

LETTER OF BUDGET TRANSMITTAL


Date: January 28, 2021

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2021 budget and budget message for SKY RANCH COMMUNITY AUTHORITY BOARD in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 13, 2020. If there are any questions on the budget, please contact

Lisa Johnson, District Manager
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710

I, Lisa Johnson, as District Manager of the Sky Ranch Community Authority Board, hereby certify that the attached is a true and correct copy of the 2021 budget.

DocuSigned by:

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By: _____
Lisa Johnson, District Manager

RESOLUTION NO. 2020-11-03

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF**

**SKY RANCH COMMUNITY AUTHORITY BOARD, ARAPAHOE COUNTY,
COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING
EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND
APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2021**

A. The Board of Directors of Sky Ranch Community Authority Board (the “CAB”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 13, 2020, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the CAB.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the CAB.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SKY RANCH COMMUNITY AUTHORITY BOARD, ARAPAHOE COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the CAB for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the CAB to all appropriate agencies and is made a part of the public records of the CAB.

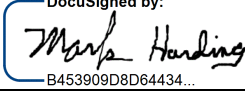
3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND
APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 13, 2020.

**SKY RANCH COMMUNITY
AUTHORITY BOARD**

By:  DocuSigned by:
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President

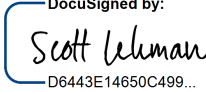
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By: _____
Secretary

