

WESTERLY METROPOLITAN DISTRICT NOS. 1-4

2025 CONSOLIDATED ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Consolidated Service Plan for Westerly Metropolitan District Nos. 1-4 (individually, “**District No. 1**,” “**District No. 2**,” “**District No. 3**,” and “**District No. 4**” and collectively the “**Districts**”), the Districts are required to provide an annual report to the Town of Erie (the “**Town**”) regarding the following matters:

For the year ending December 31, 2025, the Districts make the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no changes made to the Districts’ boundaries during the reporting year.

2. Intergovernmental Agreements entered into or terminated.

The Districts did not enter into or terminate any Intergovernmental Agreements during the reporting year.

3. Access information to obtain a copy of rules and regulations adopted by the Boards.

Rules and regulations, if adopted by the Boards, can be found by visiting the Districts’ website at <https://westerlymetrodistricts1-4.com>.

4. A summary of litigation involving public improvements owned by the Districts.

To our actual knowledge, based on review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts’ public improvements as of December 31, 2025.

5. Status of the construction of public improvements by the Districts.

District No. 1 continued erosion control work; water, sanitary and storm sewer improvements construction; concrete and asphalt work related to street improvements; and landscape restoration, irrigation, monumentation, playgrounds, retaining walls, lighting, and signage related to parks and recreation in multiple filings within the Districts. Acceptances of improvements to be owned by the Town are in process.

6. A list of facilities or improvements constructed by the Districts that were conveyed or dedicated to the county or municipality.

No facilities or improvements constructed by the District were conveyed or dedicated to the county or municipality during the reporting year.

7. The final assessed valuation of the Districts as of December 31st of the reporting year.

As of December 31, 2025, the assessed valuation of each District is as follows:

District No. 1 – \$5,770
District No. 2 – \$13,898,800
District No. 3 – \$193,940
District No. 4 - \$602,050

8. A copy of the current year's budget.

Copies of the Districts' 2026 Budgets are attached hereto as **Exhibit A**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2025 Audit Exemptions for District Nos. 2 & 3 are attached hereto as **Exhibit B**. The 2025 Audits for District Nos. 1 and 4 are in process and will be provided in a supplemental report once available.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the Districts.

The Districts are not aware of any uncured events of default under any debt instrument which existed beyond a ninety (90) day period.

11. Any inability of the Districts to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.

The Districts are not aware of any inability to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.

Service Plan Requirements

1. A narrative summary of the progress of the Districts in implementing its Service Plan:

The Districts entered into construction contracts in 2025 for the construction of public improvements within and without the Districts' boundaries.

2. **Except when an exemption from audit has been granted for the fiscal year under the Local Government Audit Law, the audited financial statements of the Districts for the fiscal year including a statement of financial condition (i.e. balance sheet) as of December 31 of the fiscal year and the statement of operations (i.e. revenues and expenditures) for the fiscal year:**

The 2025 Audit Exemptions for District Nos. 2 & 3 are attached hereto as **Exhibit B**. The 2025 Audits for District Nos. 1 and 4 are in process and will be provided in a supplemental report once available.

3. **Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of public facilities in the fiscal year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the fiscal year:**

Copies of the Districts' 2026 Budgets are attached hereto as **Exhibit A**.

4. **Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the fiscal year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the fiscal year, the amount of payment or retirement of existing indebtedness of the Districts in the fiscal year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the fiscal year, and the current mill levy of the Districts pledged to debt retirement in the fiscal year:**

Copies of the Districts' 2026 Budgets are attached hereto as **Exhibit A**.

5. **The Districts' budgets for the calendar year in which the annual report is submitted:**

Copies of the Districts' 2026 Budgets are attached hereto as **Exhibit A**.

6. **A summary of residential development which has occurred within the Districts for the fiscal year:**

Construction and sale of homes started within District No. 2 in 2022 and continued in 2025.

7. **A summary of all taxes, fees, charges and assessments imposed by the Districts as of January 1 of the fiscal year:**

Copies of the Districts' 2026 Budgets, which include mill levies imposed, are attached hereto as **Exhibit A**.

8. The name, business address and telephone number of each member of the Boards and their chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards.

Director	Position	Address
Alex Woodin	President	2154 E. Commons Ave. Ste 2000 Centennial, CO 80122
Jeremy Moss	Sec./Treas.	2154 E. Commons Ave. Ste 2000 Centennial, CO 80122
Ryan Johnson (District 2 only)	Assistant Secretary	2154 E. Commons Ave. Ste 2000 Centennial, CO 80122
Vacant		
Vacant		

Regular meetings are scheduled for the second Thursday of January, April, July, and October, 10:00 a.m., by telephone, electronic, or other means not including physical presence.

An Annual meeting is scheduled for October 8th at 10:00 a.m.

Chief Admin. Officer – None.

General Legal Counsel – Zachary P. White, Esq., WBA, PC, 2154 E. Commons Ave., Suite 2000, Centennial, CO 80122; 303-858-1800.

EXHIBIT A
2026 Budgets

WESTERLY METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

WESTERLY METROPOLITAN DISTRICT NO. 1
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (4,278,518)	\$ (1,043,106)	\$ -
REVENUES			
Property taxes	159	268	384
Specific ownership taxes	6	12	16
Interest Income	6,639	699	800
Developer advance	15,609,268	9,526,690	14,406,031
Facilities fees	138,500	175,000	175,000
Sidewalk fees	162,815	168,458	175,000
Pool Fees	547,625	416,000	500,000
Damage fees	112,184	89,764	75,000
Lennar - Cost Reimbursement	284,479	-	-
Other Revenue	100,001	-	21,444
IGA Revenue WMD2	29,831	71,427	123,460
IGA Revenue WMD3	260	297	307
IGA Revenue WMD4	603	1,001	6,758
Total revenues	16,992,370	10,449,616	15,484,200
Total funds available	12,713,852	9,406,510	15,484,200
EXPENDITURES			
General Fund	282,316	218,689	290,000
Debt Service Fund	139,229	175,921	190,000
Capital Projects Fund	13,335,413	9,011,900	15,000,000
Total expenditures	13,756,958	9,406,510	15,480,000
Total expenditures and transfers out requiring appropriation	13,756,958	9,406,510	15,480,000
ENDING FUND BALANCES	\$ (1,043,106)	\$ -	\$ 4,200

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
State assessed	\$ 2,170	\$ 3,760	\$ 5,600
Vacant land	290	180	170
	<u>2,460</u>	<u>3,940</u>	<u>5,770</u>
MILL LEVY			
General	10.394	10.394	7.444
Debt Service	57.167	57.169	59.075
Total mill levy	<u>67.561</u>	<u>67.563</u>	<u>66.519</u>
PROPERTY TAXES			
General	\$ 26	\$ 41	\$ 43
Debt Service	141	225	341
Levied property taxes	<u>167</u>	<u>266</u>	<u>384</u>
Adjustments to actual/rounding	(8)	2	-
Budgeted property taxes	<u>\$ 159</u>	<u>\$ 268</u>	<u>\$ 384</u>
BUDGETED PROPERTY TAXES			
General	\$ 24	\$ 41	\$ 43
Debt Service	135	227	341
	<u>\$ 159</u>	<u>\$ 268</u>	<u>\$ 384</u>

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (55)	\$ (14,863)	\$ -
REVENUES			
Property taxes	25	41	43
Specific ownership taxes	1	2	2
Interest Income	15	15	100
Developer advance	236,775	160,773	156,036
Other Revenue	1	-	7,499
IGA Revenue WMD2	29,831	71,427	123,460
IGA Revenue WMD3	260	297	307
IGA Revenue WMD4	600	997	6,753
Total revenues	267,508	233,552	294,200
Total funds available	267,453	218,689	294,200
EXPENDITURES			
General and administrative			
Accounting	92,476	60,650	90,000
Auditing	9,700	10,510	12,000
County Treasurer's Fee	-	1	1
Dues and Membership	1,078	1,233	1,500
Insurance	12,036	14,295	14,000
Legal	59,765	38,000	60,000
Election	113	4,000	-
Contingency	-	-	7,499
Website	600	5,000	5,000
Operations and maintenance			
Landscaping	17,864	-	-
Utilities	88,684	85,000	100,000
Total expenditures	282,316	218,689	290,000
Total expenditures and transfers out requiring appropriation	282,316	218,689	290,000
ENDING FUND BALANCES	\$ (14,863)	\$ -	\$ 4,200
EMERGENCY RESERVE	\$ 1,000	\$ 2,200	\$ 4,200
AVAILABLE FOR OPERATIONS	(15,863)	(2,200)	-
TOTAL RESERVE	\$ (14,863)	\$ -	\$ 4,200

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	134	227	341
Specific ownership taxes	5	10	14
Interest Income	590	684	700
Facilities fees	138,500	175,000	175,000
Other Revenue	-	-	13,945
Total revenues	139,229	175,921	190,000
Total funds available	139,229	175,921	190,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	2	3	5
Contingency	-	-	13,945
IGA Expenditure WMD4	139,227	175,918	176,050
Total expenditures	139,229	175,921	190,000
Total expenditures and transfers out requiring appropriation	139,229	175,921	190,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (4,278,463)	\$ (1,028,243)	\$ -
REVENUES			
Sidewalk fees	162,815	168,458	175,000
Pool Fees	547,625	416,000	500,000
Damage fees	112,184	89,764	75,000
Interest Income	6,034	-	-
Developer advance	15,372,493	9,365,917	14,249,995
Other Revenue	100,000	-	-
Lennar - Cost Reimbursement	284,479	-	-
IGA Revenue WMD4	3	4	5
Total revenues	16,585,633	10,040,143	15,000,000
Total funds available	12,307,170	9,011,900	15,000,000
EXPENDITURES			
General and Administrative			
Miscellaneous	317	-	-
Capital Projects			
Engineering	81,585	11,900	100,000
Capital outlay	13,253,511	9,000,000	14,900,000
Total expenditures	13,335,413	9,011,900	15,000,000
Total expenditures and transfers out requiring appropriation	13,335,413	9,011,900	15,000,000
ENDING FUND BALANCES	\$ (1,028,243)	\$ -	\$ -

See summary of significant assumptions.

