

Douglas County Special Districts
Annual Report and Disclosure Form

Name of the District	Sterling Ranch Colorado Metropolitan District No. 3; The organizational date for this District is December 10, 2013.																		
Report for Calendar Year	2023																		
Management District Office	c/o STERLING RANCH COMMUNITY AUTHORITY BOARD Jessica Towles, Director of Community Experience and Resident Support Address: 9350 Roxborough Park Road, Sterling Ranch, CO 80125 Phone: (720) 470-3356 Email: Jessica.Towles@sterlingranchcab.com																		
Names, terms and officers of the current board of directors	<table border="1"> <thead> <tr> <th>Name</th><th>Title</th><th>Term Expires</th></tr> </thead> <tbody> <tr> <td>Joey Halligan</td><td>President</td><td>May 2027</td></tr> <tr> <td>Andrew Casazza</td><td>Vice President/Assistant Secretary</td><td>May 2027</td></tr> <tr> <td>Roger Kime</td><td>Treasurer/Assistant Secretary</td><td>May 2025</td></tr> <tr> <td>Greg King</td><td>Secretary & Alternate CAB Representative</td><td>May 2027</td></tr> <tr> <td>Lynn Moffett</td><td>Assistant Secretary & CAB Representative</td><td>May 2025</td></tr> </tbody> </table>	Name	Title	Term Expires	Joey Halligan	President	May 2027	Andrew Casazza	Vice President/Assistant Secretary	May 2027	Roger Kime	Treasurer/Assistant Secretary	May 2025	Greg King	Secretary & Alternate CAB Representative	May 2027	Lynn Moffett	Assistant Secretary & CAB Representative	May 2025
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Joey Halligan	President	May 2027																	
Andrew Casazza	Vice President/Assistant Secretary	May 2027																	
Roger Kime	Treasurer/Assistant Secretary	May 2025																	
Greg King	Secretary & Alternate CAB Representative	May 2027																	
Lynn Moffett	Assistant Secretary & CAB Representative	May 2025																	
Current approved service plan and any amendments	The District's Service Plan (approved August 27, 2013) was not amended in 2023.																		
Boundary changes	None.																		
Current intergovernmental agreements and amendments	The District is a party to the Second Amended and Restated Community Authority Board Establishment Agreement dated March 18, 2020 and originally effective January 6, 2014. The District is party to the Intergovernmental Agreement Re: Sterling Ranch Colorado Metropolitan District No. 7 Subdistrict A and Subdistrict B Operations and Funding Obligations. The District entered into an intergovernmental agreement in 2017 amending its rules and regulations and was provided previously with the 2017 Annual Report. The CAB, of which the District is a member, entered in a number of Intergovernmental Agreements in 2022 with Douglas County concerning various developmental matters.																		
Bylaw, rules and regulations regarding bidding, conflict of interest, contracting and other governance matters	The District currently has no bylaws or rules and regulations regarding governance matters, but the CAB has adopted rules and regulations regarding water and sewer service fees and charges.																		

Litigation involving public improvements	None.
Annual construction schedules for the current year and reconciliation of the capital improvement program for completion of the Improvements in the following two (2) years	No construction by the District took place in 2023, however the Sterling Ranch Community Authority Board (“CAB”), of which the District is a member, undertook significant construction activity since 2021, including the construction or acquisition of water, sewer, street, and park and recreation improvements.
Summary of all current contracts for services related to construction	The District did not enter into any contracts for services related to construction in 2023, but the CAB contracted for significant construction activity in 2023.
List of facilities or improvements constructed by the district that were conveyed or dedicated to the county or municipality	The District did not construct any improvements that were conveyed or dedicated to Douglas County in 2023, however, the CAB, pursuant to various Subdivision Improvement Agreement Intergovernmental Agreements did cause numerous street improvements Sterling Ranch Filings No. 6A, No. 6B and No. 6C were accepted by Douglas County during 2023.
Final assessed valuation of the district as of December 31 of the reporting year	The District’s 2023 Final Assessed Valuation is attached (see Exhibit A).
Annual Budget	The District’s 2024 Adopted Budget and is attached (see Exhibit A).
Audited financial statements or application for exemption from audit	The District’s 2023 Audit is attached (see Exhibit C).
Notice of any uncured defaults existing for more than 90 days under any debt instrument of the district	None.
Any inability of the district to pay its obligations as they come due under any obligation which continues beyond a 90-day period	None.
Total debt authorized; total debt issued; remaining debt authorized and intended to be issued	The District has \$23,400,000,000 in total debt authorization. The Service Plans for Sterling Ranch Colorado Metropolitan Districts 1-7 (“Districts”) limit the aggregate amount of debt that the Districts and/or the CAB can issue to \$1,800,000,000. No debt has yet been issued by the District. The CAB issued \$21,500,000 in Limited Tax Supported Revenue Senior Bonds and \$2,090,000 in Limited Tax

