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Accountant's Compilation Report

Board of Directors
Sterling Ranch Community Authority Board

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Sterling Ranch Community Authority Board for the year ending December 31, 2019, including the estimate of comparative information for the year ended December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Sterling Ranch Community Authority Board.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 25, 2019

**STERLING RANCH COMMUNITY AUTHORITY BOARD
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,**

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ 7,119,403	\$ 83,767,562	\$ 80,610,345
REVENUES			
Sterling Ranch entities cash advances	1,172,860	400,000	-
Note proceeds - O&M Note	2,228,262	4,600,611	5,754,000
Note proceeds - Facilities Note	2,822,604	1,487,281	675,000
Reimbursed expenditures	112,349	2,204,132	900,000
Transfer from Sterling Ranch District No. 2	142	723,262	1,094,070
Transfer from Sterling Ranch District No. 3	-	-	88,919
Transfer from Sterling Ranch District No. 4	-	-	759
Transfer from Sterling Ranch District No. 7	2	12,976	15,517
Park passes	-	210	-
Street lighting fees	832	26,000	46,000
Design and landscape review fees	62,800	257,000	214,000
Trash collection charge	496	47,000	82,000
Net investment income	76,604	1,098,500	824,000
Fencing materials	79,773	-	-
Water service fees - Residential	3,461	200,000	779,000
Water service fees - Commercial	-	-	21,000
Wastewater service fees	6,698	45,000	434,000
Storm drainage service fees	2,133	21,000	92,000
Water service fees - Construction	195,376	356,000	1,277,000
Account setup/administration fees	2,700	22,000	14,000
Water & sewer permit connection fees	43,300	57,000	48,000
Facilities fees - Filing 1	2,029,125	712,500	-
Facilities fees - Other Filings	232,500	3,728,500	6,101,300
Tap fees - Filing 1	8,466,998	3,087,500	-
Tap fees - Other Filings	196,700	2,971,900	4,831,400
Bond Issuance	89,120,000	-	-
Installment Gap funds	3,625,000	3,048,443	-
Sidewalk funds	1,217,155	246,000	-
Builder funds	12,699,163	7,268,921	24,089,000
Builder damage deposit	62,000	-	-
Developer escrow deposit	1,651,242	-	-
Total revenues	<u>126,110,275</u>	<u>32,621,736</u>	<u>47,380,965</u>
TRANSFERS IN			
Transfers from other funds	2,226,337	10,833,031	32,927,202
Total transfers in	<u>2,226,337</u>	<u>10,833,031</u>	<u>32,927,202</u>
Total funds available	<u>135,456,015</u>	<u>127,222,329</u>	<u>160,918,512</u>
EXPENDITURES			
General Fund	1,425,398	2,290,000	2,906,500
Capital Projects Fund - General and Preconstruction	1,356,631	1,799,600	1,725,000
Waste and Wastewater Services Fund	211,618	966,000	1,961,000
Debt Service Fund - 2015 Bonds	1,223,025	1,223,025	1,223,275
Debt Service Fund - 2017 Bonds	2,394,326	3,622,029	3,757,500
Debt Service Fund - O&M Note	345,397	1,250,248	3,294,702
Debt Service Fund - Facilities Note	789,624	710,394	-
Capital Projects Fund - Filing 1 Trunk	23,847,672	1,144,927	-
Capital Projects Fund - Filing 1 Finished Lots	16,578,184	555,538	-
Capital Projects Fund - Filing 2 - 6 Trunk	1,290,184	14,696,989	35,714,000
Capital Projects Fund - Filing 2 - 6 Finished Lots	57	7,520,203	24,990,000
Total expenditures	<u>49,462,116</u>	<u>35,778,953</u>	<u>75,571,977</u>
TRANSFERS OUT			
Transfers to other fund	2,226,337	10,833,031	32,927,202
Total transfers out	<u>2,226,337</u>	<u>10,833,031</u>	<u>32,927,202</u>
Total expenditures and transfers out requiring appropriation	51,688,453	46,611,984	108,499,179
ENDING FUND BALANCES	<u>\$ 83,767,562</u>	<u>\$ 80,610,345</u>	<u>\$ 52,419,333</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ (166,933)	\$ (30,621)	\$ 19,294
REVENUES			
Sterling Ranch entities cash advances	130,626	-	-
O&M Note proceeds	1,394,762	2,308,982	2,872,000
Reimbursed expenditures	10,956	-	-
Park passes	-	210	-
Transfer from Sterling Ranch District No. 2	57	271,345	410,268
Transfer from Sterling Ranch District No. 3	-	-	33,344
Transfer from Sterling Ranch District No. 4	-	-	759
Transfer from Sterling Ranch District No. 7	2	12,976	15,517
Street lighting fees	832	26,000	46,000
Design and landscape review fees	62,800	257,000	214,000
Trash collection charge	496	47,000	82,000
Net investment income	-	700	1,000
Fencing materials	79,773	-	-
Total revenues	<u>1,680,304</u>	<u>2,924,213</u>	<u>3,674,888</u>
Total funds available	<u>1,513,371</u>	<u>2,893,592</u>	<u>3,694,182</u>
EXPENDITURES			
GENERAL AND ADMINISTRATIVE			
Accounting	39,782	65,000	37,500
Audit	1,750	2,200	4,000
Recruiting	-	59,000	-
Dues and memberships	1,913	2,292	5,000
Insurance and bonds	19,093	29,071	30,000
Repayment to Sterling Ranch entities	44,300	-	-
CAB management	45,683	60,000	36,000
Legal	202,356	155,000	179,000
Legal - special counsel	12,354	-	-
Miscellaneous	15,490	14,437	16,000
Rates and fees studies	4,436	-	50,000
IT equipment and software	36,428	24,000	25,000
Salaries and benefits	330,548	511,000	693,000
IT support	6,305	12,000	13,000
Investment advisory fee	-	107,000	60,000
Office supplies	-	10,000	11,000
Payroll taxes	20,035	47,000	52,000
Total general and administrative	<u>780,473</u>	<u>1,098,000</u>	<u>1,211,500</u>
OPERATIONS & MAINTENANCE			
Rent	11,250	54,000	215,000
Design and landscape review	71,871	32,000	33,000
Information trailer	134,399	27,000	29,000
Furniture and Equipment	62,049	88,000	120,000
GIS licensing	154,854	59,000	130,000
Contingency	-	150,000	125,000
Community support services	10,315	65,000	180,000
Vehicle maintenance	-	4,000	8,000
Fencing materials	90,597	187,000	50,000
Parks passes	4,200	22,000	39,000
Recreation Center operations	-	-	100,000
Lifestyle events	-	-	40,000
Utilities	1,664	44,000	46,000
Electricity - Street lights	6,128	17,000	34,000
Waste management collection services	664	45,000	79,000
Janitorial	2,376	8,000	8,000
Parks/landscape/streets maintenance	94,558	383,000	435,000
Snow removal	-	7,000	24,000
Total operations & maintenance	<u>644,925</u>	<u>1,192,000</u>	<u>1,695,000</u>
TRANSFERS OUT			
Transfers to other fund	118,594	584,298	762,702
	<u>118,594</u>	<u>584,298</u>	<u>762,702</u>
Total expenditures and transfers out requiring appropriation	<u>1,543,992</u>	<u>2,874,298</u>	<u>3,669,202</u>
ENDING FUND BALANCES	<u>\$ (30,621)</u>	<u>\$ 19,294</u>	<u>\$ 24,980</u>
EMERGENCY RESERVE:	<u>\$ -</u>	<u>\$ 18,500</u>	<u>\$ 24,100</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**STERLING RANCH COMMUNITY AUTHORITY BOARD
WATER AND WASTEWATER SERVICES FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,**