**WESTERLY METROPOLITAN DISTRICT NO. 1
2026 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 Weld County District Court on June 24, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Erie.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

Westerly Metro Districts Nos. 1-4 are expected to work together to provide for the acquisition, construction, and financing of the public improvements for the Development where District No. 1 acts as the operating district and provides for the construction or acquisition of the infrastructure, District No. 4 issues the debt and Districts No. 2 and 3 act as financing districts that levy taxes and support Districts 1 and 4.

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

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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 55.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2025, the adjusted maximum mill levy for debt service is 59.075 mills.

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

WESTERLY METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			Oil & Gas Production	87.50%

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 4% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Facilities Fees

The District imposes a Facilities Fee of \$1,700 on each SFD and a Facilities Fee of \$1,200 on each SFA residential unit. The fees are payable by homebuilders at the time of issuance of building permits. The revenue from the fees is pledged for payment of bonds or any other indebtedness of the District.

Damage and Sidewalk Fees

The District collects fees for damages to sidewalks and other infrastructure caused by the construction of residential property. These fees will be used by the District to repair the damages.

Pool Fees

The District imposes fees between \$4,875 and \$6,500 to pay for a community pool.

**WESTERLY METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

EXPENDITURES

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR

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

WESTERLY METRO DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

WESTERLY METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	183,457	447,102	978,823
Specific ownership taxes	6,643	19,172	39,152
Interest Income	1,615	1,482	3,000
Other Revenue	804	-	24,025
Total revenues	192,519	467,756	1,045,000
Total funds available	192,519	467,756	1,045,000
EXPENDITURES			
General Fund	30,254	72,460	135,000
Debt Service Fund	162,265	395,296	910,000
Total expenditures	192,519	467,756	1,045,000
Total expenditures and transfers out requiring appropriation	192,519	467,756	1,045,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

ASSESSED VALUATION

Residential	\$ 300,070	\$ 3,878,550	\$ 8,821,360
Commercial	250	168,920	226,120
Agricultural	5,850	29,340	29,570
State assessed	29,710	65,680	141,980
Vacant land	2,151,660	1,916,860	4,611,580
Oil and Gas	79,870	64,100	68,190
Certified Assessed Value	<u>\$ 2,567,410</u>	<u>\$ 6,123,450</u>	<u>\$ 13,898,800</u>

MILL LEVY

General	10.995	11.247	8.631
Debt Service	60.475	61.860	61.794
Total mill levy	<u>71.470</u>	<u>73.107</u>	<u>70.425</u>

PROPERTY TAXES

General	\$ 28,229	\$ 68,870	\$ 119,961
Debt Service	155,264	378,797	858,862
Levied property taxes	183,493	447,667	978,823
Adjustments to actual/rounding	(36)	-	-
Refunds and abatements	-	(565)	-
Budgeted property taxes	<u>\$ 183,457</u>	<u>\$ 447,102</u>	<u>\$ 978,823</u>

BUDGETED PROPERTY TAXES

General	\$ 28,223	\$ 68,784	\$ 119,961
Debt Service	155,234	378,318	858,862
	<u>\$ 183,457</u>	<u>\$ 447,102</u>	<u>\$ 978,823</u>

WESTERLY METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	28,223	68,784	119,961
Specific ownership taxes	1,022	2,950	4,798
Interest Income	205	726	500
Other Revenue	804	-	9,741
Total revenues	30,254	72,460	135,000
Total funds available	30,254	72,460	135,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	423	1,033	1,799
Contingency	-	-	9,741
IGA Expenditure WMD1	29,831	71,427	123,460
Total expenditures	30,254	72,460	135,000
Total expenditures and transfers out requiring appropriation	30,254	72,460	135,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	155,234	378,318	858,862
Specific ownership taxes	5,621	16,222	34,354
Interest Income	1,410	756	2,500
Other Revenue	-	-	14,284
Total revenues	162,265	395,296	910,000
Total funds available	162,265	395,296	910,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	2,329	5,682	12,883
IGA Expenditure WMD4	159,936	389,614	882,833
Contingency	-	-	14,284
Total expenditures	162,265	395,296	910,000
Total expenditures and transfers out requiring appropriation	162,265	395,296	910,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

**WESTERLY METRO DISTRICT NO. 2
2026 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 Weld County District Court on June 24, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Erie.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

Westerly Metro Districts Nos. 1-4 are expected to work together to provide for the acquisition, construction, and financing of the public improvements for the Development where District No. 1 acts as the operating district and provides for the construction or acquisition of the infrastructure, District No. 4 issues the debt and Districts No. 2 and 3 act as financing districts that levy taxes and support Districts 1 and 4.

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

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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 55.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund]. As of December 31, 2025, the adjusted maximum mill levy for debt service is 61.794 mills.

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

**WESTERLY METRO DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

REVENUES (CONTINUED)

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			Oil & Gas Production	87.50%

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 4% of the property taxes collected.

EXPENDITURES

Administrative and Operating Expenditures

Administrative and operating expenditures are captured in the WMD No. 1 budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR

This information is an integral part of the accompanying budget.

WESTERLY METROTROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**WESTERLY METROPOLITAN DISTRICT NO. 3
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	\$ 1,549	\$ 1,853	\$ 11,757
Specific ownership taxes	56	80	470
Interest Income	88	24	200
Other Revenue	4	-	573
Total revenues	1,697	1,957	13,000
Total funds available	1,697	1,957	13,000
EXPENDITURES			
General Fund	264	301	500
Debt Service Fund	1,433	1,656	12,500
Total expenditures	1,697	1,957	13,000
Total expenditures and transfers out requiring appropriation	1,697	1,957	13,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/18/25

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Agricultural	\$ 5,160	\$ 5,160	\$ 5,480
State assessed	17,470	19,200	30,960
Oil and Gas	-	2,780	157,500
Certified Assessed Value	<u>\$ 22,630</u>	<u>\$ 27,140</u>	<u>\$ 193,940</u>

MILL LEVY

General	10.528	10.506	1.548
Debt Service	57.908	57.785	59.074
Total mill levy	<u>68.436</u>	<u>68.291</u>	<u>60.622</u>

PROPERTY TAXES

General	\$ 238	\$ 285	\$ 300
Debt Service	1,310	1,568	11,457
Levied property taxes	<u>1,548</u>	<u>1,853</u>	<u>11,757</u>
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	<u>\$ 1,549</u>	<u>\$ 1,853</u>	<u>\$ 11,757</u>

BUDGETED PROPERTY TAXES

General	\$ 238	\$ 285	\$ 300
Debt Service	1,311	1,568	11,457
	<u>\$ 1,549</u>	<u>\$ 1,853</u>	<u>\$ 11,757</u>

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/18/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	238	285	300
Specific ownership taxes	9	12	12
Interest Income	13	4	-
Other Revenue	4	-	188
Total revenues	264	301	500
Total funds available	264	301	500
EXPENDITURES			
General and administrative			
County Treasurer's Fee	4	4	5
Contingency	-	-	188
IGA Expenditure WMD1	260	297	307
Total expenditures	264	301	500
Total expenditures and transfers out requiring appropriation	264	301	500
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

**WESTERLY METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	1,311	1,568	11,457
Specific ownership taxes	47	68	458
Interest Income	75	20	200
Other Revenue	-	-	385
Total revenues	1,433	1,656	12,500
Total funds available	1,433	1,656	12,500
EXPENDITURES			
General and administrative			
County Treasurer's Fee	20	24	172
IGA Expenditure WMD4	1,413	1,632	11,943
Contingency	-	-	385
Total expenditures	1,433	1,656	12,500
Total expenditures and transfers out requiring appropriation	1,433	1,656	12,500
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

**WESTERLY METROPOLITAN DISTRICT NO. 3
2026 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 Weld County District Court on June 24, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Erie.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

Westerly Metro Districts Nos. 1-4 are expected to work together to provide for the acquisition, construction, and financing of the public improvements for the Development where District No. 1 acts as the operating district and provides for the construction or acquisition of the infrastructure, District No. 4 issues the debt and Districts No. 2 and 3 act as financing districts that levy taxes and support Districts 1 and 4.