	<p>Supported Revenue Subordinate Bonds in 2015 (refunded by the 2020A and 2020B bond series). In 2016, the CAB issued \$84,000,000 in Taxable Subordinate Limited Revenue Promissory Note, Series 2016, and \$21,000,000 in Taxable Subordinate Limited-Service Fee Revenue Promissory Note, Series 2016. In 2019, the CAB issued \$27,616,932 in Limited Tax Supported District Nos. 1 – 7 Junior Subordinate Series 2019A Bonds. In 2020, the CAB issued \$35,555,000 in Limited Tax Supported District No. 2 Refunding and Improvement Senior Bonds Series 2020A and \$4,445,000 Limited Tax Supported District No. 2 Subordinate Bonds Series 2020B. In 2022, the CAB issued \$99,745,000 in Limited Tax Supported District No. 3 Refunding and Improvement Bonds Series 2022. In 2023 the CAB issued \$12,472,000 of Limited Tax Supported Revenue Subordinate Bonds, Series 2023B. In 2023 the CAB issued Limited Tax Supported District Nos. 1-7 Junior Subordinate Bonds Series 2023A-1 in the amount of \$11,909,056 and Series 2023A-2 \$87,546,425. As of December 31, 2023, CAB has \$1,489,045,587 of debt authorization remaining.</p>
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EXHIBIT A
2023 Assessed Valuation

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4549 - Sterling Ranch Colorado Metro District 3

IN DOUGLAS COUNTY ON 12/22/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$39,688,950
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$65,699,420
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$65,699,420
5. NEW CONSTRUCTION: **	\$19,478,830
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$140,070
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$747,236,296
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$290,726,342
3. ANNEXATIONS/INCLUSIONS:	\$502,027
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$2,055,400
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$0
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

EXHIBIT B
2024 Adopted Budget

2032STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/19/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	2,209,287	3,631,235	6,337,552
Specific ownership taxes	195,369	338,453	570,380
Interest income	3,149	1,202	-
Other Revenue	-	-	67,068
Total revenues	2,407,805	3,970,890	6,975,000
Total funds available	2,407,805	3,970,890	6,975,000
EXPENDITURES			
General Fund	898,964	1,643,174	2,565,000
Debt Service Fund	1,508,841	2,327,716	4,410,000
Total expenditures	2,407,805	3,970,890	6,975,000
Total expenditures and transfers out requiring appropriation	2,407,805	3,970,890	6,975,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH ACTUAL AND ESTIMATED
For the Years Ended and Ending December 31,

1/19/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Single-Family Residential	\$ 6,095,940	\$ 19,383,200	\$ 45,482,630
Commercial	179,090	-	-
Agricultural	9,680	1,080	1,110
State assessed	131,300	6,400	10,000
Vacant land	18,280,960	19,545,460	19,069,060
Personal property	-	752,340	1,136,160
Natural Resources	400	470	460
Certified Assessed Value	<u>\$ 24,697,370</u>	<u>\$ 39,688,950</u>	<u>\$ 65,699,420</u>
MILL LEVY			
General	33.398	37.863	35.565
Debt Service	55.664	53.543	59.871
Total mill levy	<u>89.062</u>	<u>91.406</u>	<u>95.436</u>
PROPERTY TAXES			
General	\$ 824,843	\$ 1,502,743	\$ 2,336,600
Debt Service	1,374,754	2,125,065	3,933,490
Adjustments to Actual/Rounding	(2)	-	-
Levied property taxes	<u>2,199,595</u>	<u>3,627,808</u>	<u>6,270,090</u>
Budgeted property taxes	<u>\$ 2,199,595</u>	<u>\$ 3,627,808</u>	<u>\$ 6,270,090</u>
ASSESSED VALUATION - DEBT ONLY			
Single-Family Residential	\$ -	\$ -	\$ 478,390
State assessed	131,300	-	-
Vacant land	42,790	64,010	645,800
Personal property	-	-	2,600
Certified Assessed Value	<u>\$ 174,090</u>	<u>\$ 64,010</u>	<u>\$ 1,126,790</u>
MILL LEVY			
Debt Service	55.664	53.543	59.871
Total mill levy	<u>55.664</u>	<u>53.543</u>	<u>59.871</u>
PROPERTY TAXES			
Debt Service	\$ 9,691	\$ 3,427	\$ 67,462
Budgeted property taxes	<u>\$ 9,691</u>	<u>\$ 3,427</u>	<u>\$ 67,462</u>
BUDGETED PROPERTY TAXES			
General	\$ 824,842	\$ 1,502,743	\$ 2,336,600
Debt Service	1,384,445	2,128,492	4,000,952
	<u>\$ 2,209,287</u>	<u>\$ 3,631,234</u>	<u>\$ 6,337,552</u>

