

SKY RANCH COMMUNITY AUTHORITY BOARD

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**SKY RANCH COMMUNITY AUTHORITY BOARD
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (909,359)	\$ 4,351,104	\$ 5,546,281
REVENUES			
Transfers from Sky Ranch MD No. 1	909,827	1,011,945	1,464,498
Transfers from Sky Ranch MD No. 3	1,385	745,074	770,074
Transfers from Sky Ranch MD No. 5	86,000	205,688	317,568
Public improvement fees	407,279	360,000	300,000
O&M fees	379,630	420,000	420,000
Administrative fee	6,000	12,000	12,000
Alley assessment fee	8,748	17,496	25,000
Other revenue	3,231	966,101	5,000
Interest income	81,139	291,000	270,200
Developer advance	11,331,027	10,117,956	18,079,800
Developer advance - Project Management	337,594	430,500	920,000
Bond proceeds - 2022A	23,345,000	-	-
Bond proceeds - 2022B	6,367,000	-	-
Total revenues	<u>43,263,860</u>	<u>14,577,760</u>	<u>22,584,140</u>
TRANSFERS IN	<u>5,134,553</u>	<u>908,141</u>	<u>500,000</u>
Total funds available	<u>47,489,054</u>	<u>19,837,005</u>	<u>28,630,421</u>
EXPENDITURES			
General Fund	278,918	450,000	350,000
Debt Service Fund - 2019 Bonds	1,062,401	938,500	1,290,421
Debt Service Fund - 2022 Bonds	391,515	1,352,338	1,362,000
Capital Projects Fund	35,869,098	10,066,101	19,300,000
Regional Improvement Fund	374	-	554,196
Operations and Maintenance Fee Fund	401,091	550,000	625,000
Alley Assessment Fee Fund	-	25,644	24,800
Total expenditures	<u>38,003,397</u>	<u>13,382,583</u>	<u>23,506,417</u>
TRANSFERS OUT	<u>5,134,553</u>	<u>908,141</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>43,137,950</u>	<u>14,290,724</u>	<u>24,006,417</u>
ENDING FUND BALANCES	<u>\$ 4,351,104</u>	<u>\$ 5,546,281</u>	<u>\$ 4,624,004</u>
EMERGENCY RESERVE	\$ 30,200	\$ 34,900	\$ 37,800
DEBT SERVICE RESERVE - SERIES 2019	915,000	915,000	915,000
SURPLUS FUND - SERIES 2019	450,000	450,000	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	1,397,680	1,947,047	1,159,832
TOTAL RESERVE	<u>\$ 6,113,581</u>	<u>\$ 5,325,310</u>	<u>\$ 4,540,995</u>

No assurance provided. See summary of significant assumptions.