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

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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 55.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund]. As of December 31, 2025, the adjusted maximum mill levy for debt service is 59.074 mills.

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

**WESTERLY METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

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 4% of the property taxes collected.

EXPENDITURES

Administrative and Operating Expenditures

Administrative and operating expenditures are captured in the WMD No. 1 budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No.1, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

WESTERLY METROPOLITAN DISTRICT NO. 4
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

WESETRLY METROPOLITAN DISTRICT NO. 4
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 4,240,634	\$ 3,180,078	\$ 2,323,716
REVENUES			
Property taxes	3,298	6,223	42,032
Specific ownership taxes	119	266	1,682
Interest Income	195,461	130,448	135,130
Other Revenue	12	-	1,150
IGA Revenue WMD1	139,227	175,918	176,050
IGA Revenue WMD2	159,936	389,614	882,833
IGA Revenue WMD3	1,413	1,632	11,943
Total revenues	499,466	704,101	1,250,820
Total funds available	4,740,100	3,884,179	3,574,536
EXPENDITURES			
General Fund	608	1,011	8,000
Debt Service Fund	1,559,411	1,559,448	1,559,902
Capital Projects Fund	3	4	5
Total expenditures	1,560,022	1,560,463	1,567,907
Total expenditures and transfers out requiring appropriation	1,560,022	1,560,463	1,567,907
ENDING FUND BALANCES	\$ 3,180,078	\$ 2,323,716	\$ 2,006,629

See summary of significant assumptions.

WESETRLY METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Commercial	\$ -	\$ -	\$ 571,760
State assessed	4,350	4,140	4,240
Vacant land	44,480	87,970	26,050
Certified Assessed Value	<u>\$ 48,830</u>	<u>\$ 92,110</u>	<u>\$ 602,050</u>

MILL LEVY

General	10.394	10.394	10.740
Debt Service	57.168	57.168	59.074
Total mill levy	<u>67.562</u>	<u>67.562</u>	<u>69.814</u>

PROPERTY TAXES

General	\$ 508	\$ 957	\$ 6,466
Debt Service	2,792	5,266	35,566
Levied property taxes	<u>3,300</u>	<u>6,223</u>	<u>42,032</u>
Adjustments to actual/rounding	(2)	-	-
Budgeted property taxes	<u>\$ 3,298</u>	<u>\$ 6,223</u>	<u>\$ 42,032</u>

BUDGETED PROPERTY TAXES

General	\$ 507	\$ 957	\$ 6,466
Debt Service	2,791	5,266	35,566
	<u>\$ 3,298</u>	<u>\$ 6,223</u>	<u>\$ 42,032</u>

WESETRLY METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	508	957	6,466
Specific ownership taxes	18	40	259
Interest Income	70	14	125
Other Revenue	12	-	1,150
Total revenues	608	1,011	8,000
Total funds available	608	1,011	8,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	8	14	97
Contingency	-	-	1,150
IGA Expenditure WMD1	600	997	6,753
Total expenditures	608	1,011	8,000
Total expenditures and transfers out requiring appropriation	608	1,011	8,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

WESETRLY METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 4,240,634	\$ 3,180,078	\$ 2,323,716
REVENUES			
Property taxes	2,790	5,266	35,566
Specific ownership taxes	101	226	1,423
Interest Income	195,388	130,430	135,000
IGA Revenue WMD1	139,227	175,918	176,050
IGA Revenue WMD2	159,936	389,614	882,833
IGA Revenue WMD3	1,413	1,632	11,943
Total revenues	498,855	703,086	1,242,815
Total funds available	4,739,489	3,883,164	3,566,531
EXPENDITURES			
General and administrative			
County Treasurer's Fee	42	79	533
Paying agent fees	8,000	8,000	8,000
Debt Service			
Bond Interest - Series 2021 A1	1,551,369	1,551,369	1,551,369
Total expenditures	1,559,411	1,559,448	1,559,902
Total expenditures and transfers out requiring appropriation	1,559,411	1,559,448	1,559,902
ENDING FUND BALANCES	\$ 3,180,078	\$ 2,323,716	\$ 2,006,629

See summary of significant assumptions.

**WESETRLY METROPOLITAN DISTRICT NO. 4
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/26/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Interest Income	3	4	5
Total revenues	3	4	5
Total funds available	3	4	5
EXPENDITURES			
General and Administrative			
Capital Projects			
IGA Expenditure WMD1	3	4	5
Total expenditures	3	4	5
Total expenditures and transfers out requiring appropriation	3	4	5
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

WESTERLY METROPOLITAN DISTRICT NO. 4
2026 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 Weld County District Court on June 24, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Erie.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

Westerly Metro Districts Nos. 1-4 are expected to work together to provide for the acquisition, construction, and financing of the public improvements for the Development where District No. 1 acts as the operating district and provides for the construction or acquisition of the infrastructure, District No. 4 issues the debt and Districts No. 2 and 3 act as financing districts that levy taxes and support Districts 1 and 4.

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

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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 59.074 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2025, the adjusted maximum mill levy for debt service is 59.074 mills.

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

**WESTERLY METROPOLITAN DISTRICT NO. 4
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

REVENUES - CONTINUED

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

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 4% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

EXPENDITURES

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR

WESTERLY METROPOLITAN DISTRICT NO. 4
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS
Debt and Leases

Bond Proceeds

The District issued the General Obligation Limited Tax Bonds on February 19, 2021, in the par amounts of: \$31,345,000 for the 2021A-1 Senior Bonds, \$5,001,197.60 (value at issuance) and \$6,730,000 (value at conversion date) for the 2021A-2 Senior Bonds, and \$8,476,000 for the Subordinate Bonds.

Proceeds from the sale of the Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to a residential and commercial development in the Town; (ii) pay capitalized interest on the 2021A-1 Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds of the Subordinate Bonds will be used to finance additional public improvements related to the Development.

Details of the 2021A-1 Senior Bonds

The 2021A-1 Senior Bonds are expected to bear interest at rates ranging from 4.125% to 5.000% per annum and are payable semiannually on June 1 and December 1, beginning on December 1, 2021. The 2021A-1 Senior Bonds have a final maturity on December 1, 2050. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2028.

To the extent principal of any 2021A-1 Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date of December 2, 2060, and shall continue to bear interest at the rate then borne by the 2021A-1 Senior Bond. To the extent interest on any 2021A-1 Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2021A-1 Senior Bond. If any amount of principal or interest due on the 2021A-1 Senior Bonds remains unpaid on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

The 2021A-2 Senior Bonds will be issued as capital appreciation bonds that automatically convert to current interest bonds on December 1, 2026. Prior to conversion to current interest bonds, the 2021A-2 Senior Bonds do not pay current interest; instead they accrete in value at an annual yield equal to 5.200%. The accreted amount compounds semiannually on each interest payment date (June 1 and December 1), beginning June 1, 2021, to and including December 1, 2026. Such accreted amount, together with the original principal amount of the 2021A-2 Senior Bonds, bears interest at the interest rate borne by the 2021A-2 Senior Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion on December 1, 2026, will be \$6,730,000. Upon conversion to current interest bonds, the 2021A-2 Senior Bonds will bear interest at a rate of 5.200%, payable semiannually on June 1 and December 1, commencing on June 1, 2027. Annual principal payments are due on December 1 of each year beginning December 1, 2028. The 2021A-2 Senior Bonds mature on December 1, 2050.

On and after conversion to current interest bonds, to the extent principal of any 2021A-2 Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date of December 2, 2060, and shall continue to bear interest at the rate then borne by the 2021A-2 Senior Bond. To the extent interest on any 2021A-2 Senior Bond is not paid when due, such unpaid interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2021A-2 Senior Bond. If any amount of principal or interest due on the 2021A-2 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

WESTERLY METROPOLITAN DISTRICT NO. 4
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

Details of the 2021A-1 Senior Bonds (Continued)

Security for the Senior Bonds

The Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue defined generally as the following, net of any costs of collection:

- (a) the Senior Required Mill Levy; including, without limitation, the ad valorem property tax revenue derived from imposition of the Senior Required Mill Levy in tax levy year 2024 (for tax collection year 2025);
- (b) the Pledge Agreement Revenues;
- (c) the Capital Fees;
- (d) the portion of the Senior Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

“Pledge Agreement Revenues” means the moneys derived from the Pledge Districts Capital Revenue.

“Capital Fees” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future, and include the Capital Facilities Fee.