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ 20,195	\$ 34,969	\$ 2,969
REVENUES			
O&M Note proceeds	199,527	889,204	1,827,000
Water service fees - Residential	3,461	200,000	779,000
Water service fees - Commercial	-	-	21,000
Wastewater service fees	6,698	45,000	434,000
Storm drainage service fees	2,133	21,000	92,000
Water service fees - Construction	195,376	356,000	1,277,000
Account setup/administration fees	2,700	22,000	14,000
Water & sewer permit connection fees	43,300	57,000	48,000
Total revenues	453,195	1,590,204	4,492,000
Total funds available	473,390	1,625,173	4,494,969
EXPENDITURES			
GENERAL AND ADMINISTRATIVE			
Billing and administration	33,440	37,000	48,000
Billing system	325	51,000	10,000
Other consulting	680	-	-
Total general and administrative	34,445	88,000	58,000
FACILITIES OPERATIONS			
Utilities - Water	-	28,000	28,000
Utilities - Wastewater	-	16,000	16,000
Utilities - Storm	-	84,000	84,000
Other O&M	89	14,000	24,000
Total facilities operation	89	142,000	152,000
WATER COSTS			
Dominion - residential/commercial/irrigation water	1,520	158,000	375,000
Dominion - construction water	173,546	463,000	1,103,000
Dominion - residential wastewater	1,575	70,000	167,000
Dominion - irrigation taps	443	45,000	106,000
Total water costs	177,084	736,000	1,751,000
TRANSFERS OUT			
Transfers to other fund	226,803	656,204	2,532,000
Total transfers out	226,803	656,204	2,532,000
Total expenditures and transfers out requiring appropriation	438,421	1,622,204	4,493,000
ENDING FUND BALANCES	\$ 34,969	\$ 2,969	\$ 1,969