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

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 107,464	\$ 433,655	\$ 142,627
REVENUES			
Public improvement fees	407,279	360,000	300,000
Transfers from Sky Ranch MD No. 1	151,628	168,641	244,077
Transfers from Sky Ranch MD No. 3	732	67,856	74,948
Transfers from Sky Ranch MD No. 5	45,470	112,475	176,486
Total revenues	<u>605,109</u>	<u>708,972</u>	<u>795,511</u>
Total funds available	<u>712,573</u>	<u>1,142,627</u>	<u>938,138</u>
EXPENDITURES			
General and administrative			
Accounting	62,718	78,000	86,000
Auditing	7,200	15,800	17,000
Dues and membership	1,996	2,500	2,500
Insurance	31,302	30,641	35,000
District management	64,604	80,000	85,000
Legal	101,350	100,000	110,000
Contingency	161	138,272	14,500
Election	9,587	4,787	-
Total expenditures	<u>278,918</u>	<u>450,000</u>	<u>350,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>550,000</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>278,918</u>	<u>1,000,000</u>	<u>850,000</u>
ENDING FUND BALANCES	<u>\$ 433,655</u>	<u>\$ 142,627</u>	<u>\$ 88,138</u>
EMERGENCY RESERVE	<u>\$ 18,200</u>	<u>\$ 21,300</u>	<u>\$ 23,900</u>
TOTAL RESERVE	<u>\$ 18,200</u>	<u>\$ 21,300</u>	<u>\$ 23,900</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
OPERATIONS AND MAINTENANCE FEE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 150,101	\$ 137,871	\$ 19,871
REVENUES			
O&M fees	379,630	420,000	420,000
Administrative fee	6,000	12,000	12,000
Other revenue	3,231	-	5,000
Total revenues	<u>388,861</u>	<u>432,000</u>	<u>437,000</u>
TRANSFERS IN			
Transfers from other funds	-	-	200,000
Total funds available	<u>538,962</u>	<u>569,871</u>	<u>656,871</u>
EXPENDITURES			
General and administrative			
Operations and maintenance			
Landscaping	146,712	150,000	165,000
Community management	27,938	40,000	45,000
Fee billing and collection	47,951	74,000	75,000
Repairs and maintenance	-	5,000	5,000
Covenant enforcement	18,333	22,200	24,500
Legal	6,787	15,000	15,000
Snow removal	-	55,000	50,000
Utilities	144,310	120,000	175,000
Detention ponds	-	3,000	3,000
Fencing	-	6,000	6,000
Holiday lights	-	22,730	25,000
Mailboxes	-	2,500	2,500
Pet stations	-	5,000	5,300
Operations and maintenance reserve	-	20,570	13,700
Status letter processing	4,798	-	-
Community event	4,262	9,000	15,000
Total expenditures	<u>401,091</u>	<u>550,000</u>	<u>625,000</u>
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	<u>401,091</u>	<u>550,000</u>	<u>625,000</u>
ENDING FUND BALANCES	<u>\$ 137,871</u>	<u>\$ 19,871</u>	<u>\$ 31,871</u>
EMERGENCY RESERVE	<u>\$ 11,700</u>	<u>\$ 13,000</u>	<u>\$ 13,100</u>
TOTAL RESERVE	<u><u>\$ 11,700</u></u>	<u><u>\$ 13,000</u></u>	<u><u>\$ 13,100</u></u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
ALLEY ASSESSMENT FEE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 8,748	\$ 600
REVENUES			
Alley assessment fee	8,748	17,496	25,000
Total revenues	<u>8,748</u>	<u>17,496</u>	<u>25,000</u>
Total funds available	<u>8,748</u>	<u>26,244</u>	<u>25,600</u>
EXPENDITURES			
General and administrative			
Repairs and maintenance	-	2,250	2,250
Snow removal	-	21,000	21,000
Contingency	-	2,394	1,550
Total expenditures	<u>-</u>	<u>25,644</u>	<u>24,800</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>25,644</u>	<u>24,800</u>
ENDING FUND BALANCES	<u>\$ 8,748</u>	<u>\$ 600</u>	<u>\$ 800</u>
EMERGENCY RESERVE	<u>\$ 300</u>	<u>\$ 600</u>	<u>\$ 800</u>
TOTAL RESERVE	<u>\$ 300</u>	<u>\$ 600</u>	<u>\$ 800</u>

No assurance provided. See summary of significant assumptions.

SKY RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND - 2019 BONDS
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,667,896	\$ 1,389,396	\$ 1,365,000
REVENUES			
Interest income	25,702	70,800	70,000
Transfers from Sky Ranch MD No. 1	758,199	843,304	1,220,421
Total revenues	<u>783,901</u>	<u>914,104</u>	<u>1,290,421</u>
Total funds available	<u>2,451,797</u>	<u>2,303,500</u>	<u>2,655,421</u>
EXPENDITURES			
General and administrative			
Paying agent fees	-	7,500	7,500
Contingency	-	450	4,225
Debt Service			
Bond interest - 2019A	571,750	571,750	569,000
Bond interest - 2019B	342,651	123,800	109,696
Bond principal - 2019A	-	55,000	150,000
Bond principal - 2019B	148,000	180,000	450,000
Total expenditures	<u>1,062,401</u>	<u>938,500</u>	<u>1,290,421</u>
Total expenditures and transfers out requiring appropriation	<u>1,062,401</u>	<u>938,500</u>	<u>1,290,421</u>
ENDING FUND BALANCES	<u>\$ 1,389,396</u>	<u>\$ 1,365,000</u>	<u>\$ 1,365,000</u>
DEBT SERVICE RESERVE - SERIES 2019	\$ 915,000	\$ 915,000	\$ 915,000
SURPLUS FUND - SERIES 2019	450,000	450,000	450,000
TOTAL RESERVE	<u>\$ 1,365,000</u>	<u>\$ 1,365,000</u>	<u>\$ 1,365,000</u>