No assurance provided. See summary of significant assumptions.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH ACTUAL AND ESTIMATED
For the Years Ended and Ending December 31,

1/19/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	824,842	1,502,743	2,336,600
Specific ownership taxes	72,941	139,934	210,294
Interest income	1,181	497	-
Other revenue	-	-	18,106
Total revenues	898,964	1,643,174	2,565,000
Total funds available	898,964	1,643,174	2,565,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	12,390	22,541	35,049
Transfers to CAB	886,574	1,620,633	2,511,845
Contingency	-	-	18,106
Total expenditures	898,964	1,643,174	2,565,000
Total expenditures and transfers out requiring appropriation	898,964	1,643,174	2,565,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH ACTUAL AND ESTIMATED
For the Years Ended and Ending December 31,

1/19/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	1,384,445	2,128,492	4,000,952
Specific ownership taxes	122,428	198,519	360,086
Interest income	1,968	705	-
Other revenue	-	-	48,962
Total revenues	<u>1,508,841</u>	<u>2,327,716</u>	<u>4,410,000</u>
Total funds available	<u>1,508,841</u>	<u>2,327,716</u>	<u>4,410,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	20,796	31,927	60,014
Transfers to CAB	1,488,045	2,295,789	4,301,024
Contingency	-	-	48,962
Total expenditures	<u>1,508,841</u>	<u>2,327,716</u>	<u>4,410,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,508,841</u>	<u>2,327,716</u>	<u>4,410,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court issued on December 10, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within Douglas County, Colorado.

The District was established to provide for the design, planning, acquisition, construction, financing, relocation, installation, completion, operation, maintenance, and repair or replacement of public improvements and services, including streets, park and recreation, water, sanitary and storm sewer, public transportation, mosquito control, traffic and safety controls, fire protection, and television relay and translation. Under its Service Plan, the District was organized in conjunction with six other related Districts: Sterling Ranch Colorado Metropolitan District Nos. 1 through 2 and 4 through 7. Sterling Ranch Colorado Metropolitan District No. 1 serves as a Management District and Sterling Ranch Colorado Metropolitan District Nos. 2 through 7 serve as Financing Districts (collectively, the "Districts"). The Districts entered into a Community Authority Board Establishment Agreement (the "CABEA"), on January 6, 2014, which establishes the Sterling Ranch Community Authority Board (the "CAB"). The CAB will own, operate and maintain certain public improvements within the boundaries of the Districts.

On November 5, 2013, District voters authorized a total indebtedness of \$21,600,000,000 for the above listed facilities, excluding operations and maintenance, intergovernmental agreements, and debt refunding. In the same election, the District voters approved an annual increase in property taxes of \$50,000,000 (without limitation to rate) and an annual increase in fees and charges of \$50,000,000 (without limitation to rate) to pay operations and maintenance and capital costs. The District voters also authorized the District to collect, receive, retain and spend the full amount of all taxes and all other revenues in excess of TABOR spending, revenue raising or other limitations. On November 4, 2014, the District voters authorized an additional indebtedness of \$1,800,000,000 for a total for a total indebtedness of \$23,400,000,000.

The Service Plans for District Nos. 1 – 7 limit the aggregate amount of debt that they may issue together with any debt issued by the CAB to \$1,800,000,000.

The District currently has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 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.

**STERLING RANCH METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected to the District on a monthly basis.

The District's Service Plan provides that the District's debt mill levy may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation (as of January 13, 2013), so that, to the extent possible, the actual revenues generated are neither diminished nor enhanced as a result of such changes. Among other adjustments, a change in the ratio of actual valuation of assessable property (assessment ratio) shall be deemed a change in the method of calculating assessed valuation. The District's Service Plan further provides that operations mill levy will be set to meet the District's budgetary needs on an annual basis. For collection year 2024, the District's mill levy is 59.871 mills for debt service and 35.565 mills for operations.

The District is required to impose a maximum Debt Service Required Mill Levy of 50.000 mills for collection in 2024. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up and deficiencies in the Reserve Fund]. As of December 31, 2023, the adjusted maximum mill levy for debt service is 59.871 mills.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted by the District.

