<u>\$ -</u>	<u>\$ -</u>
DEBT SERVICE RESERVE - SERIES 2019	\$ 915,000	\$ -	\$ -
SURPLUS FUND - SERIES 2019	450,000	-	-
TOTAL RESERVE	<u>\$ 1,365,000</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
DEBT SERVICE FUND - 2022 BONDS  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 4,718,381	\$ 3,920,146	\$ 3,109,099
REVENUES			
Interest Income	222,197	200,000	100,000
Transfers from Sky Ranch MD No. 3	328,906	341,291	1,101,406
Total revenues	<u>551,103</u>	<u>541,291</u>	<u>1,201,406</u>
Total funds available	<u>5,269,484</u>	<u>4,461,437</u>	<u>4,310,505</u>
EXPENDITURES			
General and administrative			
Paying agent fees	7,000	10,000	10,000
Contingency	-	-	7,662
Debt Service			
Bond Interest - 2022A	1,342,338	1,342,338	1,342,338
Total expenditures	<u>1,349,338</u>	<u>1,352,338</u>	<u>1,360,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,349,338</u>	<u>1,352,338</u>	<u>1,360,000</u>
ENDING FUND BALANCES	<u>\$ 3,920,146</u>	<u>\$ 3,109,099</u>	<u>\$ 2,950,505</u>
DEBT SERVICE RESERVE - SERIES 2022	\$ 1,978,363	\$ 1,978,363	\$ 1,978,363
CAPITALIZED INTEREST - SERIES 2022	1,342,338	-	-
AVAILABLE FOR FUTURE DEBT SERVICE	599,445	1,130,736	972,142
TOTAL RESERVE	<u>\$ 3,920,146</u>	<u>\$ 3,109,099</u>	<u>\$ 2,950,505</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
CAPITAL PROJECTS FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (2,356,797)	\$ (1,119,104)	\$ -
<b>REVENUES</b>			
Interest Income	355	400	-
Developer advance	10,665,933	17,291,241	18,539,259
Developer Advance - Project Management	421,921	800,000	925,000
Other Revenue	966,101	-	-
Total revenues	12,054,310	18,091,641	19,464,259
<b>TRANSFERS IN</b>			
Transfers from other funds	908,141	10,934,592	5,135,741
Total funds available	10,605,654	27,907,129	24,600,000
<b>EXPENDITURES</b>			
General and Administrative			
Legal	-	50,000	50,000
Fees, Permits and Administration	61,104	100,000	100,000
Contingency	-	416,704	89,259
Capital Projects			
Repay developer advance	2,010,240	10,990,425	5,135,741
Project Management Fee	421,921	800,000	925,000
Utility Construction	-	5,000,000	4,500,000
Engineering and Management	257,118	350,000	500,000
Utilities	17,800	250,000	500,000
Water	-	100,000	100,000
Streets	7,948,621	9,000,000	11,000,000
Storm drainage	-	350,000	500,000
Landscaping	1,007,954	500,000	1,200,000
Total expenditures	11,724,758	27,907,129	24,600,000
Total expenditures and transfers out requiring appropriation	11,724,758	27,907,129	24,600,000
ENDING FUND BALANCES	\$ (1,119,104)	\$ -	\$ -

No assurance provided. See summary of significant assumptions.



**SKY RANCH COMMUNITY AUTHORITY BOARD  
 REGIONAL IMPROVEMENTS FUND  
 2025 BUDGET  
 WITH 2023 ACTUAL AND 2024 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 19,850	\$ 82,243	\$ 134,320
REVENUES			
Transfers from Sky Ranch MD No. 3	327,435	287,095	829,842
Transfers from Sky Ranch MD No. 5	93,099	140,782	1,471,579
Interest Income	-	4,200	-
Total revenues	<u>420,534</u>	<u>432,077</u>	<u>2,301,421</u>
Total funds available	<u>440,384</u>	<u>514,320</u>	<u>2,435,741</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>358,141</u>	<u>380,000</u>	<u>2,435,741</u>
Total expenditures and transfers out requiring appropriation	<u>358,141</u>	<u>380,000</u>	<u>2,435,741</u>
ENDING FUND BALANCES	<u>\$ 82,243</u>	<u>\$ 134,320</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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

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

The Districts' respective Service Plans contemplated that the Districts, with the approval of their electors, would enter into one or more intergovernmental agreements to coordinate the financing, installation, construction and operations and maintenance of Public Improvements that benefit the users of, and residents within, the Service Area, and the CAB Districts entered into the CABEA and formed the CAB for those purposes. District No. 4 is currently in inactive status, but the boards of District No. 4 may decide to become parties to the CABEA in the future, at which time it would also become CAB Districts.