EXHIBIT A

Budget

SKY RANCH COMMUNITY AUTHORITY BOARD

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

**SKY RANCH COMMUNITY AUTHORITY BOARD
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ (2,635,259)	\$ 1,029,241	\$ 2,567,915
REVENUES			
Interest income	5,783	11,129	9,500
Design review fees	200	500	1,000
Public improvement fees	216,029	150,000	104,046
O&M fees	43,182	264,000	302,600
Administrative fee	4,300	16,000	25,000
Developer advance	14,570,380	5,522,097	12,378,599
Developer advance - Project Management	596,256	160,000	549,180
Bond proceeds - 2019A	11,435,000	-	-
Bond proceeds - 2019B	1,760,000	-	-
Bond premium - 2019A	306,458	-	-
Transfer from Sky Ranch MD No. 1	478	272,328	404,297
Transfer from Sky Ranch MD No. 5	139,429	173,810	133,869
Other revenue	-	406	-
Total revenues	<u>29,077,495</u>	<u>6,570,270</u>	<u>13,908,091</u>
TRANSFERS IN	<u>2,543,433</u>	<u>26,550</u>	<u>60,000</u>
Total funds available	<u>28,985,669</u>	<u>7,626,061</u>	<u>16,536,006</u>
EXPENDITURES			
General Fund	112,774	215,000	220,000
Operations and Maintenance Fee Fund	-	261,000	427,948
Debt Service Fund	-	595,808	530,543
Capital Projects Fund	25,300,221	3,959,788	12,927,779
Regional Improvements Fund	-	-	61,282
Total expenditures	<u>25,412,995</u>	<u>5,031,596</u>	<u>14,167,552</u>
TRANSFERS OUT	<u>2,543,433</u>	<u>26,550</u>	<u>60,000</u>
Total expenditures and transfers out requiring appropriation	<u>27,956,428</u>	<u>5,058,146</u>	<u>14,227,552</u>
ENDING FUND BALANCES	<u>\$ 1,029,241</u>	<u>\$ 2,567,915</u>	<u>\$ 2,308,454</u>
EMERGENCY RESERVE	\$ 12,200	\$ 11,100	\$ 7,400
DEBT SERVICE RESERVE	915,000	915,000	915,000
CAPITALIZED INTEREST	1,450,456	869,512	349,219
RESERVE FOR FUTURE DEBT SERVICE	1,278	224,356	560,524
TOTAL RESERVE	<u>\$ 2,378,934</u>	<u>\$ 2,019,968</u>	<u>\$ 1,832,143</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 274,029	\$ 384,895	\$ 512,591
REVENUES			
Design review fees	200	-	-
Public improvement fees	216,029	150,000	104,046
Interest income	22	50	-
O&M fees	43,182	-	-
Administrative fee	4,300	-	-
Transfer from Sky Ranch MD No. 1	478	45,386	67,379
Transfer from Sky Ranch MD No. 5	139,429	173,810	72,587
Total revenues	<u>403,640</u>	<u>369,246</u>	<u>244,012</u>
Total funds available	<u>677,669</u>	<u>754,141</u>	<u>756,603</u>
EXPENDITURES			
General and administrative			
Accounting	13,252	68,000	52,500
Audit	400	4,900	7,000
Dues	1,048	966	1,500
Insurance	2,567	13,892	20,000
CAB management	16,361	26,436	40,000
Legal	73,945	85,000	78,000
Election expense	-	6,419	-
Contingency	15	9,241	20,800
Repairs and maintenance	-	-	-
Office supplies	-	146	200
Covenant control	5,186	-	-
Total expenditures	<u>112,774</u>	<u>215,000</u>	<u>220,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>180,000</u>	<u>26,550</u>	<u>60,000</u>
Total expenditures and transfers out requiring appropriation	<u>292,774</u>	<u>241,550</u>	<u>280,000</u>
ENDING FUND BALANCE	<u>\$ 384,895</u>	<u>\$ 512,591</u>	<u>\$ 476,603</u>
EMERGENCY RESERVE	<u>\$ 12,200</u>	<u>\$ 11,100</u>	<u>\$ 7,400</u>
TOTAL RESERVE	<u>\$ 12,200</u>	<u>\$ 11,100</u>	<u>\$ 7,400</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
OPERATIONS AND MAINTENANCE FEE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 46,456
REVENUES			
Design review fees	-	500	1,000
O&M fees	-	264,000	302,600
Administrative fee	-	16,000	25,000
Other revenue	-	406	-
Total revenues	-	280,906	328,600
TRANSFERS IN			
Transfers from other funds	-	26,550	60,000
Total funds available	-	307,456	435,056
EXPENDITURES			
Operations and maintenance			
Fee billing and collection	-	16,000	16,800
Status letter processing	-	10,000	15,000
Landscaping	-	40,000	105,500
Community management	-	10,000	14,800
Covenant control	-	30,000	55,300
Detention ponds	-	-	3,000
Fencing	-	1,000	6,000
Parks and trails	-	1,000	34,150
Monuments	-	-	3,000
Mailboxes	-	-	6,000
Operations and maintenance reserve	-	28,000	36,268
Utilities	-	125,000	117,000
Contingency	-	-	15,130
Total expenditures	-	261,000	427,948
Total expenditures and transfers out requiring appropriation	-	261,000	427,948
ENDING FUND BALANCE	\$ -	\$ 46,456	\$ 7,108