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND - 2015 BONDS
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,**

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ 5,340,855	\$ 4,798,754	\$ 4,335,146
REVENUES			
Net investment income	33,089	70,000	50,000
O&M Note proceeds	5,250	-	-
Facilities fees	642,500	237,500	-
Transfer from Sterling Ranch District No. 2	85	451,917	683,802
Total revenues	680,924	759,417	733,802
Total funds available	6,021,779	5,558,171	5,068,948
EXPENDITURES			
DEBT SERVICE			
Trustee/Paying agent fees	5,250	5,250	5,500
Bond interest	1,217,775	1,217,775	1,217,775
Total expenditures	1,223,025	1,223,025	1,223,275
Total expenditures and transfers out requiring appropriation	1,223,025	1,223,025	1,223,275
ENDING FUND BALANCES	\$ 4,798,754	\$ 4,335,146	\$ 3,845,673

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND - 2017 BONDS
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ -	\$ 85,813,663	\$ 75,671,297
REVENUES			
Net investment income	39,806	1,000,000	770,000
Filing 2 pledged facilities fees	77,500	745,000	1,277,500
Bond issuance	89,120,000	-	-
Filing 2 pledged tap fees	62,000	596,000	1,022,000
Transfer from Sterling Ranch District No. 3	-	-	55,575
Total revenues	89,299,306	2,341,000	3,125,075
Total funds available	89,299,306	88,154,663	78,796,372
EXPENDITURES			
DEBT SERVICE			
Trustee/Paying agent fees	-	6,000	6,000
Bond interest	-	3,616,029	3,751,500
Cost of issuance	1,894,421	-	-
Original issue discount	499,905	-	-
Total expenditures	2,394,326	3,622,029	3,757,500
TRANSFERS OUT			
Transfers to other fund	1,091,317	8,861,337	29,632,500
Total transfers out	1,091,317	8,861,337	29,632,500
Total expenditures and transfers out requiring appropriation	3,485,643	12,483,366	33,390,000
ENDING FUND BALANCES	\$ 85,813,663	\$ 75,671,297	\$ 45,406,372

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND - O&M NOTE
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	345,397	1,250,248	3,294,702
Total transfers in	345,397	1,250,248	3,294,702
Total funds available	345,397	1,250,248	3,294,702
EXPENDITURES			
DEBT SERVICE			
Interest	41,144	125,025	329,470
Principal	304,253	1,125,223	2,965,232
Total expenditures	345,397	1,250,248	3,294,702
Total expenditures and transfers out requiring appropriation	345,397	1,250,248	3,294,702
ENDING FUND BALANCES	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**STERLING RANCH COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND - FACILITIES NOTE
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,**

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	789,624	710,394	-
Total transfers in	789,624	710,394	-
Total funds available	789,624	710,394	-
EXPENDITURES			
DEBT SERVICE			
Interest	82,774	44,915	-
Principal	706,850	665,479	-
Total expenditures	789,624	710,394	-
Total expenditures and transfers out requiring appropriation	789,624	710,394	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND - GENERAL AND PRECONSTRUCTION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ (638,729)	\$ (24,422)	\$ 2,465
REVENUES			
Sterling Ranch entities cash advances	180,708	-	-
O&M Note proceeds	522,123	1,007,425	1,050,000
Revenue Note proceeds	1,242,477	748,600	675,000
Facilities fees	101,625	-	-
Reimbursed expenditures	14,824	-	-
Sewer tap fees	4,669	-	-
Water tap fees	10,005	-	-
Storm tap fees	99,824	-	-
Total revenues	<u>2,176,255</u>	<u>1,756,025</u>	<u>1,725,000</u>
TRANSFERS IN			
Transfers from other funds	104,870	120,000	-
Total transfers in	<u>104,870</u>	<u>120,000</u>	<u>-</u>
Total funds available	<u>1,642,396</u>	<u>1,851,603</u>	<u>1,727,465</u>
EXPENDITURES			
GENERAL AND ADMINISTRATIVE			
Accounting	159,128	200,000	150,000
Audit	5,250	6,600	10,000
Insurance and bonds	-	-	75,000
Repayment to Sterling Ranch entities	127,415	-	-
CAB management	172,130	190,000	143,000
Legal	121,312	353,000	374,000
Salaries and benefits	-	239,000	343,000
Payroll taxes	-	21,000	30,000
Total general and administrative	<u>585,235</u>	<u>1,009,600</u>	<u>1,125,000</u>
PRECONSTRUCTION			
Engineering and management	771,279	700,000	500,000
Civic Center improvements	-	40,000	-
Preconstruction consulting	117	50,000	100,000
Total preconstruction	<u>771,396</u>	<u>790,000</u>	<u>600,000</u>
TRANSFERS OUT			
Transfers to other fund	310,187	49,538	-
Total transfers out	<u>310,187</u>	<u>49,538</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,666,818</u>	<u>1,849,138</u>	<u>1,725,000</u>
ENDING FUND BALANCES	\$ (24,422)	\$ 2,465	\$ 2,465