Senior Required Mill Levy

The District has covenanted to impose a Senior Required Mill Levy upon all taxable property in the District each year in an amount sufficient to pay the Senior Bonds when due, but (i) not in excess of 55 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2017), and (ii) for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 55 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds when due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount

Additional Security for the Senior Bonds

The 2021A-1 Senior Bonds are further secured by capitalized interest which will be funded from proceeds of the 2021A-1 Senior Bonds in the amount of \$4,654,106 and by amounts in the Senior Surplus Fund (if any).

Except for an initial deposit of \$3,294,000 from proceeds of the Senior Bonds, the Senior Surplus Fund will be funded from deposits of annual Senior Pledged Revenue in excess of that needed to pay annual debt service (if any) up to the Maximum Surplus Amount of \$7,269,240. The Senior Surplus Fund shall be maintained for so long as any Senior Bonds are outstanding.

WESTERLY METROPOLITAN DISTRICT NO. 4
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

Details of the 2021A-1 Senior Bonds (Continued)

Except to the extent Senior Pledged Revenue is available, the District has no obligation to fund the Senior Surplus Fund after issuance of the Senior Bonds in any amount.

The forecast anticipates that the Senior Surplus Fund will be drawn upon in 2024 and 2025 to meet annual debt service requirements of the Senior Bonds. The District acknowledges that the law places certain restrictions on the use of bond proceeds and debt service mill levies.

Optional Redemption for the Bonds

The Senior Bonds and the Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2026, to February 28, 2027	3.00%
March 1, 2027, to February 29, 2028	2.00
March 1, 2028, to February 28, 2029	1.00
March 1, 2029, and thereafter	0.00

Details of the Subordinate Bonds

The Subordinate Bonds are expected to bear interest at the rate of 8.000% per annum and are payable annually on December 15, beginning December 15, 2021 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

If any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on the Subordinate Bonds Termination Date of December 16, 2060, such unpaid amount will be deemed discharged.

Security for the Subordinate Bonds

Subordinate Pledged Revenue means the money derived by the District from the following sources, net of any costs of collection:

- (a) the Subordinate Required Mill Levy; including, without limitation, the ad valorem property tax revenue derived from imposition of the Subordinate Required Mill Levy in tax levy year 2024 (for tax collection year 2025);
- (b) the Subordinate Pledge Agreement Revenues;
- (c) the Subordinate Capital Fee Revenue, if any;

WESTERLY METROPOLITAN DISTRICT NO. 4
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

Details of the 2021A-1 Senior Bonds (Continued)

Security for the Subordinate Bonds (Continued)

(d) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and

(e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

“Subordinate Pledged Agreement Revenues” means any revenue from Pledge Agreement Revenues remaining after deduction of any amount applied to the payment of any Senior Bonds.

“Subordinate Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Bonds.

Subordinate Required Mill Levy

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in the amount of 55 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2017) less the amount of the Senior Bond Mill Levy, or such lesser mill levy which is sufficient to pay all of the principal and interest of the Subordinate Bonds in full. Senior Bond Mill Levy means the mill levy required to be used to repay any Senior Bonds. If the amount of the Senior Bond Mill Levy equals or exceeds 55 mills (subject to adjustment) in any year, the Subordinate Required Mill Levy for that year shall be zero.

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2023	Additions*	Reductions*	Balance at December 31, 2024*	Additions*	Reductions*	Balance at December 31, 2025*
Bonds Payable:							
General Obligation Bonds							
Bond Payable 2021A-1	\$ 31,345,000	\$ -	\$ -	\$ 31,345,000	\$ -	\$ -	\$ 31,345,000
Bond Payable 2021A-2	5,001,198	-	-	5,001,198	-	-	5,001,198
Bond Payable 2021B	8,476,000	-	-	8,476,000	-	-	8,476,000
Accrued Interest:							
Accrued Bond Accretion 2021A-2	768,163	303,927	-	1,072,090	319,877	-	1,391,967
Accrued Bond 2021B Interest	2,095,835	845,747	-	2,941,582	913,407	-	3,854,988
Subtotal Bonds Payable	47,686,196	1,149,674	-	48,835,870	1,233,284	-	50,069,153
Bond Premium/Discount:							
Unamortized Bond Premium	829,936	-	41,627	788,309	-	41,627	746,682
Subtotal Bond Premium/Discount	829,936	-	41,627	788,309	-	41,627	746,682
Total Long-Term Obligations	\$ 48,516,132	\$ 1,149,674	\$ 41,627	\$ 49,624,179	\$ 1,233,284	\$ 41,627	\$ 50,815,835
	*Estimated						

This information is an integral part of the accompanying budget

WESTERLY METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$31,345,000			
General Obligation Limited Tax Bonds			
Dated February 19, 2021			
Series 2021A-1			
Interest Rates Ranging from 4.125% to 5.000%			
Payable June 1 and December 1			
Principal Due December 1			
Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2026	\$ -	\$ 1,551,369	\$ 1,551,369
2027	-	1,551,369	1,551,369
2028	180,000	1,551,369	1,731,369
2029	410,000	1,543,944	1,953,944
2030	580,000	1,527,031	2,107,031
2031	645,000	1,503,106	2,148,106
2032	710,000	1,476,500	2,186,500
2033	750,000	1,441,000	2,191,000
2034	830,000	1,403,500	2,233,500
2035	870,000	1,362,000	2,232,000
2036	960,000	1,318,500	2,278,500
2037	1,005,000	1,270,500	2,275,500
2038	1,105,000	1,220,250	2,325,250
2039	1,160,000	1,165,000	2,325,000
2040	1,265,000	1,107,000	2,372,000
2041	1,325,000	1,043,750	2,368,750
2042	1,440,000	977,500	2,417,500
2043	1,510,000	905,500	2,415,500
2044	1,635,000	830,000	2,465,000
2045	1,715,000	748,250	2,463,250
2046	1,855,000	662,500	2,517,500
2047	1,945,000	569,750	2,514,750
2048	2,095,000	472,500	2,567,500
2049	2,200,000	367,750	2,567,750
2050	5,155,000	257,750	5,412,750
	\$ 31,345,000	\$ 27,827,688	\$ 59,172,688

WESTERLY METROPOLITAN DISTRICT NO. 4
SCHEDULE OF ESTIMATED 2021A-2 BONDS DEBT SERVICE REQUIREMENTS

Series 2021A-2 Convertible Capital Appreciation Bonds

Dated: February 19, 2021 **\$5,001,198** Value at Issuance
Issued: February 19, 2021 **6,730,000.00** Value at Current Interest Conversion Date of
Interest Rate: 5.200% **Conversion Date:** December 1, 2026
Principal payments due on December 1

Year	Issue Amount	Accreted Amount	Total Value at Maturity	Interest Rate from Conversion Date	Current Interest after Conversion Date	Total Bonds Debt Service	2021A-2 Bonds Debt Service	Bond Principal Outstanding After Conversion	Year
2025	-	-	-	-	-	-	-	-	2025
2026	-	-	-	-	-	-	-	6,730,000	2026
2027	-	-	-	5.200%	349,960	349,960	349,960	6,730,000	2027
2028	26,009.20	8,990.80	35,000.00	5.200%	349,960	384,960	384,960	6,695,000	2028
2029	63,165.20	21,834.80	85,000.00	5.200%	348,140	433,140	433,140	6,610,000	2029
2030	89,174.40	30,825.60	120,000.00	5.200%	343,720	463,720	463,720	6,490,000	2030
2031	100,321.20	34,678.80	135,000.00	5.200%	337,480	472,480	472,480	6,355,000	2031
2032	115,183.60	39,816.40	155,000.00	5.200%	330,460	485,460	485,460	6,200,000	2032
2033	118,899.20	41,100.80	160,000.00	5.200%	322,400	482,400	482,400	6,040,000	2033
2034	133,761.60	46,238.40	180,000.00	5.200%	314,080	494,080	494,080	5,860,000	2034
2035	141,192.80	48,807.20	190,000.00	5.200%	304,720	494,720	494,720	5,670,000	2035
2036	152,339.60	52,660.40	205,000.00	5.200%	294,840	499,840	499,840	5,465,000	2036
2037	163,486.40	56,513.60	220,000.00	5.200%	284,180	504,180	504,180	5,245,000	2037
2038	178,348.80	61,651.20	240,000.00	5.200%	272,740	512,740	512,740	5,005,000	2038
2039	185,780.00	64,220.00	250,000.00	5.200%	260,260	510,260	510,260	4,755,000	2039
2040	204,358.00	70,642.00	275,000.00	5.200%	247,260	522,260	522,260	4,480,000	2040
2041	215,504.80	74,495.20	290,000.00	5.200%	232,960	522,960	522,960	4,190,000	2041
2042	234,082.80	80,917.20	315,000.00	5.200%	217,880	532,880	532,880	3,875,000	2042
2043	248,945.20	86,054.80	335,000.00	5.200%	201,500	536,500	536,500	3,540,000	2043
2044	267,523.20	92,476.80	360,000.00	5.200%	184,080	544,080	544,080	3,180,000	2044
2045	282,385.60	97,614.40	380,000.00	5.200%	165,360	545,360	545,360	2,800,000	2045
2046	300,963.60	104,036.40	405,000.00	5.200%	145,600	550,600	550,600	2,395,000	2046
2047	319,541.60	110,458.40	430,000.00	5.200%	124,540	554,540	554,540	1,965,000	2047
2048	341,835.20	118,164.80	460,000.00	5.200%	102,180	562,180	562,180	1,505,000	2048
2049	360,413.20	124,586.80	485,000.00	5.200%	78,260	563,260	563,260	1,020,000	2049
2050	757,982.40	262,017.60	1,020,000.00	5.200%	53,040	1,073,040	1,073,040	-	2050
2051	-	-	-	-	-	-	-	-	2051
	5,001,197.60	1,728,802.40	6,730,000.00		5,865,600	12,595,600	12,595,600		

USE OF PROCEEDS:

Project Fund	\$4,401,173.65
Deposit to Surplus Fund	500,000.00
Underwriter's Discount	100,023.95
	<u>\$5,001,197.60</u>

EXHIBIT B
2025 Audit Exemptions (District Nos. 2 & 3)

Application for Exemption From Audit Long Form

Instructions

**For local governments with either revenues or expenditures/expenses
more than \$200,000 but not more than \$1,000,000**

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.), any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$1,000,000 for the year.