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 2,366,734	\$ 2,008,868
REVENUES			
Interest income	3,301	11,000	9,500
Transfer from Sky Ranch MD No. 1	-	226,942	336,918
Total revenues	<u>3,301</u>	<u>237,942</u>	<u>346,418</u>
TRANSFERS IN			
Transfers from other funds	<u>2,363,433</u>	-	-
Total funds available	<u>2,366,734</u>	<u>2,604,676</u>	<u>2,355,286</u>
EXPENDITURES			
General and administrative			
Paying agent fees	-	5,000	5,000
Contingency	-	-	5,250
Debt Service			
Bond interest	-	590,808	520,293
Total expenditures	<u>-</u>	<u>595,808</u>	<u>530,543</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>595,808</u>	<u>530,543</u>
ENDING FUND BALANCE	<u>\$ 2,366,734</u>	<u>\$ 2,008,868</u>	<u>\$ 1,824,743</u>
DEBT SERVICE RESERVE	\$ 915,000	\$ 915,000	\$ 915,000
CAPITALIZED INTEREST	1,450,456	869,512	349,219
RESERVE FOR FUTURE DEBT SERVICE	1,278	224,356	560,524
TOTAL RESERVE	<u>\$ 2,366,734</u>	<u>\$ 2,008,868</u>	<u>\$ 1,824,743</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (2,909,288)	\$ (1,722,388)	\$ -
REVENUES			
Interest income	2,460	79	-
Developer advance	14,570,380	5,522,097	12,378,599
Developer advance - Project Management	596,256	160,000	549,180
Bond proceeds - 2019A	11,435,000	-	-
Bond proceeds - 2019B	1,760,000	-	-
Bond premium - 2019A	306,458	-	-
Total revenues	<u>28,670,554</u>	<u>5,682,176</u>	<u>12,927,779</u>
TRANSFERS IN			
Transfers from other funds	<u>180,000</u>	-	-
Total funds available	<u>25,941,266</u>	<u>3,959,788</u>	<u>12,927,779</u>
EXPENDITURES			
General and Administrative			
CAB management	24,541	39,654	-
Legal	9,069	100,000	200,000
Miscellaneous/Contingency	1,501	-	340,000
Fees, permits and administration	6,249	47,033	-
Bond issue costs	640,436	2,141	-
Promotional activities	-	-	105,000
Capital Projects			
Repay Developer advance	10,505,001	-	-
Engineering and management	299,206	500,000	-
Landscaping	1,574,659	1,872,661	2,130,000
Streets - grading/erosion control	131,840	82,296	-
Planning	86,346	-	-
Survey	264,323	73,265	-
Geotech	160,677	100,000	-
Dry utilities	1,146,224	2,738	-
Warranty and turnover	-	-	750,000
Project management fee	596,256	160,000	549,180
Streets	6,113,201	750,000	5,122,899
Storm sewer	1,946,852	200,000	1,958,900
Sanitary sewer	912,662	20,000	1,000,000
Water	881,178	10,000	771,800
Total expenditures	<u>25,300,221</u>	<u>3,959,788</u>	<u>12,927,779</u>
TRANSFERS OUT			
Transfers to other fund	<u>2,363,433</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>27,663,654</u>	<u>3,959,788</u>	<u>12,927,779</u>
ENDING FUND BALANCE	<u>\$ (1,722,388)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
REGIONAL IMPROVEMENTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUNDS AVAILABLE	\$ -	\$ -	\$ -
REVENUES			
Transfer from Sky Ranch MD No. 5	-	-	61,282
Total revenues	<u>-</u>	<u>-</u>	<u>61,282</u>
Total funds available	<u>-</u>	<u>-</u>	<u>61,282</u>
EXPENDITURES			
General and administrative			
Contingency	-	-	61,282
Total expenditures	<u>-</u>	<u>-</u>	<u>61,282</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>61,282</u>
ENDING FUNDS AVAILABLE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
2021 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 that certain Amended and Restated Sky Ranch Community Authority Board Establishment Agreement, dated September 18, 2018, effective November 13, 2017 (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) and Sky Ranch Metropolitan District No. 5 (District No. 5, and together with District No. 1, 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. 3 (District No. 3) and Sky Ranch Metropolitan District No. 4 (District No. 4, and together with District No. 3, the Inactive Districts) 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 Inactive Districts 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. The Inactive Districts are currently in inactive status, but the boards of the Inactive Districts may decide to become parties to the CABEA in the future, at which time the Inactive Districts 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 either the CAB or any of the Districts may, from time to time, issue its own debt and use proceeds to finance the Public Improvements and that the CAB will enter into contracts to construct the Public Improvements.

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
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Transfers from Metro Districts Nos. 1 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 2019 Bonds (see Debt and Leases), as well as future bond issuances by the CAB.

Pursuant to the CABEA, District Nos. 1 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 No. 5 is 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 No. 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 O&M Fee Resolution), which amended and restated the Original O&M Fee Resolution in its entirety.

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 unplatted 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 \$100 per conveyance or refinance.

**SKY RANCH COMMUNITY AUTHORITY BOARD
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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 an average interest rate of approximately 0.50%.

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.

Developer Advances – Project Management

In 2017, 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 2021 budget includes fees for outsourced services (legal, accounting, management, others), insurance, dues, and other administrative expenditures. The Operations and Maintenance Fees Fund budget also include budgeted expenditures for the operations and maintenance of the grounds within the Districts (e.g. utilities, covenant control, landscaping, etc.).