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND - FILING 1 - TRUNK IMPROVEMENTS
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ 1,787,201	\$ (6,841,661)	\$ -
REVENUES			
Net investment income	1,942	5,000	-
Sterling Ranch entities cash advances	861,526	400,000	-
O&M Note proceeds	106,600	300,000	-
Revenue Note proceeds	899,673	230,000	-
Facilities fees	1,285,000	475,000	-
Reimbursed expenditures	86,569	1,012,429	-
Tap fees	8,352,500	3,087,500	-
Installment Gap Funds	3,625,000	3,048,443	-
Total revenues	<u>15,218,810</u>	<u>8,558,372</u>	-
Total funds available	<u>17,006,011</u>	<u>1,716,711</u>	-
EXPENDITURES			
GENERAL AND ADMINISTRATIVE			
Accounting - Construction Disbursement Agent	43,846	43,000	-
Insurance and bonds	75,000	75,000	-
Repayment to Sterling Ranch entities	2,978	-	-
Legal	102,333	140,000	-
Banking fees	102	100	-
LOC fees	-	9,000	-
Cost verifications/certifications	42,649	6,000	-
Total General and Administrative	<u>266,908</u>	<u>273,100</u>	-
OTHER			
Release of Gap Funds	1,615,063	-	-
Total Other	<u>1,615,063</u>	<u>-</u>	<u>-</u>
ALL CONSTRUCTION PHASES			
Parks and Recreation (Landscaping)	5,095,665	1,248,000	-
Parks and Recreation - Other Engineering/Consulting	12,458	60,790	-
Traffic & Safety	2,584,257	771,000	-
Streets	8,856,190	(72,211)	-
Streets - Other fees	1,217,724	40,000	-
Streets - Other Engineering/Consulting	728,565	650,000	-
Streets - grading and erosion control	426,298	(527,138)	-
Storm sewer	1,522,554	(418,563)	-
Storm sewer- Other fees	1,600	3,000	-
Sanitation	348,008	(500,317)	-
Sanitation - Other Engineering/Consulting	66,623	45,000	-
Water	1,105,059	(428,834)	-
Water - Other Engineering/Consulting	700	1,100	-
Total All Construction Phases	<u>21,965,701</u>	<u>871,827</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	-	571,784	-
Total transfers out	<u>-</u>	<u>571,784</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>23,847,672</u>	<u>1,716,711</u>	<u>-</u>
ENDING FUND BALANCES	<u><u>\$ (6,841,661)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND - FILING 1 - FINISHED LOTS (INTRACT) IMPROVEMENTS
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ 776,814	\$ (1,883,300)	\$ 419,083
REVENUES			
Net investment income	1,752	8,000	-
Builder Funds	12,699,163	2,603,921	-
Sidewalk Funds	1,217,155	246,000	-
Total revenues	<u>13,918,070</u>	<u>2,857,921</u>	<u>-</u>
Total funds available	<u>14,694,884</u>	<u>974,621</u>	<u>419,083</u>
EXPENDITURES			
GENERAL AND ADMINISTRATIVE			
Banking fees	228	250	-
Total General and Administrative	<u>228</u>	<u>250</u>	<u>-</u>
ALL CONSTRUCTION PHASES			
Parks and Recreation (Landscaping)	1,166,231	478,577	-
Traffic & Safety	1,035,655	181,000	-
Streets	10,211,909	29,000	-
Streets - grading and erosion control	149,087	(51,635)	-
Storm sewer	875,617	(24,494)	-
Sanitation	1,331,920	(30,595)	-
Water	1,807,537	(26,565)	-
Total All Construction Phases	<u>16,577,956</u>	<u>555,288</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>16,578,184</u>	<u>555,538</u>	<u>-</u>
ENDING FUND BALANCES	<u><u>\$ (1,883,300)</u></u>	<u><u>\$ 419,083</u></u>	<u><u>\$ 419,083</u></u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND - FILING 2 - 6 - TRUNK IMPROVEMENTS
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ -	\$ 186,993	\$ 99,904
REVENUES			
Facilities Fees	155,000	2,983,500	4,823,800
Tap Fees	134,700	2,375,900	3,809,400
Net investment income	13	4,300	2,000
Note proceeds - Facilities Note	680,454	508,681	-
Note proceeds - O&M Note	-	95,000	5,000
Sterling Ranch Entities cash advances	-	-	-
Total revenues	<u>970,167</u>	<u>5,967,381</u>	<u>8,640,200</u>
TRANSFERS IN			
Transfers from other funds	986,446	8,752,389	29,632,500
Total transfers in	<u>986,446</u>	<u>8,752,389</u>	<u>29,632,500</u>
Total funds available	<u>1,956,613</u>	<u>14,906,763</u>	<u>38,372,604</u>
EXPENDITURES			
GENERAL, ADMINISTRATIVE, & OTHER			
Banking fees	22	-	-
Accounting/Engineer costs certification/other	1,308	5,000	5,000
Cost verifications/certifications	-	1,500	-
CDOT Fees	367,164	2,935,000	2,697,000
Legal	807	115,000	-
Project Management Fee	-	90,000	340,000
Total General and Administrative	<u>369,301</u>	<u>3,146,500</u>	<u>3,042,000</u>
ALL CONSTRUCTION PHASES			
Engineering and management	821,638	1,520,000	2,030,000
Parks and Recreation (Landscaping)	500	100,000	7,724,000
Parks and Recreation - Other Engineering/Consulti	-	6,000	-
Miscellaneous/Contingency	-	1,110	2,111,000
Streets	17,800	1,299,000	13,654,000
Streets - Other Engineering/Consulting	77,891	520,000	227,000
Streets - Grading and erosion control	1,550	2,200,000	445,000
Storm sewer	-	5,000,000	3,903,000
Sanitation	-	400,000	1,463,000
Sanitation - Other Engineering/Consulting	504	74,379	10,000
Traffic & Safety	-	130,000	-
Water	1,000	300,000	1,105,000
Total All Construction Phases	<u>920,883</u>	<u>11,550,489</u>	<u>32,672,000</u>
TRANSFERS OUT			
Transfers to other fund	479,436	109,870	-
Total transfers out	<u>479,436</u>	<u>109,870</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,769,620</u>	<u>14,806,859</u>	<u>35,714,000</u>
ENDING FUND BALANCES	<u>\$ 186,993</u>	<u>\$ 99,904</u>	<u>\$ 2,658,604</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND - FILINGS 2 -6 - FINISHED LOTS (INTRACT) IMPROVEMENTS
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the years Ended and Ending December 31,