Exemptions from audit are **NOT automatic**

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Long Form must be a person skilled in governmental accounting.

Read **ALL instructions before completing and submitting this form**

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis**. Proprietary Activity should be reported on the **Cash or Budgetary Basis** — a budget to GAAP reconciliation is provided in Part 3B.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the [LexisNexis Colorado portal](#).

Checklist

- ☐ Has the preparer signed the application prior to board approval?
- ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
- ☐ Has the application been **personally** reviewed and approved by the governing body?
- ☐ Are all sections on the form complete, including responses to all of the questions?
- ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?

Will this application be submitted electronically? ☐ Yes ☐ No

☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 11.

-- or --

☐ If yes, have you included a resolution?☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ☐ Yes ☐ No☐ If yes, does the application include **original ink signatures** from the **majority** of the governing body?**Filing Methods****Web Portal (recommended)**apps.leg.co.gov/osa/lq

For faster processing, the web portal should be used for submissions.

Mail**Office of the State Auditor**Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000**Questions? Email:** osa.lg@coleg.gov **Phone:** 303-869-3000**Contact Information**For the year ended 12/31/2025 or the fiscal year ended _____.

Name of government	Westerly Metropolitan District No. 2
Street address	2001 16th Street Suite 1700
City, State, Zip	Denver, CO, 80202
Contact person	Jason Carroll
Phone	(303) 779-5710
Email	jason.carroll@claconnect.com

Certification of Preparer

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. The preparer must sign prior to board approval.

Name	Jason Carroll
Title	Accountant for the District
Firm name (if applicable)	CliftonLarsonAllen LLP
Address	2001 16th Street Suite 1700, Denver, CO, 80202
Phone	(303) 779-5710
Relationship to entity	CPA Firm providing accounting services to the District
Preparer signature	Date prepared
	2/16/2026

See accompanying letter at the end of this form.

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	☐ Yes	☒ No
If yes, enter date filed		

Part 1: Financial Statements — Balance Sheet

Part 1A: Governmental Funds (Modified Accrual Basis) Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: Debt Service Fund

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Assets				
1-1	Cash and Cash Equivalents				
1-2	Investments	\$ 3,020	\$ 3,184		
1-3	Receivables	\$ 8	\$ 44		
1-4	Due from Other Entities or Funds				
1-5	Property Tax Receivable	\$ 119,961	\$ 858,862		
1-6	All Other Assets:				
1-7	Lease Receivable (as Lessor)				
	Other (specify in lines 1-8 through 1-10)				
1-8					
1-9					
1-10					
1-11	TOTAL ASSETS (Add lines 1-1 through 1-10)	\$ 122,989	\$ 862,090	\$ 0	\$ 0
	Deferred Outflows of Resources (specify in lines 1-12 and 1-13)				
1-12					
1-13					
1-14	Total Deferred Outflows (Add lines 1-12 through 1-13)	\$ 0	\$ 0	\$ 0	\$ 0
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS (Add lines 1-11 and 1-14)	\$ 122,989	\$ 862,090	\$ 0	\$ 0

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Liabilities				
1-16	Accounts Payable				
1-17	Accrued Payroll and Related Liabilities				
1-18	Unearned Revenue				
1-19	Due to Other Entities or Funds	\$ 3,028	\$ 3,228		
1-20	All Other Current Liabilities				
1-21	TOTAL CURRENT LIABILITIES (Add lines 1-16 through 1-20)	\$ 3,028	\$ 3,228	\$ 0	\$ 0
	All Other Liabilities (specify in lines 1-22 through 1-25)				
1-22					
1-23					
1-24					
1-25					
1-26	TOTAL LIABILITIES (Add lines 1-21 through 1-25)	\$ 3,028	\$ 3,228	\$ 0	\$ 0
	Deferred Inflows of Resources				
1-27	Deferred Property Taxes	\$ 119,961	\$ 858,862		
1-28	Lease related (as Lessor)				
1-29	TOTAL DEFERRED INFLOWS (Add lines 1-27 through 1-28)	\$ 119,961	\$ 858,862	\$ 0	\$ 0
	Fund Balance				
1-30	Nonspendable-Prepaid				
1-31	Nonspendable-Inventory				
1-32	Restricted				
1-33	Committed				
1-34	Assigned				
1-35	Unassigned				
1-36	Total Fund Balance (Add lines 1-30 through 1-35. This total should be the same as line 3-34)	\$ 0	\$ 0	\$ 0	\$ 0
1-37	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (Add lines 1-26, 1-29, and 1-36. This total should be the same as line 1-15)	\$ 122,989	\$ 862,090	\$ 0	\$ 0

Part 1B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____**Fund B:** _____**Fund C:** _____**Fund D:** _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Assets				
1-38	Cash and Cash Equivalents				
1-39	Investments				
1-40	Receivables				
1-41	Due from Other Entities or Funds				
	Other Current Assets (specify in line 1-42)				
1-42					
1-43	Total Current Assets (Add lines 1-38 through 1-42)	\$ 0	\$ 0	\$ 0	\$ 0
1-44	Capital & Right-to-Use Assets, net (from Part 6, Capital & Right-to-Use Table)				
	Other Long Term Assets (specify in lines 1-45 through 1-47)				
1-45					
1-46					
1-47					
1-48	TOTAL ASSETS (Add lines 1-43 through 1-47)	\$ 0	\$ 0	\$ 0	\$ 0
	Deferred Outflows of Resources (specify in lines 1-49 through 1-50)				
1-49					
1-50					
1-51	Total Deferred Outflows (Add lines 1-49 through 1-50)	\$ 0	\$ 0	\$ 0	\$ 0
1-52	TOTAL ASSETS AND DEFERRED OUTFLOWS (Add lines 1-48 and 1-51)	\$ 0	\$ 0	\$ 0	\$ 0

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Liabilities				
1-53	Accounts Payable				
1-54	Accrued Payroll and Related Liabilities				
1-55	Accrued Interest Payable				
1-56	Due to Other Entities or Funds				
1-57	All Other Current Liabilities				
1-58	TOTAL CURRENT LIABILITIES (Add lines 1-53 through 1-57)	\$ 0	\$ 0	\$ 0	\$ 0
1-59	Proprietary Debt Outstanding (from Part 4, Debt Schedule Table)				
	Other (specify in lines 1-60 through 1-62)				
1-60					
1-61					
1-62					
1-63	TOTAL LIABILITIES (Add lines 1-58 through 1-62)	\$ 0	\$ 0	\$ 0	\$ 0
	Deferred Inflows of Resources				
1-64	Pension/OPEB Related				
	Other (specify in line 1-65)				
1-65					
1-66	TOTAL DEFERRED INFLOWS (Add lines 1-64 through 1-65)	\$ 0	\$ 0	\$ 0	\$ 0
	Net Position				
1-67	Net Investment in Capital and Right-to-Use Assets				
1-68	Emergency Reserves				
1-69	Other Designation/Reserves				
1-70	Restricted				
1-71	Undesignated/Unreserved/Unrestricted				
1-72	Total Net Position (Add lines 1-67 through 1-71. This total should be the same as 3-70.)	\$ 0	\$ 0	\$ 0	\$ 0
1-73	TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION (Add lines 1-63, 1-66, and 1-72. This total should be the same as 1-52.)	\$ 0	\$ 0	\$ 0	\$ 0

Part 1C: Comments or Additional Information

Please use this space to provide explanation of any item in this section (optional).