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

The CAB prepares its budget on the modified accrual basis of accounting in accordance with the requirements of C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**Transfers from Metro Districts Nos. 1, 3 and 5**

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

Pursuant to a Capital Pledge Agreement to be executed by and between the CAB, District No. 3, and the Trustee ( the "Pledge Agreement"), District No. 3 agrees to agree to impose ad valorem property taxes upon all taxable property of District No. 3, and to transfer the revenues generated from such mill levy imposition, along with revenues generated from the imposition of specific ownership taxes, to the CAB for payment of principal and interest on of Limited Tax Supported District No. 3 Senior Bonds, Limited Tax Supported District No. 3 Subordinate Bonds and any Additional Bonds (as such term is defined in the Pledge Agreement).

Pursuant to the CABEA, District Nos. 1, 3 and 5 will impose an operations mill levy and will transfer tax revenues, net of collection fees, to the CAB to fund the operations and maintenance costs.

District Nos. 3 and 5 are also authorized to impose a mill levy to generate revenue for the planning, design, acquisition, construction, installation, relocation and/or redevelopment, and the administration, overhead and operations and maintenance costs incurred with respect to the Regional Improvements. District Nos. 3 and 5 will transfer property taxes, net of fees, derived from the Regional Improvements Mill Levy, together with specific ownership taxes, to the CAB to contribute to the funding of the Regional Improvements.

**O&M Fees and Administrative Fees**

On March 8, 2019, the CAB's Board of Directors adopted Resolution No. 2019-03-01, Resolution of the Board of Directors of Sky Ranch Community Authority Board Regarding the Imposition of Operations and Maintenance Fees (the Original O&M Fee Resolution), which imposed certain operations and maintenance fees on real property within the boundaries of District No. 1, effective April 1, 2019. On November 8, 2019, the CAB's Board of Directors adopted Resolution No. 2019-11-03, Amended and Restated Resolution of the Board of Directors of Sky Ranch Community Authority Board Regarding the Imposition of Operations and Maintenance Fees (the Amended and Restated Resolution), which amended and restated the Original O&M Fee Resolution in its entirety. On February 12, 2021, the CAB's Board of Directors adopted Resolution No. 2021-02-01, Second Amended and Restated Resolution of the Board of Directors of Sky Ranch Community Authority Board Regarding the Imposition of Operations and Maintenance Fees, which amended and restated the Amended and Restated Resolution in its entirety subject to additional lots developed wince the adoption of the Original O&M Fee Resolution.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**O&M Fees and Administrative Fees (continued)**

Pursuant to the O&M Fee Resolution, the CAB imposes certain operations and maintenance fees (O&M Fees) on real property within the boundaries of District No. 1 as follows: (1) for platted lots, there are no O&M Fees imposed on homebuilders; (2) upon transfer of a finished lot to a homebuilder, (i) for the time period between April 1, 2019 and December 31, 2019, the CAB imposed O&M Fees upon homebuilders at the rate of \$25 per month, or \$75 per quarter, billed quarterly, and (ii) commencing January 1, 2020, the CAB imposes O&M Fees upon homebuilders at the rate of \$50 per month, or \$150 per quarter, billed quarterly; (3) upon transfer of a residential unit from a homebuilder to an owner, or from one owner to another owner, the CAB imposes O&M Fees upon the owners at the rate of \$50 per month, or \$150 per quarter, billed quarterly. Under the O&M Fee Resolution, the CAB also imposes an Administrative Fee of \$200 per conveyance or refinance.

**Alley Assessment Fees**

On January 14, 2022, the CAB's Board of Directors adopted Resolution No. 2022-01-02, Resolution of the Board of Directors of Sky Ranch Community Authority Board Regarding the Imposition of Alleyway Operations and Maintenance Fees. Pursuant to the Resolution, the CAB imposes CAB Alleyway Fees of \$27 per month per lot on the properties which have alleyways within their boundaries to provide Alley Improvements and Services.

**Public Improvement Fees**

Pursuant to the PIF Covenant, the CAB imposes a Retail Public Improvement Fee (Retail PIF) and a one-time Material Sales and Use Public Improvement Fee (Material Sales and Use PIF). The Retail PIF is applied to the sale of goods at a rate of 2.75%, in addition to all sales and use taxes that may be imposed and is collected by the retailers in the Districts and remitted to the Districts within 20 days after month end. The Material Sales and Use PIF is imposed on construction activities for the materials incorporated into the construction of any newly constructed building, dwelling or structure within property. The Material Sales and Use PIF is payable by homebuilders and is equal to 2.75% of an amount equal to 50% of the Construction Valuation Amount.