1/25/2019

	2017 ACTUAL	2018 ESTIMATED	2019 BUDGET
BEGINNING FUND BALANCES	\$ -	\$ 1,713,187	\$ 60,187
REVENUES			
Builder Funds	-	4,665,000	24,089,000
Reimbursed expenditures	-	1,191,703	900,000
Builder damage deposit	62,000	-	-
Developer escrow deposit	1,651,242	-	-
Net investment income	2	10,500	1,000
Total revenues	1,713,244	5,867,203	24,990,000
Total funds available	1,713,244	7,580,390	25,050,187
EXPENDITURES			
GENERAL AND ADMINISTRATIVE			
Banking fees	57	-	-
Project management fee	-	90,000	470,000
Total General and Administrative	57	90,000	470,000
PRECONSTRUCTION			
Engineering and management	-	695,000	2,550,000
Other construction costs	-	-	-
Contingency	-	-	-
Total Preconstruction	-	695,000	2,550,000
ALL CONSTRUCTION PHASES			
Parks and Recreation (Landscaping)	-	-	329,000
Streets	-	1,800,000	8,896,000
Streets - Grading and erosion control	-	900,000	435,000
Streets - Other Engineering/Consulting	-	470,203	379,000
Storm sewer	-	1,400,000	1,994,000
Sanitation	-	1,400,000	2,514,000
Water	-	350,000	2,081,000
Dry Utilities	-	415,000	3,951,000
Miscellaneous/Contingency	-	-	1,391,000
Total All Construction Phases	-	6,735,203	21,970,000
Total expenditures and transfers out requiring appropriation	57	7,520,203	24,990,000
ENDING FUND BALANCES	\$ 1,713,187	\$ 60,187	\$ 60,187

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**STERLING RANCH COMMUNITY AUTHORITY BOARD
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Sterling Ranch Community Authority Board (CAB) was organized to own, operate and maintain certain public improvements within the boundaries of the Sterling Ranch Colorado Metropolitan District Nos. 1 through 7 (collectively, the “Districts”), under a Community Authority Board Establishment Agreement (the “CABEA”) entered into by the Districts.