No assurance provided. See summary of significant assumptions.

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

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 4,718,381	\$ 3,925,410
REVENUES			
Interest income	55,343	220,000	200,000
Transfers from Sky Ranch MD No. 3	-	339,367	374,785
Total revenues	<u>55,343</u>	<u>559,367</u>	<u>574,785</u>
TRANSFERS IN			
Transfers from other funds	<u>5,054,553</u>	-	-
Total funds available	<u>5,109,896</u>	<u>5,277,748</u>	<u>4,500,195</u>
EXPENDITURES			
General and administrative			
Paying agent fees	-	10,000	10,000
Contingency	-	-	9,662
Debt Service			
Bond interest - 2022A	391,515	1,342,338	1,342,338
Total expenditures	<u>391,515</u>	<u>1,352,338</u>	<u>1,362,000</u>
Total expenditures and transfers out requiring appropriation	<u>391,515</u>	<u>1,352,338</u>	<u>1,362,000</u>
ENDING FUND BALANCES	<u>\$ 4,718,381</u>	<u>\$ 3,925,410</u>	<u>\$ 3,138,195</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	1,397,680	1,947,047	1,159,832
TOTAL RESERVE	<u>\$ 4,718,381</u>	<u>\$ 3,925,410</u>	<u>\$ 3,138,195</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (2,893,861)	\$ (2,356,797)	\$ -
REVENUES			
Interest income	94	200	200
Developer advance	11,331,027	10,117,956	18,079,800
Developer advance - Project Management	337,594	430,500	920,000
Other revenue	-	966,101	-
Bond proceeds - 2022A	23,345,000	-	-
Bond proceeds - 2022B	6,367,000	-	-
Total revenues	41,380,715	11,514,757	19,000,000
TRANSFERS IN			
Transfers from other funds	80,000	908,141	300,000
Total funds available	38,566,854	10,066,101	19,300,000
EXPENDITURES			
General and Administrative			
Bond issue costs	1,019,792	-	-
Legal	7,420	-	50,000
Fees, permits and administration	38,002	50,000	50,000
Contingency	-	65,601	134,196
Capital Projects			
Repay Developer advance	23,735,995	2,960,000	345,804
Project management fee	337,594	430,500	920,000
Utility construction	-	200,000	5,500,000
Promotional activities	24,560	-	-
Engineering and management	227,013	200,000	200,000
Utilities	886,725	60,000	500,000
Water	11,991	-	100,000
Streets	8,281,473	4,100,000	9,000,000
Storm drainage	154,861	-	500,000
Landscaping	1,143,672	2,000,000	2,000,000
Total expenditures	35,869,098	10,066,101	19,300,000
TRANSFERS OUT			
Transfers to other fund	5,054,553	-	-
Total expenditures and transfers out requiring appropriation	40,923,651	10,066,101	19,300,000
ENDING FUND BALANCES	\$ (2,356,797)	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
REGIONAL IMPROVEMENTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 59,041	\$ 19,850	\$ 92,773
REVENUES			
Transfers from Sky Ranch MD No. 3	653	337,851	320,341
Transfers from Sky Ranch MD No. 5	40,530	93,213	141,082
Total revenues	<u>41,183</u>	<u>431,064</u>	<u>461,423</u>
TRANSFERS IN			
Total funds available	<u>100,224</u>	<u>450,914</u>	<u>554,196</u>
EXPENDITURES			
General and Administrative			
Legal	374	-	-
Repay Developer advance	-	-	554,196
Total expenditures	<u>374</u>	<u>-</u>	<u>554,196</u>
TRANSFERS OUT			
Transfers to other fund	<u>80,000</u>	<u>358,141</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>80,374</u>	<u>358,141</u>	<u>554,196</u>
ENDING FUND BALANCES	<u>\$ 19,850</u>	<u>\$ 92,773</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD
2024 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
2024 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 2019 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
2024 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 \$100 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
2024 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 2024 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 2019A Bonds and 2022A Bonds. Debt service schedule is not provided for the Series 2019B Bonds and 2022B Bonds because their repayment schedules are based on available cash flow.