STERLING RANCH METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues – (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected by both the General Fund and Debt Service Fund.

Expenditures

Transfer to CAB

In connection with the CABEA, the District will transfer property taxes, net of fees, derived from the operations mill levy, together with specific ownership taxes, to the CAB to pay for operations and maintenance expenditures. The District will also transfer property taxes, net of fees, derived from the debt service mill levy, together with specific ownership taxes, to the CAB to pay for the principal and interest on bonds issued by the CAB in 2017, which were refunded in 2022, pursuant to a certain Pledge Agreement between the District and the CAB.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

Emergency Reserve

The District did not provide for Emergency Reserves (equal to at least 3% of the General Fund's fiscal year spending as defined under TABOR) because net tax revenues will be transferred to the CAB. The CAB will provide for the emergency reserve.

This information is an integral part of the accompanying budget.

EXHIBIT C
2023 Audit

**STERLING RANCH COLORADO
METROPOLITAN DISTRICT NO. 3
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
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YEAR ENDED DECEMBER 31, 2023**

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Independent Auditor's Report

To the Members of the Board of Directors
Sterling Ranch Colorado Metropolitan Districts No 3
7853 Piney River Avenue
Littleton, CO 80125

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Sterling Ranch Colorado Metropolitan Districts No 3 (the District), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budget and actual statement of the Debt Service Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Assessed Valuation, Mill Levy, and Property Taxes Collected but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Denver, Colorado
September 25, 2024

BASIC FINANCIAL STATEMENTS

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Receivable from County Treasurer	\$ 21,779
Property Tax Receivable	<u>6,337,552</u>
Total Assets	<u>6,359,331</u>
LIABILITIES	
Due to CAB	<u>21,779</u>
Total Liabilities	<u>21,779</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>6,337,552</u>
Total Deferred Inflows of Resources	<u>6,337,552</u>
NET POSITION	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	Expenses				
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 1,640,918	\$ -	\$ -	\$ -	\$ (1,640,918)
Debt Service	2,324,203	-	-	-	(2,324,203)
Total Governmental Activities	<u>\$ 3,965,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(3,965,121)
GENERAL REVENUES					
Property Taxes					3,627,813
Specific Ownership Taxes					336,423
Interest Income					885
Total General Revenues					<u>3,965,121</u>
CHANGES IN NET POSITION					-
Net Position - Beginning of Year					<u>-</u>
NET POSITION - END OF YEAR					<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Debt Service	Total Governmental Funds
ASSETS			
Receivable from County Treasurer	\$ 9,004	\$ 12,775	\$ 21,779
Property Tax Receivable	<u>2,336,600</u>	<u>4,000,952</u>	<u>6,337,552</u>
Total Assets	<u><u>\$ 2,345,604</u></u>	<u><u>\$ 4,013,727</u></u>	<u><u>\$ 6,359,331</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to CAB	<u>\$ 9,004</u>	<u>\$ 12,775</u>	<u>\$ 21,779</u>
Total Liabilities	9,004	12,775	21,779
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	<u>2,336,600</u>	<u>4,000,952</u>	<u>6,337,552</u>
Total Deferred Inflows of Resources	2,336,600	4,000,952	6,337,552
FUND BALANCES			
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 2,345,604</u></u>	<u><u>\$ 4,013,727</u></u>	<u><u>\$ 6,359,331</u></u>

Amounts reported for governmental activities in the statement of net position
are the same as above.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 1,501,327	\$ 2,126,486	\$ 3,627,813
Specific Ownership Taxes	139,225	197,198	336,423
Interest Income	366	519	885
Total Revenues	<u>1,640,918</u>	<u>2,324,203</u>	<u>3,965,121</u>
EXPENDITURES			
County Treasurer's Fee	22,525	31,905	54,430
Transfers to CAB	1,618,393	2,292,298	3,910,691
Total Expenditures	<u>1,640,918</u>	<u>2,324,203</u>	<u>3,965,121</u>
NET CHANGE IN FUND BALANCES	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Amounts reported for governmental activities in the statement of activities
are the same as above.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,502,743	\$ 1,501,327	\$ (1,416)
Specific Ownership Taxes	135,247	139,225	3,978
Interest Income	-	366	366
Other Revenue	12,010	-	(12,010)
Total Revenues	1,650,000	1,640,918	(9,082)
EXPENDITURES			
Contingency	12,010	-	12,010
County Treasurer's Fee	22,541	22,525	16
Transfers to CAB	1,615,449	1,618,393	(2,944)
Total Expenditures	1,650,000	1,640,918	9,082
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

Sterling Ranch Colorado Metropolitan District No. 3 (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the Douglas County (County) District Court issued on November 25, 2013 and recorded in the County records on December 10, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within Douglas County, Colorado.