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.

Primary Revenues in 2019

Builder Funds

Pursuant to cost sharing agreements with various Builders, the CAB will construct finished lots improvements for residential homes within various filings of the Sterling Ranch development. Builders will pay their pro rata share of the costs of such finished lots improvements.

Tap and Facilities Fees

The CAB will collect water and sewer tap fees and facilities fees from dwelling units constructed within the boundaries of the Districts, pursuant to a fee resolution adopted by the CAB’s Board of Directors.

Service Fees – Water, Wastewater, Storm Drainage

The CAB will charge service fees from its retail customers for providing services related to water, wastewater, and storm drainage. The services fees will be charged based on rates established and adopted by the CAB.

Transfers from Metro Districts Nos. 2, 3, 4, and 7

Pursuant to a Pledge Agreement, District No. 2 has covenanted to levy an ad valorem mill levy upon all taxable property within its boundaries to pay the principal of and interest on the 2015 Bonds (see Debt and Leases). Upon collection, District No. 2 will transfer tax revenue, net of collection fees, to the CAB.

Pursuant to a Pledge Agreement, District No. 3 has covenanted to levy an ad valorem mill levy upon all taxable property within its boundaries to pay the principal of and interest on the 2017 Bonds (see Debt and Leases). Upon collection, District No. 3 will transfer tax revenue, net of collection fees, to the CAB.

Pursuant to certain operation agreement, District Nos. 2, 3, 4, and 7 will impose an operations mill levy and will transfer tax revenues, net of collection fees, to the CAB to pay for operations and maintenance costs.

STERLING RANCH COMMUNITY AUTHORITY BOARD
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Primary Revenues in 2019 (continued)

Notes Proceeds

The CAB anticipates receiving funding from a Developer entity pursuant to promissory notes issued by the CAB in December 2016 (see Debts and Leases).

Expenditures

General, Administrative, Operations and Maintenance

The CAB's 2019 budget includes personnel costs, office costs (rent, supplies, equipment, IT support, others), fees for outsourced services (legal, accounting, management, others), insurance, dues, and other administrative expenditures. The 2019 budget also includes operations and maintenance costs for parks and streets, snow removal, utilities and other related expenditures. Other costs included in the General Fund's budget are estimates for design / landscape review and Recreation Center operations.

Capital Outlay

The CAB anticipates constructing in-District ("trunk") and finished lots ("intract") improvements in 2019, as reflected on pages 9 to 13 of the budget.

Debt Service

Debt service payments for 2019 were based upon the attached debt service amortization schedules for the Series 2015A Bonds and the Series 2017A Bonds, and estimated payments on the 2016 Promissory Notes (see Debts and Leases).

Debts and Leases

Series 2015 Bonds

On December 30, 2015, the CAB issued \$21,500,000 in Limited Tax Supported Revenue Senior Bonds, Series 2015A (Senior Bonds) and \$2,090,000 in Limited Tax Supported Revenue Subordinate Bonds, Series 2015B (Subordinate Bonds) (collectively, Series 2015 Bonds), for the purpose of funding and reimbursing a portion of the costs of certain public infrastructure improvements, paying the costs of issuance, and for the 2015A Bonds only (i) funding a Senior Reserve Fund, and (ii) providing for a Capitalized Interest Fund.

The Senior Bonds are term bonds which bear interest at 5.50% through December 1, 2035 and at 5.75% through maturity on December 1, 2045, payable semi-annually on June 1 and December 1, beginning on June 1, 2016. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The Senior Bonds mature on December 1, 2035 and December 1, 2045, and are subject to redemption prior to maturity, at the option of the Issuer, as whole or integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2020, and any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal so redeemed as described in the Indenture.

STERLING RANCH COMMUNITY AUTHORITY BOARD
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debts and Leases (continued)

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, which includes property taxes generated by the imposition of the District No. 2 Senior Required Mill Levy (in accordance with the Pledge Agreement) net of the cost of collection, Specific Ownership Taxes attributable to the Senior Required Mill Levy, facilities fees, and any other legally available amounts. The Senior Bonds are also secured by amounts held in the Senior Reserve Fund in the amount of the Required Reserve equal to \$1,798,863, and amounts accumulated in the Surplus Fund, if any.