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2019A Bonds. Debt service schedule is not provided for the Series 2019B Bonds because its repayment schedule is based on available cash flow.

**SKY RANCH COMMUNITY AUTHORITY BOARD
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Capital Outlay

The CAB anticipates infrastructure improvements during 2021 as displayed on Capital Projects Fund page of the budget.

Regional Improvements

The CAB anticipates no activity related to Regional Improvements in 2021.

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 (Senior Bonds) and \$1,760,000 in Limited Tax Supported District No. 1 Subordinate Bonds, Series 2019B (Subordinate Bonds) (collectively, Series 2019 Bonds), for the purposes of (i) 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 Senior Bonds are term bonds which bear interest at 4.55%, 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 Senior Bonds mature on December 1, 2049 and are subject to optional redemption as described in the Senior Indenture.

The Senior Bonds are secured by and payable solely from Senior Pledged Revenues, which includes property taxes generated by the imposition of the District No. 1 Senior Required Mill Levy (in accordance with the Pledge Agreement) net of the cost of collection, all other Required Mill Levy Revenue (pursuant to the Pledge Agreement), Specific Ownership Taxes attributable to the District No. 1 Senior Required Mill Levy, and any other legally available amounts that the CAB may designate by resolution of the Board to be deposited with the Trustee for deposit into the Senior Revenue Fund. The Senior 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 Subordinate 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 Subordinate Bonds compounds annually on each December 15. The Subordinate Bonds are subject to optional and mandatory redemption prior to maturity as described in the Subordinate Indenture.

The Subordinate 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 Subordinate 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
2021 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, 2020 and 2021.

	Balance at December 31, 2019	Additions	Reductions	Anticipated Balance at December 31, 2020
Limited Tax Supported Revenue Bonds -				
Subordinate - Series 2019B	\$ 1,760,000	\$ -	\$ -	\$ 1,760,000
Accrued Interest on				
Subordinate - Series 2019B	16,029	134,315	-	150,344
Developer Advances	13,896,125	5,522,097	-	19,418,222
Accrued Interest on				
Developer Advances	127,240	992,086	-	1,119,326
Developer Advances - Project Management	1,176,278	160,000	-	1,336,278
Accrued Interest on				
Developer Advances - Project Management	60,293	75,478	-	135,771
Total	<u>\$ 17,035,965</u>	<u>\$ 6,883,976</u>	<u>\$ -</u>	<u>\$ 23,919,941</u>
	Anticipated Balance at December 31, 2020	Additions	Reductions	Anticipated Balance at December 31, 2021
Limited Tax Supported Revenue Bonds -				
Subordinate - Series 2019B	\$ 1,760,000	\$ -	\$ -	\$ 1,760,000
Accrued Interest on				
Subordinate - Series 2019B	150,344	145,664	-	296,008
Developer Advances	19,418,222	12,378,599	-	31,796,821
Accrued Interest on				
Developer Advances	1,119,326	1,626,774	-	2,746,100
Developer Advances - Project Management	1,336,278	549,180	-	1,885,458
Accrued Interest on				
Developer Advances - Project Management	135,771	106,498	-	242,269
Total	<u>\$ 23,919,941</u>	<u>\$ 14,806,715</u>	<u>\$ -</u>	<u>\$ 38,726,656</u>

The CAB currently has no operating or capital leases.