Capital Outlay

The CAB anticipates infrastructure improvements during 2024 as displayed on Capital Projects Fund page of the budget.

Regional Improvements

Financial activities related to Regional Improvements in 2024 are displayed on the Regional Improvements Fund page of the budget.

SKY RANCH COMMUNITY AUTHORITY BOARD
2024 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 (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 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 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
2024 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⁽³⁾ (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 Subordinate Bonds are secured by and payable from 2022B Subordinate Pledged Revenues generally defined in the 2022B Subordinate Indenture as all District No. 3 Subordinate Required Mill Levy Revenue, and all 2022B Subordinate Specific Ownership Taxes.

**SKY RANCH COMMUNITY AUTHORITY BOARD
2024 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, 2023 and 2024:

	Balance at December 31, 2022	Additions	Reductions	Anticipated Balance at December 31, 2023
Limited Tax Supported Revenue Bonds - Subordinate - Series 2019B	\$ 1,612,000	\$ -	\$ 180,000	\$ 1,432,000
Accrued Interest on Subordinate - Series 2019B	6,823	122,980	123,800	6,003
Limited Tax Supported Revenue Bonds - Subordinate - Series 2022B	6,367,000	-	-	6,367,000
Accrued Interest on Subordinate - Series 2022B	209,633	575,455	-	785,088
Developer Advances	16,540,169	10,117,956	2,113,016	24,545,109
Accrued Interest on Developer Advances	583,256	1,155,709	846,984	891,981
Developer Advances - Project Management	2,279,705	430,500	-	2,710,205
Accrued Interest on Developer Advances - Project Management	359,263	136,782	-	496,045
Total	<u>\$ 27,957,849</u>	<u>\$ 12,539,382</u>	<u>\$ 3,263,800</u>	<u>\$ 37,233,431</u>
	Anticipated Balance at December 31, 2023	Additions	Reductions	Anticipated Balance at December 31, 2024
Limited Tax Supported Revenue Bonds - Subordinate - Series 2019B	\$ 1,432,000	\$ -	\$ 450,000	\$ 982,000
Accrued Interest on Subordinate - Series 2019B	6,003	109,193	109,696	5,500
Limited Tax Supported Revenue Bonds - Subordinate - Series 2022B	6,367,000	-	-	6,367,000
Accrued Interest on Subordinate - Series 2022B	785,088	625,808	-	1,410,896
Developer Advances	24,545,109	18,079,800	-	42,624,909
Accrued Interest on Developer Advances	891,981	2,078,173	900,000	2,070,154
Developer Advances - Project Management	2,710,205	920,000	-	3,630,205
Accrued Interest on Developer Advances - Project Management	496,045	162,612	-	658,657
Total	<u>\$ 37,233,431</u>	<u>\$ 21,975,586</u>	<u>\$ 1,459,696</u>	<u>\$ 57,749,321</u>

The CAB currently has no operating or capital leases.