The Subordinate Bonds bear interest at 7.75%, payable annually on December 15, beginning on December 15, 2016. Unpaid interest compounds annually on each December 15. The Subordinate Bonds are structured as cash flow bonds such that there are no scheduled payments of interest or principal prior to the final maturity date. The Subordinate Bonds are subject to redemption prior to maturity, at the option of the Issuer, on December 15, 2020, and any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed as described in the Indenture.

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, which includes property taxes derived from the District No. 2 Subordinate Required Mill Levy (in accordance with the Pledged Agreement) net of the costs of issuance, Specific Ownership Taxes attributable to the Subordinate Required Mill Levy, and any other legally available moneys.

2016 Promissory Notes

On December 30, 2016, for the purpose of funding certain public infrastructure to serve the Sterling Ranch Development, pursuant to an authorizing resolution, the CAB issued a Taxable Subordinate Limited Revenue Promissory Note, Series 2016 (“Facilities Note” or “Revenue Note”). In addition, for the purpose of funding a portion of the CAB’s operations and maintenance costs, the CAB issued a Taxable Subordinate Limited Service Fee Revenue Promissory Note, Series 2016 (“O&M Note” or “Operating Note”).

The Facilities Note and the O&M Note were issued to Sterling Ranch, LLC, an affiliate of the Developer, in order to evidence the obligation of the CAB to reimburse Sterling Ranch, LLC for advances made to the CAB pursuant to certain funding agreements. Payment on the Facilities Note is subordinate to payment owed on the CAB’s outstanding bonds. Payment on the O&M Note is secured by certain service fees charged by the CAB to its customers.

Series 2017 Bonds

On December 14, 2017, the CAB issued \$75,030,000 in Limited Tax Supported and Special Revenue Senior Bonds, Series 2017A (Senior Bonds) and 14,090,000 in Limited Tax Supported Special Revenue Subordinate Bonds, Series 2017B (Subordinate Bonds) (collectively, Series 2017 Bonds), for the purposes of (i) funding and reimbursing a portion of the costs of designing, acquiring, constructing, and installing certain public infrastructure improvements and paying certain other related costs, including the payment of certain impact fees charged by the County in connection with the Sterling Ranch Development, (ii) paying the costs of issuance of the Senior Bonds, and (iii) with respect to the Senior Bonds only: (a) funding the Senior Reserve Fund, and (b) and funding capitalized interest to come due through December 1, 2020.

**STERLING RANCH COMMUNITY AUTHORITY BOARD
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debts and Leases (continued)

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, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. Unpaid interest on the Senior Bonds compounds semi-annually on each June 1 and December 1. The Senior Bonds mature on December 1, 2047, 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. 3 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. 3 Senior Required Mill Levy, Pledged Facilities Fees, Pledged Storm Water Tap Fees, and any other legally available amounts that the Issuer 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 \$6,237,000, and amounts accumulated in the Surplus Fund, if any.

The Subordinate Bonds bear interest at 7.50% per annum and are payable annually from available Subordinate Pledged Revenue on December 15, beginning on December 15, 2018. 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 Issuer from the following sources, net of any cost of collection: a) the District No. 3 Subordinate Required Mill Levy Revenues; b) Specific Ownership Tax Revenues, attributable to the Subordinate Required Mill Levy; c) Subordinate Pledged Facilities Fee Revenues and Subordinate Pledged Storm Water Tap Fee Revenues; and d) any other legally available moneys which the Issuer determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

The CAB currently has no operating or capital leases.

Reserve Funds

Emergency Reserve

The CAB has provided for an emergency reserve in 2019 equal to at least 3% of fiscal year spending, excluding advances and debt issuances, as defined under TABOR.

Debt Service Reserve Fund

The CAB maintains Debt Service Reserve Funds for both Series 2015A Bonds and Series 2017A Bonds (see Debts and Leases).

This information is an integral part of the accompanying budget.