Reserve Funds

Emergency Reserve

The CAB has provided for an emergency reserve in 2021 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 in accordance with the 2019 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,	\$11,435,000		
	Limited Tax Supported District No. 1 Senior Bonds		
	Dated November 19, 2019		
	Series 2019A		
	Interest Rate of 4.55%		
	Payable June 1 and December 1		
	Principal Due December 1		
	Principal	Interest	Total
2021	\$ -	\$ 520,293	\$ 520,293
2022	-	520,293	520,293
2023	55,000	520,293	575,293
2024	150,000	517,790	667,790
2025	160,000	510,965	670,965
2026	180,000	503,685	683,685
2027	190,000	495,495	685,495
2028	215,000	486,850	701,850
2029	225,000	477,068	702,068
2030	250,000	466,830	716,830
2031	265,000	455,455	720,455
2032	290,000	443,398	733,398
2033	305,000	430,203	735,203
2034	335,000	416,325	751,325
2035	355,000	401,083	756,083
2036	390,000	384,930	774,930
2037	405,000	367,185	772,185
2038	445,000	348,758	793,758
2039	465,000	328,510	793,510
2040	505,000	307,353	812,353
2041	530,000	284,375	814,375
2042	575,000	260,260	835,260
2043	605,000	234,098	839,098
2044	650,000	206,570	856,570
2045	685,000	176,995	861,995
2046	735,000	145,828	880,828
2047	770,000	112,385	882,385
2048	830,000	77,350	907,350
2049	870,000	39,585	909,585
	\$ 11,435,000	\$ 10,440,203	\$ 21,875,203

No assurance provided. See summary of significant assumptions.

I, Scott Lehman, hereby certify that I am the duly appointed Secretary of the Sky Ranch Community Authority Board, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Sky Ranch Community Authority Board held on November 13, 2020.

DocuSigned by:
Scott Lehman
D6443E14650C499

Secretary

**BUDGET
AND AMENDMENT TO 2020 BUDGET
SKY RANCH COMMUNITY AUTHORITY
BOARD
ARAPAHOE COUNTY, COLORADO**

NOTICE IS HEREBY GIVEN, pursuant to Section 29-1-108 and 109, C.R.S., that a proposed budget has been submitted to the Board of Directors of the Sky Ranch Community Authority Board (the "CAB") for the ensuing year of 2021. The necessity may also arise for the amendment of the 2020 budget of the CAB. Copies of the proposed 2021 budget and 2020 amended budget are on file in the office of the CAB's Accountant, CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111, where the same is available for public inspection. Such proposed 2021 budget and 2020 amended budget will be considered at a special meeting of the CAB to be held on a First Reading at 8:30 a.m. on October 9, 2020 at the offices of Pure Cycle, 34501 E. Quincy Ave. Bldg. 34, Watkins, CO 80137, and at a special meeting of the CAB for a Second and Final Reading and public hearing at 8:30 a.m. on November 13, 2020 at the offices of Pure Cycle, 34501 E. Quincy Ave. Bldg. 34, Watkins, CO 80137. Any interested elector within the CAB may, at any time prior to final adoption of the 2021 budget and 2020 amended budget, inspect the 2021 budget and 2020 amended budget and file or register any objections thereto.

DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS CAB BOARD MEETING WILL BE ACCESSIBLE TO THE PUBLIC BY VIDEO CONFERENCE OR BY CONFERENCE CALL.

You can attend the meeting in any of the following ways:

1. To attend via video conference, call Trina Hartman at 303-793-1456 to obtain a link to the video conference.
2. To attend via telephone, dial 1-720-547-5281 and enter the following additional information: Conference ID: 793 082 516#

SKY RANCH COMMUNITY
AUTHORITY BOARD
/s/ Lisa Johnson
CAB Manager

Publication: September 24, 2020
Sentinel

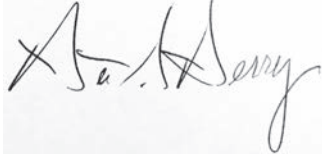
SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated September 24 A.D. 2020 and that the last publication of said notice was in the issue of said newspaper dated September 24 A.D. 2020.

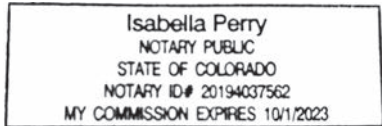
I witness whereof I have hereunto set my hand this 26th day of January A.D. 2021.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 26th day of January A.D. 2021.



Notary Public



NOTICE AS TO PROPOSED 2021
BUDGET
AND AMENDMENT TO 2020 BUDGET
SKY RANCH COMMUNITY AUTHORITY
BOARD
ARAPAHOE COUNTY, COLORADO

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SKY RANCH COMMUNITY
AUTHORITY BOARD
/s/ Lisa Johnson
CAB Manager

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