The District was established to provide for the design, planning, acquisition, construction, financing, relocation, installation, completion, operation, maintenance, and repair or replacement of public improvements and services, including streets, park and recreation, water, sanitary and storm sewer, public transportation, mosquito control, traffic and safety controls, fire protection, and television relay and translation. Under its Service Plan, the District was organized in conjunction with seven other related metropolitan districts and their associated subdistricts: Sterling Ranch Colorado Metropolitan District Nos. 1 through 2, 4 through 7, Subdistricts 4A, 4B, 4C, 4D, 7A, and 7B. Sterling Ranch Colorado Metropolitan District No. 1 serves as a Management District and Sterling Ranch Colorado Metropolitan District Nos. 2 through 7, Subdistricts 7A and 7B serve as Financing Districts (collectively, the Districts). The Districts entered into a Community Authority Board Establishment Agreement (the CABEA), on January 6, 2014 (as amended and restated on June 29, 2015 and March 18, 2020), which establishes the Sterling Ranch Community Authority Board (the CAB). The CAB will own, operate, and maintain certain public improvements within the boundaries of the Districts.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees, and all operations and administrative functions are performed by the CAB pursuant to the CABEA.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest and other related costs on long-term debt of the governmental funds.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded revenue in the year they are available or collected.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District had no cash deposits.

Investments

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

The District will generally limit its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

As of December 31, 2023, the District had no investments.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 AUTHORIZED DEBT

On November 5, 2013, the electors for the District authorized the issuance of indebtedness for public improvements and refunding. On November 4, 2014, the electors of the District authorized additional indebtedness for security services and improvements.

In November 2022, the CAB issued bonds to finance construction of public improvements within the boundaries of the District, and to refund the Series 2017 Bonds previously issued in December 2017. At December 31, 2023, the District's authorized but unissued debt is \$19,504,645,587.

The Service Plans for the Districts limit the aggregate amount of debt that they may issue together, including debt issued by the CAB, to \$1,800,000,000.

NOTE 5 AGREEMENTS

Pledge Agreement

The District entered into an Amended and Restated Pledge Agreement (the Pledge Agreement) with the CAB, dated November 1, 2022, under which the District agrees to impose ad valorem property taxes upon all taxable property of the District, and to transfer the revenues generated from such mill levy imposition, along with specific ownership taxes collected in connection with such mill levy, to the CAB for payment of the CAB's Limited Tax Supported and Special Revenue Bonds, Series 2022 and other debt issuances as may be permitted under the Pledge Agreement.

NOTE 6 RELATED PARTIES

Sterling Ranch LLC (SR LLC) is the owner of or hold options to acquire a significant portion of the properties comprising the service areas of the Districts. SR LLC, Sterling Ranch Development Company (SRDC), and Hobbs Investments LLC (Hobbs), a single member LLC for which SR LLC is the sole member and SRDC is the manager (collectively with SR LLC and SRDC, the SR Entities) have each advanced funds to the CAB. Members of the Board of Directors of the CAB and Districts may hold direct or indirect ownership interests in the SR Entities or may be otherwise associated with the SR Entities and may have conflicts of interest in dealing with the CAB and the Districts.

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District transfers its net operating revenue to the CAB. Therefore, the Emergency Reserves related to the District's revenues are reported in the CAB.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2,128,492	\$ 2,126,486	\$ (2,006)
Specific Ownership Taxes	191,564	197,198	5,634
Interest Income	-	519	519
Other Revenue	29,944	-	(29,944)
Total Revenues	2,350,000	2,324,203	(25,797)
EXPENDITURES			
County Treasurer's Fee	31,927	31,905	22
Transfers to CAB	2,288,129	2,292,298	(4,169)
Contingency	29,944	-	29,944
Total Expenditures	2,350,000	2,324,203	25,797
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2019	\$ 926,610	0.0%	33.166	55.278	88.444	\$ 81,953	\$ 81,118	98.98 %
2020	3,188,920	244.1%	33.398	55.664	89.062	283,060	280,758	99.19 %
2021	10,779,380	238.0%	33.398	55.664	89.062	960,033	960,036	100.00 %
2022	24,871,460	130.7%	33.398	55.664	89.062	2,209,289	2,209,287	100.00 %
2023	39,752,960	59.8%	37.863	53.543	91.406	3,631,235	3,627,813	99.91 %
Estimated for Year Ending December 31, 2024	\$ 66,826,210	68.1%	35.565	59.871	95.436	\$ 6,337,552		