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

Bonds and Interest Maturing in the Year Ending December 31,	\$21,500,000 Limited Tax Supported Revenue Senior Bonds Series 2015A Dated December 30, 2015 Principal due December 1, Interest Rate of 5.50% through December 1, 2035 and 5.750% through December 1, 2045, Payable June 1 and December 1		
	Principal	Interest	Total
2019	-	1,217,775	1,217,775
2020	55,000	1,217,775	1,272,775
2021	230,000	1,214,750	1,444,750
2022	270,000	1,202,100	1,472,100
2023	285,000	1,187,250	1,472,250
2024	335,000	1,171,575	1,506,575
2025	350,000	1,153,150	1,503,150
2026	400,000	1,133,900	1,533,900
2027	420,000	1,111,900	1,531,900
2028	475,000	1,088,800	1,563,800
2029	500,000	1,062,675	1,562,675
2030	560,000	1,035,175	1,595,175
2031	590,000	1,004,375	1,594,375
2032	655,000	971,925	1,626,925
2033	695,000	935,900	1,630,900
2034	765,000	897,675	1,662,675
2035	805,000	855,600	1,660,600
2036	885,000	811,325	1,696,325
2037	935,000	760,438	1,695,438
2038	1,020,000	706,675	1,726,675
2039	1,080,000	648,025	1,728,025
2040	1,180,000	585,925	1,765,925
2041	1,245,000	518,075	1,763,075
2042	1,350,000	446,488	1,796,488
2043	1,430,000	368,863	1,798,863
2044	1,550,000	286,637	1,836,637
2045	3,435,000	197,512	3,632,512
	\$ 21,500,000	\$ 23,792,263	\$ 45,292,263

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31,	\$75,030,000		
	Limited Tax Supported and Special Revenue		
	Senior Bonds		
	Series 2017A		
	Dated December 14, 2017		
	Principal due December 1,		
	Interest Rate of 5.00%		
	Payable June 1 and December 1		
	Principal	Interest	Total
2019	-	3,751,500	3,751,500
2020	-	3,751,500	3,751,500
2021	435,000	3,751,500	4,186,500
2022	310,000	3,729,750	4,039,750
2023	100,000	3,714,250	3,814,250
2024	345,000	3,709,250	4,054,250
2025	855,000	3,692,000	4,547,000
2026	1,350,000	3,649,250	4,999,250
2027	1,535,000	3,581,750	5,116,750
2028	1,715,000	3,505,000	5,220,000
2029	1,800,000	3,419,250	5,219,250
2030	1,995,000	3,329,250	5,324,250
2031	2,095,000	3,229,500	5,324,500
2032	2,305,000	3,124,750	5,429,750
2033	2,420,000	3,009,500	5,429,500
2034	2,650,000	2,888,500	5,538,500
2035	2,780,000	2,756,000	5,536,000
2036	3,030,000	2,617,000	5,647,000
2037	3,185,000	2,465,500	5,650,500
2038	3,455,000	2,306,250	5,761,250
2039	3,630,000	2,133,500	5,763,500
2040	3,925,000	1,952,000	5,877,000
2041	4,120,000	1,755,750	5,875,750
2042	4,445,000	1,549,750	5,994,750
2043	4,665,000	1,327,500	5,992,500
2044	5,020,000	1,094,250	6,114,250
2045	5,270,000	843,250	6,113,250
2046	5,655,000	579,750	6,234,750
2047	5,940,000	297,000	6,237,000
	\$ 75,030,000	\$ 77,514,000	\$ 152,544,000

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31,	Totals		
	Principal	Interest	Total
2019	\$ -	\$ 4,969,275	\$ 4,969,275
2020	55,000	4,969,275	5,024,275
2021	665,000	4,966,250	5,631,250
2022	580,000	4,931,850	5,511,850
2023	385,000	4,901,500	5,286,500
2024	680,000	4,880,825	5,560,825
2025	1,205,000	4,845,150	6,050,150
2026	1,750,000	4,783,150	6,533,150
2027	1,955,000	4,693,650	6,648,650
2028	2,190,000	4,593,800	6,783,800
2029	2,300,000	4,481,925	6,781,925
2030	2,555,000	4,364,425	6,919,425
2031	2,685,000	4,233,875	6,918,875
2032	2,960,000	4,096,675	7,056,675
2033	3,115,000	3,945,400	7,060,400
2034	3,415,000	3,786,175	7,201,175
2035	3,585,000	3,611,600	7,196,600
2036	3,915,000	3,428,325	7,343,325
2037	4,120,000	3,225,938	7,345,938
2038	4,475,000	3,012,925	7,487,925
2039	4,710,000	2,781,525	7,491,525
2040	5,105,000	2,537,925	7,642,925
2041	5,365,000	2,273,825	7,638,825
2042	5,795,000	1,996,238	7,791,238
2043	6,095,000	1,696,363	7,791,363
2044	6,570,000	1,380,887	7,950,887
2045	8,705,000	1,040,762	9,745,762
2046	5,655,000	579,750	6,234,750
2047	5,940,000	297,000	6,237,000
	\$ 96,530,000	\$ 101,306,263	\$ 197,836,263

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