Part 2: Financial Statements — Operating Statement — Revenues

Part 2A: Governmental Funds Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: Debt Service Fund

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Tax Revenue				
2-1	Property (include mills levied in question 10-12)	\$ 68,381	\$ 376,105		
2-2	Specific Ownership	\$ 2,790	\$ 15,346		
2-3	Sales and Use Tax				
	Other Tax Revenue (specify in lines 2-4 through 2-6)				
2-4					
2-5					
2-6					
2-7	TOTAL TAX REVENUE (Add lines 2-1 through 2-6)	\$ 71,171	\$ 391,451	\$ 0	\$ 0
	Other Revenue Sources				
2-8	Licenses and Permits				
2-9	Highway Users Tax Funds (HUTF)				
2-10	Conservation Trust Funds (Lottery)				
2-11	Community Development Block Grant				
2-12	Fire & Police Pension				
2-13	Grants				
2-14	Donations				
2-15	Charges for Sales and Services				
2-16	Rental Income				

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
2-17	Fines and Forfeits				
2-18	Interest/Investment Income	\$ 670	\$ 3,711		
2-19	Tap Fees				
2-20	Proceeds from Sale of Capital Assets				
	Other (specify in lines 2-21 through 2-22)				
2-21					
2-22					
2-23	TOTAL REVENUES (Add lines 2-7 through 2-22)	\$ 71,841	\$ 395,162	\$ 0	\$ 0
	Other Financing Sources (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-24	Debt Proceeds				
2-25	Lease Proceeds				
2-26	Developer Advances				
	Other (specify in line 2-27)				
2-27					
2-28	Total Other Financing Sources (Add lines 2-24 through 2-27)	\$ 0	\$ 0	\$ 0	\$ 0
2-29	TOTAL REVENUES AND OTHER FINANCING SOURCES (Add lines 2-23 and 2-28)	\$ 71,841	\$ 395,162	\$ 0	\$ 0

Part 2B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Tax Revenue				
2-30	Property (include mills levied in question 10-12)				
2-31	Specific Ownership				
2-32	Sales and Use Tax				
	Other Tax Revenue (specify in lines 2-33 through 2-36)				
2-33					
2-34					
2-35					
2-36	TOTAL TAX REVENUE (Add lines 2-30 through 2-35)	\$ 0	\$ 0	\$ 0	\$ 0
	Other Revenue Sources				
2-37	Licenses and Permits				
2-38	Highway Users Tax Funds (HUTF)				
2-39	Conservation Trust Funds (Lottery)				
2-40	Community Development Block Grant				
2-41	Fire & Police Pension				
2-42	Grants				
2-43	Donations				
2-44	Charges for Sales and Services				
2-45	Rental Income				
2-46	Fines and Forfeits				
2-47	Interest/Investment Income				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
2-48	Tap Fees				
2-49	Proceeds from Sale of Capital Assets				
	All Other (specify in lines 2-50 through 2-51)				
2-50					
2-51					
2-52	TOTAL REVENUES (Add lines 2-36 through 2-51)	\$ 0	\$ 0	\$ 0	\$ 0
	Other Financing Sources (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-53	Debt Proceeds				
2-54	Lease Proceeds				
2-55	Developer Advances				
	Other (specify in line 2-56)				
2-56					
2-57	Total Other Financing Sources (Add lines 2-53 through 2-56)	\$ 0	\$ 0	\$ 0	\$ 0
2-58	TOTAL REVENUES AND OTHER FINANCING SOURCES (Add lines 2-52 and 2-57)	\$ 0	\$ 0	\$ 0	\$ 0

Part 2C: Comments or Additional Information

Please use this space to provide explanation of any item in this section (optional).

Part 3: Financial Statements — Operating Statement — Expenditures/Expenses

Part 3A: Governmental Funds Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: Debt Service Fund

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Expenditures				
3-1	General Government				
3-2	Judicial				
3-3	Law Enforcement				
3-4	Fire				
3-5	Highways & Streets				
3-6	Solid Waste				
3-7	Contributions to Fire & Police Pension Association				
3-8	Health				
3-9	Culture and Recreation				
3-10	Transfers to other districts	\$ 70,814	\$ 389,515		
	Other (specify in lines 3-11 through 3-13)				
3-11	County Treasurer Fees	\$ 1,027	\$ 5,647		
3-12					
3-13					
3-14	Capital Outlay				
	Debt Service				
3-15	Principal (from Part 4, Debt Schedule Table)				
3-16	Interest				

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
3-17	Bond Issuance Costs				
3-18	Developer Principal Repayments (from Part 4, Debt Schedule Table)				
3-19	Developer Interest Repayments				
	All Other (specify in lines 3-20 through 3-22)				
3-20					
3-21					
3-22					
3-23	TOTAL EXPENDITURES (Add lines 3-1 through 3-22)	\$ 71,841	\$ 395,162	\$ 0	\$ 0
	Transfers and Other Expenditures				
3-24	Interfund Transfers (In)				
3-25	Interfund Transfers (Out)				
	Other Expenditures (Revenues) (Specify in lines 3-26 through 3-28.)				
3-26					
3-27					
3-28					
3-29	Total Transfers and Other Expenditures (Add lines 3-24 through 3-28)	\$ 0	\$ 0	\$ 0	\$ 0
3-30	EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (line 2-29 less line 3-23 less line 3-29)	\$ 0	\$ 0	\$ 0	\$ 0
3-31	Fund Balance, January 1 from December 31 prior year report				
3-32	Prior Period Adjustment (MUST explain in line 3-33)				
3-33					
3-34	FUND BALANCE, DECEMBER 31 (Add lines 3-30, 3-31, and 3-32. Should match line 1-36.)	\$ 0	\$ 0	\$ 0	\$ 0

Part 3B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Expenses				
3-35	General Operating and Administrative				
3-36	Salaries				
3-37	Payroll Taxes				
3-38	Contract Services				
3-39	Employee Benefits				
3-40	Insurance				
3-41	Accounting and Legal Fees				
3-42	Repair and Maintenance				
3-43	Supplies				
3-44	Utilities				
3-45	Contributions to Fire & Police Pension Association				
	Other (specify in lines 3-46 through 3-47)				
3-46					
3-47					
3-48	Capital Outlay				
	Debt Service				
3-49	Principal (should match amount in Part 4, Debt Schedule Table)				
3-50	Interest				
3-51	Bond Issuance Costs				
3-52	Developer Principal Repayments				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
3-53	Developer Interest Repayments				
	All Other (specify in lines 3-54 through 3-57)				
3-54					
3-55					
3-56					
3-57					
3-58	TOTAL EXPENSES (Add lines 3-35 through 3-57)	\$ 0	\$ 0	\$ 0	\$ 0
	GAAP Reconciling Items				
3-59	Net Interfund Transfers (In) Out				
	Other (specify in line 3-60. Enter negative for expense.)				
3-60					
3-61	Depreciation/Amortization				
3-62	Other Financing Sources (from line 2-57)				
3-63	Capital Outlay (from line 3-48)				
3-64	Debt Principal (from line 3-49, 3-52)				
3-65	Total GAAP Reconciling Items (Add lines 3-60, 3-63, and 3-64, subtract lines 3-61 and 3-62)	\$ 0	\$ 0	\$ 0	\$ 0
3-66	NET INCREASE (DECREASE) IN NET POSITION (Line 2-58, less line 3-58, plus line 3-65, less line 3-59)	\$ 0	\$ 0	\$ 0	\$ 0
3-67	Net Position, January 1 from December 31 prior year report				
3-68	Prior Period Adjustment (MUST explain in line 3-69)				
3-69					
3-70	NET POSITION, DECEMBER 31 (Add lines 3-66, 3-67, and 3-68. Should match line 1-72.)	\$ 0	\$ 0	\$ 0	\$ 0

Part 3C: Grand Total of Revenues and Expenditures/Expenses

Line	Description	Total
	Total Revenues per Fund	
3-71	General Fund	\$ 71,841
3-72	Debt Service Fund	\$ 395,162
3-73		\$ 0
3-74		\$ 0
3-75	Governmental Funds (Add lines 3-71 through 3-74)	\$ 467,003
3-76		\$ 0
3-77		\$ 0
3-78		\$ 0
3-79		\$ 0
3-80	Proprietary/Fiduciary Funds (Add lines 3-76 through 3-79)	\$ 0
3-81	GRAND TOTAL REVENUES (ALL FUNDS) (Add lines 3-75 and 3-80)	\$ 467,003
	Total Expenditures/Expenses per Fund	
3-82	General Fund	\$ 71,841
3-83	Debt Service Fund	\$ 395,162
3-84		\$ 0
3-85		\$ 0
3-86	Governmental Funds (Add lines 3-82 through 3-85)	\$ 467,003
3-87		\$ 0
3-88		\$ 0
3-89		\$ 0
3-90		\$ 0
3-91	Proprietary/Fiduciary Funds (Add lines 3-87 through 3-90)	\$ 0
3-92	GRAND TOTAL EXPENDITURES/EXPENSES (ALL FUNDS) (Add lines 3-86 and 3-91)	\$ 467,003

IF EITHER GRAND TOTAL REVENUES OR EXPENDITURES/EXPENSES FOR ALL FUNDS IS GREATER THAN \$1,000,000 — STOP.