**Interest Income**

Interest earned on the CAB's available funds has been estimated based on historical interest earnings.

**Developer Advances**

The CAB is in the development stage. As such, the CAB's capital projects will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the CAB is financially able to reimburse the Developer from bond proceeds (if applicable) and other legally available revenues.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Developer Advances – Project Management**

In 2017, and as amended and restated in 2020, the CAB and Developer entered into two service agreements for project management services, under which the Developer provides project management services for the CAB's construction of on and offsite CAB eligible improvements. The cost of the project management services are five percent (5%) of the actual construction costs of public improvements that are eligible for reimbursement by the CAB. In the event the CAB does not have sufficient revenue to pay invoices when due, the amounts owed by the CAB to the Developer under the project management services agreements accrue as developer advances.

**Expenditures**

**General, Administrative, Operations and Maintenance**

The CAB's budget includes fees for outsourced services (legal, accounting, management, others), insurance, dues, and other administrative expenditures. The budgets for Operations and Maintenance Fees Fund and Alley Assessment Fee Fund also include budgeted expenditures for the operations and maintenance of the grounds within the Districts (e.g. utilities, covenant control, snow removal, landscaping, etc.).

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2022A Bonds and 2024A Bonds. Debt service schedule is not provided for the Series 2022B Bonds and 2024B Bonds because their repayment schedules are based on available cash flow.

**Capital Outlay**

The CAB anticipates infrastructure improvements during 2025 as displayed on Capital Projects Fund page of the budget.

**Regional Improvements**

Financial activities related to Regional Improvements in 2025 are displayed on the Regional Improvements Fund page of the budget.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Series 2019 Bonds**

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

The 2019A Bonds are term bonds which bear interest at 5.00%, payable semi-annually on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The 2019A Bonds mature on December 1, 2049 and are subject to optional redemption as described in the Senior Indenture.

The 2019A Bonds are secured by and payable solely from Senior Pledged Revenues, which includes property taxes generated by the imposition of the District No. 1 Senior Required Mill Levy (in accordance with the Pledge Agreement) net of the cost of collection, all other Required Mill Levy Revenue (pursuant to the Pledge Agreement), Specific Ownership Taxes attributable to the District No. 1 Senior Required Mill Levy, and any other legally available amounts that the CAB may designate by resolution of the Board to be deposited with the Trustee for deposit into the Senior Revenue Fund. The 2019A Bonds are also secured by amounts held in the Senior Reserve Fund, in the amount of the Required Reserve equal to \$915,000, and amounts accumulated in the Surplus Fund, if any.

The 2019B Bonds bear interest at 7.625% per annum and are payable annually from available Subordinate Pledged Revenue on December 15, beginning on December 15, 2020. Unpaid interest on the 2019B Bonds compounds annually on each December 15. The 2019B Bonds are subject to optional and mandatory redemption prior to maturity as described in the Subordinate Indenture.

The 2019B Bonds are secured by and payable from Subordinate Pledged Revenues derived by the CAB from the following sources, net of any cost of collection: a) the District No. 1 Subordinate Required Mill Levy Revenues; b) Specific Ownership Tax Revenues, attributable to the Subordinate Required Mill Levy; and c) any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. The 2019B Bonds are structured as cash flow bonds, meaning that no regularly scheduled principal payments are due prior to maturity date and interest payments not paid when due will accrue and compound until Subordinate Pledged Revenues are available.

Series 2019 Bonds were refunded with the issuance of Series 2024 Bonds on October 30, 2024.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**Series 2022 Bonds**

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

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

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

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

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

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

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**Series 2024 Bonds**

On October 30, 2024, the CAB issued \$18,585,000 in Limited Tax Supported District No. 1 Refunding and Improvement Senior Bonds (Tax-Exempt Fixed Rate), Series 2024A (2024A Bonds) and \$3,307,000 in Limited Tax Supported District No. 1 Subordinate Bonds, Series 2024B (2024B Bonds) (collectively, Series 2024 Bonds), for the purposes of (i) finance public improvements related to the Development and refund Series 2019 Bonds, (ii) pay the cost of the 2024A Reserve Policy in order to satisfy the Series 2024A Reserve Requirement, (iii) pay the cost of the 2024A Bonds Insurance Policy, and (iv) pay the costs of the issuance of the Series 2024 Bonds.