**SKY RANCH COMMUNITY AUTHORITY BOARD
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

The CAB has provided for an emergency reserve in 2024 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 \$915,000 in accordance with the 2019 bonds issuance. The CAB is also required to maintain a debt service reserve of \$1,978,363 in accordance with the 2022 bonds issuance. Both reserves have 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			\$23,345,000					
	Limited Tax Supported District No. 1 Senior Bonds			Limited Tax Supported District No. 3 Senior Bonds					
	Dated November 19, 2019			Dated August 16, 2022					
	Series 2019A			Series 2022A					
	Interest Rate of 5.00%			Interest Rate of 5.75%					
	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
2024	\$ 150,000	\$ 569,000	\$ 719,000	\$ -	\$ 1,342,338	\$ 1,342,338	\$ 150,000	\$ 1,911,338	\$ 2,061,338
2025	160,000	561,500	721,500	-	1,342,338	1,342,338	160,000	1,903,838	2,063,838
2026	180,000	553,500	733,500	-	1,342,338	1,342,338	180,000	1,895,838	2,075,838
2027	190,000	544,500	734,500	140,000	1,342,338	1,482,338	330,000	1,886,838	2,216,838
2028	215,000	535,000	750,000	245,000	1,334,288	1,579,288	460,000	1,869,288	2,329,288
2029	225,000	524,250	749,250	270,000	1,320,200	1,590,200	495,000	1,844,450	2,339,450
2030	250,000	513,000	763,000	315,000	1,304,675	1,619,675	565,000	1,817,675	2,382,675
2031	265,000	500,500	765,500	335,000	1,286,563	1,621,563	600,000	1,787,063	2,387,063
2032	290,000	487,250	777,250	385,000	1,267,300	1,652,300	675,000	1,754,550	2,429,550
2033	305,000	472,750	777,750	405,000	1,245,163	1,650,163	710,000	1,717,913	2,427,913
2034	335,000	457,500	792,500	465,000	1,221,875	1,686,875	800,000	1,679,375	2,479,375
2035	355,000	440,750	795,750	490,000	1,195,138	1,685,138	845,000	1,635,888	2,480,888
2036	390,000	423,000	813,000	550,000	1,166,963	1,716,963	940,000	1,589,963	2,529,963
2037	405,000	403,500	808,500	585,000	1,135,338	1,720,338	990,000	1,538,838	2,528,838
2038	445,000	383,250	828,250	650,000	1,101,700	1,751,700	1,095,000	1,484,950	2,579,950
2039	465,000	361,000	826,000	690,000	1,064,325	1,754,325	1,155,000	1,425,325	2,580,325
2040	505,000	337,750	842,750	765,000	1,024,650	1,789,650	1,270,000	1,362,400	2,632,400
2041	530,000	312,500	842,500	810,000	980,663	1,790,663	1,340,000	1,293,163	2,633,163
2042	575,000	286,000	861,000	890,000	934,088	1,824,088	1,465,000	1,220,088	2,685,088
2043	605,000	257,250	862,250	940,000	882,913	1,822,913	1,545,000	1,140,163	2,685,163
2044	650,000	227,000	877,000	1,035,000	828,863	1,863,863	1,685,000	1,055,863	2,740,863
2045	685,000	194,500	879,500	1,090,000	769,350	1,859,350	1,775,000	963,850	2,738,850
2046	735,000	160,250	895,250	1,195,000	706,675	1,901,675	1,930,000	866,925	2,796,925
2047	770,000	123,500	893,500	1,260,000	637,963	1,897,963	2,030,000	761,463	2,791,463
2048	830,000	85,000	915,000	1,370,000	565,513	1,935,513	2,200,000	650,513	2,850,513
2049	870,000	43,500	913,500	1,450,000	486,738	1,936,738	2,320,000	530,238	2,850,238
2050	-	-	-	1,575,000	403,363	1,978,363	1,575,000	403,363	1,978,363
2051	-	-	-	1,665,000	312,800	1,977,800	1,665,000	312,800	1,977,800
2052	-	-	-	3,775,000	217,063	3,992,063	3,775,000	217,063	3,992,063
	<u>\$ 11,380,000</u>	<u>\$ 9,757,500</u>	<u>\$ 21,137,500</u>	<u>\$ 23,345,000</u>	<u>\$ 28,763,513</u>	<u>\$ 52,108,513</u>	<u>\$ 34,725,000</u>	<u>\$ 38,521,013</u>	<u>\$ 73,246,013</u>