You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at 303-869-3000 for assistance.

Part 3D: Comments or Additional Information

Please use the space below to provide any additional information (optional).

Part 4: Debt Outstanding, Issued, and Retired

4-1	Does the entity have outstanding debt?	☐ Yes	☒ No
4-2	If no, skip to line 4-15. If yes, please attach a copy of the entity's debt repayment schedule.		
4-3	Is the debt repayment schedule attached?	☐ N/A	☐ Yes ☐ No
4-4	If no, MUST explain below.		
	N/A		
4-5	Is the entity current in its debt service payments?	☐ Yes	☐ No
4-6	If no, MUST explain below.		
	N/A		
4-7	If no, also indicate if the government is in default with its bond agreements.	☐ Yes	☐ No

Debt Schedule Table

Please complete the following debt schedule, if applicable.

Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
4-8	General Obligation Bonds				\$ 0
4-9	Revenue Bonds				\$ 0
4-10	Notes/Loans				\$ 0
4-11	Lease and SBITA** Liabilities (GASB 87 & 96)				\$ 0
4-12	Developer Advances				\$ 0
	Other (specify in line 4-13)				
4-13					\$ 0
4-14	TOTAL (Add lines 4-8 through 4-13)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

--

4-15	Does the entity have any authorized but unissued debt as of its fiscal year-end?	☒ Yes	☐ No
4-16	If yes, how much?	\$ 2,600,000,000	
4-17	Date the debt was authorized	5/5/2020	
4-18	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	☒ Yes	☐ No
4-19	If yes, how much?	\$ 100,000,000	
4-20	Date of the most recent Service Plan	1/28/2020	
4-21	Does the entity intend to issue debt within the next calendar year?	☐ Yes	☒ No
4-22	If yes, how much?		
4-23	Does the entity have debt that has been refinanced that it is still responsible for?	☐ Yes	☒ No
4-24	If yes, what is the amount outstanding?		
4-25	Does the entity have any lease agreements?	☐ Yes	☒ No
4-26	If yes, what is being leased?		
4-27	What is the original date of the lease?		
4-28	Number of years of lease?		
4-29	Is the lease subject to annual appropriation?	☐ Yes	☒ No
4-30	What are the annual lease payments?		

Please use the space below to provide any additional information (optional).

Part 5: Cash and Investments

Please provide the entity's cash deposit and investment balances.

Line	Description	Amount
5-1	Year-end Total of all Checking and Savings Accounts	\$ 0
5-2	Certificates of Deposit	
5-3	TOTAL CASH DEPOSITS (Add lines 5-1 and 5-2)	\$ 0
	Investments (Specify in lines 5-4 through 5-8. If investment is a mutual fund, please list underlying investment.)	
5-4	CSAFE	\$ 6,204
5-5		
5-6		
5-7		
5-8		
5-9	Total Investments (Add lines 5-4 through 5-8)	\$ 6,204
5-10	TOTAL CASH AND INVESTMENTS (Add lines 5-3 and 5-9)	\$ 6,204

5-11	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☐ N/A	☒ Yes	☐ No
5-12	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?		☒ Yes	☐ No
5-13	If no, MUST explain below.			

Please use the space below to provide any additional information (optional).

Part 6: Capital and Right-to-Use Assets

6-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 6.)	☐ Yes	☒ No
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	☐ Yes	☒ No
6-3	If no, MUST explain below.		
	N/A		

Capital and Right-to-Use Assets Table for Governmental Funds

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-4	Land				\$ 0
6-5	Buildings				\$ 0
6-6	Machinery and Equipment				\$ 0
6-7	Furniture and Fixtures				\$ 0
6-8	Infrastructure				\$ 0
6-9	Construction In Progress (CIP)				\$ 0
6-10	Leased & SBITA Right-to-Use Assets				\$ 0
6-11	Intangible Assets				\$ 0
	Other (explain in line 6-12)				
6-12					\$ 0
6-13	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				\$ 0
6-14	Accumulated Depreciation (Enter a negative or credit balance)				\$ 0
6-15	TOTAL (Add lines 6-4 through 6-14)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance.

**Generally capital asset additions should be reported as capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Capital and Right-to-Use Assets Table for Proprietary Funds

Please complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS.

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-16	Land				\$ 0
6-17	Buildings				\$ 0
6-18	Machinery and Equipment				\$ 0
6-19	Furniture and Fixtures				\$ 0
6-20	Infrastructure				\$ 0
6-21	Construction In Progress (CIP)				\$ 0
6-22	Leased & SBITA Right-to-Use Assets				\$ 0
6-23	Intangible Assets				\$ 0
	Other (explain in line 6-24)				
6-24					\$ 0
6-25	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				\$ 0
6-26	Accumulated Depreciation (Enter a negative or credit balance)				\$ 0
6-27	TOTAL (Add lines 6-16 through 6-26)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance.

**Generally capital asset additions should be reported as capital outlay on line 3-48 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 7: Pension Information

7-1	Does the entity have an "old hire" firefighters' pension plan?	☐ Yes	☒ No
7-2	Does the entity have a volunteer firefighters' pension plan?	☐ Yes	☒ No
7-3	If yes, who administers the plan?		
	Indicate the contributions from the following in lines 7-4 through 7-6.		
7-4	Tax (property, specific ownership, sales, etc.)		
7-5	State contribution amount		
7-6	Other (gifts, donations, etc.)		
7-7	TOTAL (Add lines 7-4 through 7-6)	\$ 0	
7-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

Part 8: Budget Information

8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?	☐ N/A	☒ Yes	☐ No
8-2	If no, MUST explain below.			
8-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	☐ N/A	☒ Yes	☐ No
8-4	If no, MUST explain below.			
	If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.			

Appropriation Amount by Fund

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported. Ensure each individual fund’s final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
8-5	General Fund	\$ 75,000
8-6	Debt Service Fund	\$ 400,000
8-7		
8-8		
8-9		

Please use the space below to provide any additional information (optional).

Part 9: Taxpayer’s Bill of Rights (TABOR)

9-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	☒ Yes	☐ No
9-2	If no, MUST explain below.		

Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.

Please use the space below to provide any additional information (optional).

Part 10: General Information

10-1	Is this application for a newly formed governmental entity?	☐ Yes	☒ No
10-2	If yes, what was the date of formation		
10-3	Has the entity changed its name in the past or current year?	☐ Yes	☒ No
10-4	If yes, please list the NEW name below.		
10-5	If yes, please list the PRIOR name below.		
10-6	Is the entity a metropolitan district?	☒ Yes	☐ No
10-7	Please indicate what services the entity provides below. Westerly MD Nos. 1-4 work together to provide services to the Westerly community.		
10-8	Does the entity have an agreement with another government to provide services?	☒ Yes	☐ No
10-9	If yes, list the name of the other governmental entity and the services provided below. Westerly MD Nos. 1-4 work together to provide services to the Westerly community.		
10-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	☐ Yes	☒ No
10-11	If yes, what was the date filed		
10-12	Does the entity have a certified mill levy?	☒ Yes	☐ No
	If yes, please provide the following mills levied for the year reported (do not report dollar amounts).		
10-13	Bond redemption mills	61.860	
10-14	General/other mills	11.247	
10-15	TOTAL MILLS (Add lines 10-13 through 10-14.)	73.107	
10-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	☐ N/A	☒ Yes ☐ No
10-17	If no, please explain below.		

Please use the space below to provide any additional information (optional).

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Part 11: Governing Body Approval

11-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	☒ Yes	☐ No
------	--	--------------------------------------	--------------------------

Office of the State Auditor — Local Government Division
Exemption Form Electronic Signature Policy and Procedure

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as Docusign or Echosign. Required elements and safeguards are as follows:

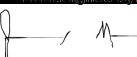
- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards must note their approval and submit the application using one of the following two methods:

- 1) Submit the application in hard copy via U.S. Mail, including original signatures.
- 2) Submit the application electronically via email and either:
 - a. include a copy of an adopted resolution that documents formal approval by the board; or
 - b. include electronic signatures obtained through a software program such as Docusign or Echosign, in accordance with the requirements noted above.