The 2024A Bonds are term bonds which bear interest at rates ranging from 4.25% to 5.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2024. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025. The 2024A Bonds mature on December 1, 2054 and are subject to optional redemption as described in the Senior Indenture.

The 2024A Bonds are secured by and payable solely from Senior Pledged Revenues, which includes property taxes generated by the imposition of the District No. 1 Senior Required Mill Levy (in accordance with the Pledge Agreement) net of the cost of collection, all other Required Mill Levy Revenue (pursuant to the Pledge Agreement), Specific Ownership Taxes attributable to the District No. 1 Senior Required Mill Levy, and any other legally available amounts that the CAB may designate by resolution of the Board to be deposited with the Trustee for deposit into the Senior Revenue Fund.

The 2024B Bonds bear interest at 6.50% per annum and are payable annually from available Subordinate Pledged Revenue on December 15, beginning on December 15, 2025. Unpaid interest on the 2024B Bonds compounds annually on each December 15. The 2024B Bonds are subject to optional and mandatory redemption prior to maturity as described in the Subordinate Indenture.

The 2024B Bonds are secured by and payable from Subordinate Pledged Revenues derived by the CAB from the following sources, net of any cost of collection: a) the District No. 1 Subordinate Required Mill Levy Revenues; b) Specific Ownership Tax Revenues, attributable to the Subordinate Required Mill Levy; and c) any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. The 2024B Bonds are structured as cash flow bonds, meaning that no regularly scheduled principal payments are due prior to maturity date and interest payments not paid when due will accrue and compound until Subordinate Pledged Revenues are available.



**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

The following is an analysis of anticipated changes in the CAB's long-term obligations, subordinate to the Senior Bonds, for the years ending December 31, 2024 and 2025:

	Balance at December 31, 2023	Additions	Reductions	Anticipated Balance at December 31, 2024
Limited Tax Supported Revenue Bonds - Subordinate - Series 2019B	\$ 1,439,000	\$ -	\$ 1,439,000	\$ -
Accrued Interest on Subordinate - Series 2019B	18,212	116,330	134,542	-
Limited Tax Supported Revenue Bonds - Subordinate - Series 2022B	6,367,000	-	-	6,367,000
Accrued Interest on Subordinate - Series 2022B	785,089	595,677	-	1,380,766
Limited Tax Supported Revenue Bonds - Subordinate - Series 2024B	-	3,307,000	-	3,307,000
Accrued Interest on Subordinate - Series 2024B	-	26,869	-	26,869
Developer Advances	26,182,848	17,291,241	8,057,530	35,416,559
Accrued Interest on Developer Advances	700,133	2,232,762	2,932,895	-
Developer Advances - Project Management	2,701,626	800,000	-	3,501,626
Accrued Interest on Developer Advances - Project Management	505,091	170,000	-	675,091
Total	<u>\$ 38,698,999</u>	<u>\$ 24,539,879</u>	<u>\$ 12,563,967</u>	<u>\$ 50,674,911</u>
	Anticipated Balance at December 31, 2024	Additions	Reductions	Anticipated Balance at December 31, 2025
Limited Tax Supported Revenue Bonds - Subordinate - Series 2022B	\$ 6,367,000	\$ -	\$ -	\$ 6,367,000
Accrued Interest on Subordinate - Series 2022B	1,380,766	677,930	-	2,058,696
Limited Tax Supported Revenue Bonds - Subordinate - Series 2024B	3,307,000	-	71,000	3,236,000
Accrued Interest on Subordinate - Series 2024B	26,869	216,702	243,571	-
Developer Advances	35,416,559	18,539,259	4,135,741	49,820,077
Accrued Interest on Developer Advances	-	2,000,000	1,000,000	1,000,000
Developer Advances - Project Management	3,501,626	925,000	-	4,426,626
Accrued Interest on Developer Advances - Project Management	675,091	200,000	-	875,091
Total	<u>\$ 50,674,911</u>	<u>\$ 22,558,891</u>	<u>\$ 5,450,312</u>	<u>\$ 67,783,490</u>

The CAB currently has no operating or capital leases.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserve Funds**

**Emergency Reserve**

The CAB has provided for an emergency reserve in 2025 equal to at least 3% of fiscal year spending, excluding advances and debt issuances, as defined under TABOR.

**Debt Service Reserve Fund**

The CAB is required to maintain a debt service reserve of \$1,978,363 in accordance with the 2022 bonds issuance. This reserve has been established.

**This information is an integral part of the accompanying forecasted budget.**

**SKY RANCH COMMUNITY AUTHORITY BOARD  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$23,345,000			\$18,585,000					
	Limited Tax Supported District No. 3 Senior Bonds			Limited Tax Supported District No. 1 Refunding and Improvement Senior Bonds					
	Dated August 16, 2022			Dated October 30, 2024					
	Series 2022A			Series 2024A					
	Interest Rate of 5.75%			Interest Rates of 4.25% - 5.00%					
	Payable June 1 and December 1			Payable June 1 and December 1					
	Principal Due December 1			Principal Due December 1			Totals		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ -	\$ 1,342,338	\$ 1,342,338	\$ 85,000	\$ 820,863	\$ 905,863	\$ 85,000	\$ 2,163,201	\$ 2,248,201
2026	-	1,342,338	1,342,338	135,000	816,612	951,612	135,000	2,158,950	2,293,950
2027	140,000	1,342,338	1,482,338	225,000	809,863	1,034,863	365,000	2,152,201	2,517,201
2028	245,000	1,334,288	1,579,288	255,000	798,612	1,053,612	500,000	2,132,900	2,632,900
2029	270,000	1,320,200	1,590,200	270,000	785,863	1,055,863	540,000	2,106,063	2,646,063
2030	315,000	1,304,675	1,619,675	305,000	772,362	1,077,362	620,000	2,077,037	2,697,037
2031	335,000	1,286,563	1,621,563	320,000	757,113	1,077,113	655,000	2,043,676	2,698,676
2032	385,000	1,267,300	1,652,300	360,000	741,112	1,101,112	745,000	2,008,412	2,753,412
2033	405,000	1,245,163	1,650,163	375,000	723,113	1,098,113	780,000	1,968,276	2,748,276
2034	465,000	1,221,875	1,686,875	415,000	704,362	1,119,362	880,000	1,926,237	2,806,237
2035	490,000	1,195,138	1,685,138	440,000	683,613	1,123,613	930,000	1,878,751	2,808,751
2036	550,000	1,166,963	1,716,963	480,000	661,612	1,141,612	1,030,000	1,828,575	2,858,575
2037	585,000	1,135,338	1,720,338	505,000	637,613	1,142,613	1,090,000	1,772,951	2,862,951
2038	650,000	1,101,700	1,751,700	555,000	612,362	1,167,362	1,205,000	1,714,062	2,919,062
2039	690,000	1,064,325	1,754,325	580,000	584,613	1,164,613	1,270,000	1,648,938	2,918,938
2040	765,000	1,024,650	1,789,650	635,000	555,612	1,190,612	1,400,000	1,580,262	2,980,262
2041	810,000	980,663	1,790,663	660,000	530,213	1,190,213	1,470,000	1,510,876	2,980,876
2042	890,000	934,088	1,824,088	710,000	503,812	1,213,812	1,600,000	1,437,900	3,037,900
2043	940,000	882,913	1,822,913	740,000	475,413	1,215,413	1,680,000	1,358,326	3,038,326
2044	1,035,000	828,863	1,863,863	770,000	445,812	1,215,812	1,805,000	1,274,675	3,079,675
2045	1,090,000	769,350	1,859,350	805,000	415,013	1,220,013	1,895,000	1,184,363	3,079,363
2046	1,195,000	706,675	1,901,675	840,000	380,800	1,220,800	2,035,000	1,087,475	3,122,475
2047	1,260,000	637,963	1,897,963	875,000	345,100	1,220,100	2,135,000	983,063	3,118,063
2048	1,370,000	565,513	1,935,513	910,000	307,913	1,217,913	2,280,000	873,426	3,153,426
2049	1,450,000	486,738	1,936,738	950,000	269,237	1,219,237	2,400,000	755,975	3,155,975
2050	1,575,000	403,363	1,978,363	990,000	228,863	1,218,863	2,565,000	632,226	3,197,226
2051	1,665,000	312,800	1,977,800	1,030,000	186,787	1,216,787	2,695,000	499,587	3,194,587
2052	3,775,000	217,063	3,992,063	1,075,000	143,012	1,218,012	4,850,000	360,075	5,210,075
2053	-	-	-	1,120,000	97,325	1,217,325	1,120,000	97,325	1,217,325
2054	-	-	-	1,170,000	49,725	1,219,725	1,170,000	49,725	1,219,725
	<u>\$ 23,345,000</u>	<u>\$ 27,421,175</u>	<u>\$ 50,766,175</u>	<u>\$ 18,585,000</u>	<u>\$ 15,844,325</u>	<u>\$ 34,429,325</u>	<u>\$ 41,930,000</u>	<u>\$ 43,265,500</u>	<u>\$ 85,195,500</u>

No assurance provided. See summary of significant assumptions.