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name	Alexander Woodin	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
	 48859F4C0B214DA...	2/27/2026
Board Member 2		
Board member's name	Ryan Johnson	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 3		
Board member's name	Jeremy Moss	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
	 42C07EA0A3104CD...	2/26/2026
Board Member 4		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date



February 16, 2026

Board of Directors
Westerly Metropolitan District No. 2
Weld County, Colorado

The accompanying Application for Exemption from Audit ("Application") was prepared by CliftonLarsonAllen, LLP in a format prescribed by the Colorado Office of the State Auditor which may differ from accounting principles generally accepted in the United States of America. The application is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

Certificate Of Completion

Envelope Id: 21CAF3B0-4CFC-4229-BD65-DEEA62E753CA
 Subject: Westerly MD 2 Docusign: Westerly MD No. 2 - 2025 Audit Exemption - Long Form.pdf
 Client Name: Westerly MD 2
 Client Number: A172693
 Source Envelope:
 Document Pages: 29
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-06:00) Central Time (US & Canada)

Status: Completed
 Envelope Originator:
 Kathy Suazo
 220 S 6th St Ste 300
 Minneapolis, MN 55402-1418
 Kathy.Suazo@claconnect.com
 IP Address: 24.9.126.16

Record Tracking

Status: Original
 2/25/2026 4:06:41 PM
 Holder: Kathy Suazo
 Kathy.Suazo@claconnect.com
 Location: DocuSign

Signer Events

Alex Woodin
 alex.woodin@southernland.com
 Authorized Signatory
 Southern Land Company
 Security Level: Email, Account Authentication (None)

Signature

Signed by:

 48859F4C0B214DA...

Signature Adoption: Pre-selected Style
 Using IP Address: 174.16.121.46

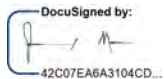
Timestamp

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 Viewed: 2/27/2026 12:43:45 PM
 Signed: 2/27/2026 12:45:53 PM

Electronic Record and Signature Disclosure:

Accepted: 3/11/2022 9:30:03 AM
 ID: 0260ce77-9edb-4624-ae9f-837289d3da8c

Jeremy Moss
 jeremy.moss@southernland.com
 Owners Rep
 Southern Land Co
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 42C07EA6A3104CD...

Signature Adoption: Drawn on Device
 Using IP Address: 2601:283:4c01:6520::87db

Sent: 2/25/2026 4:14:08 PM
 Viewed: 2/26/2026 10:03:27 AM
 Signed: 2/26/2026 10:03:39 AM

Electronic Record and Signature Disclosure:

Accepted: 2/17/2025 2:43:51 PM
 ID: 38119d96-3c9d-4a01-8178-946a03e8f96c

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/25/2026 4:14:08 PM
Envelope Updated	Security Checked	2/27/2026 4:35:09 PM
Certified Delivered	Security Checked	2/26/2026 10:03:27 AM
Signing Complete	Security Checked	2/26/2026 10:03:39 AM
Completed	Security Checked	2/27/2026 4:35:09 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

Application for Exemption From Audit

Short Form

Instructions

If either revenues or expenditures exceed \$200,000, use the Long Form

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$1,000,000 in the year.

Exemptions from audit are NOT automatic

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Short Form must be a person skilled in governmental accounting.

Read ALL instructions before completing and submitting this form

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis**.

Proprietary Activity should be reported on a **Budgetary Basis**.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the [LexisNexis Colorado portal](#).

Checklist

- ☐ Has the preparer signed the application prior to board approval?
 - ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
 - ☐ Has the application been **personally** reviewed and approved by the governing body?
 - ☐ Are all sections on the form complete, including responses to all of the questions?
 - ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically? ☐ Yes ☐ No
- ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 10.

-- or --

☐ If yes, have you included a resolution?☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ☐ Yes ☐ No☐ If yes, does the application include **original ink signatures** from the **majority** of the governing body?**Filing Methods****Web Portal (recommended)**apps.leg.co.gov/osa/lq

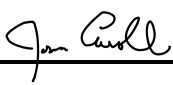
For faster processing, the web portal should be used for submissions.

Mail**Office of the State Auditor**Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000**Questions? Email:** osa.lg@coleg.gov **Phone:** 303-869-3000**Contact Information**For the year ended 12/31/2025 or the fiscal year ended _____.

Name of government	Westerly Metropolitan District No. 3
Street address	2001 16th Street, Suite 1700
City, State, Zip	Denver, CO, 80202
Contact person	Jason Carroll
Phone	(303) 779-5710
Email	jason.carroll@claconnect.com

Certification of Preparer

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge. The preparer must sign prior to board approval.

Name	Jason Carroll	
Title	Accountant for the District	
Firm name (if applicable)	CliftonLarsonAllen LLP	
Address	2001 16th Street, Suite 1700, Denver, 80202	
Phone	(303) 779-5710	
Preparer signature	Date prepared	
		2/16/2026

See accompanying letter at the end of this form.

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types.

☒ Governmental (modified accrual basis)☐ Proprietary (cash or budgetary basis)

Part 1: Revenues

Part 1A: Revenues Table

All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	\$ 1,853
1-2	Specific ownership	\$ 76
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	\$ 42
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21		
1-22		
1-23		
1-24		
1-25	TOTAL REVENUES (add lines 1-1 through 1-24)	\$ 1,971

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN \$200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 1B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 2: Expenditures/Expenses

Part 2A: Expenditures/Expenses Table

All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line	Description	Total (round to nearest dollar)
2-1	Administrative	
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	
2-7	Accounting and legal fees	
2-8	Repair and maintenance	
2-9	Supplies	
2-10	Utilities and telephone	
2-11	Fire/Police	
2-12	Streets and highways	
2-13	Public health	
2-14	Capital outlay	
2-15	Utility operations	
2-16	Culture and recreation	
2-17	Debt service principal (should agree to Part 3, Debt Schedule Table 'Retired during year')	
2-18	Debt service interest	
2-19	Repayment of Developer Advances Principal (should agree to Part 3, Debt Schedule Table, column 'Retired during year')	
2-20	Repayment of Developer Advances Interest	
2-21	Contribution to pension plan	
2-22	Contribution to Fire & Police Pension Association	
2-23	Other (specify in lines 2-24 through 2-27)	
2-24	County Treasurer's Fees	\$ 28
2-25		
2-26		
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 28

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN \$200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 2B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 3: Debt Outstanding, Issued, and Retired

3-1	Does the entity have outstanding debt?	☐ Yes	☒ No
3-2	If no, skip to line 3-13. If yes, please attach a copy of the entity's debt repayment schedule.		
3-3	Is the debt repayment schedule attached?	☐ N/A	☐ Yes ☐ No
	If no, MUST explain below.		
3-4	Is the entity current in its debt service payments?	☐ Yes	☐ No
	If no, MUST explain below.		
3-5	If no, also indicate if the government is in default with its bond agreements.	☐ Yes	☐ No

Debt Schedule Table

Please complete the following debt schedule, if applicable.

Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
3-6	General Obligation Bonds				\$ 0
3-7	Revenue Bonds				\$ 0
3-8	Notes/Loans				\$ 0
3-9	Lease & SBITA** Liabilities (GASB 87 & 96)				\$ 0
3-10	Developer Advances				\$ 0
	Other (specify in line 3-11)				
3-11					\$ 0
3-12	TOTAL (Add lines 3-6 through 3-11)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

3-13	Does the entity have any authorized but unissued debt as of its fiscal year-end?	☒ Yes	☐ No
3-14	If yes, how much?	\$ 2,600,000,000	
3-15	Date the debt was authorized	5/5/2020	
3-16	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	☒ Yes	☐ No
3-17	If yes, how much?	\$ 100,000,000	
3-18	Date of the most recent Service Plan	1/28/2020	
3-19	Does the entity intend to issue debt within the next calendar year?	☐ Yes	☒ No
3-20	If yes, how much?		
3-21	Does the entity have debt that has been refinanced that it is still responsible for?	☐ Yes	☐ No
3-22	If yes, what is the amount outstanding?		
3-23	Does the entity have any lease agreements?	☐ Yes	☐ No
3-24	If yes, what is being leased?		
3-25	What is the original date of the lease?		
3-26	Number of years of lease?		
3-27	Is the lease subject to annual appropriation?	☐ Yes	☐ No
3-28	What are the annual lease payments?		

Please use the space below to provide any additional information (optional):

Part 4: Cash and Investments

Please provide the entity’s cash deposit and investment balances.

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	
4-2	Certificates of deposit	
4-3	TOTAL CASH DEPOSITS (Add lines 4-1 and 4-2)	\$ 0
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4	CSAFE	\$ 316
4-5		
4-6		
4-7		
4-8		
4-9	Total Investments (Add lines 4-4 through 4-8)	\$ 316
4-10	TOTAL CASH AND INVESTMENTS (Add lines 4-3 and 4-9)	\$ 316

4-11	Are the entity’s investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☐ N/A	☒ Yes	☐ No
4-12	Are the entity’s deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?		☒ Yes	☐ No
4-13	If no, MUST explain below.			

Please use the space below to provide any additional information (optional).

Part 5: Capital and Right-to-Use Assets

5-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 5.)	☐ Yes	☒ No
5-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	☐ Yes	☒ No
5-3	If no, MUST explain below.		
	N/A		

Capital and Right-to-Use Assets Table

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
5-4	Land				\$ 0
5-5	Buildings				\$ 0
5-6	Machinery and Equipment				\$ 0
5-7	Furniture and Fixtures				\$ 0
5-8	Infrastructure				\$ 0
5-9	Construction In Progress (CIP)				\$ 0
5-10	Leased & SBITA Right-to-Use Assets				\$ 0
	Other (explain in line 5-11)				
5-11					\$ 0
5-12	Accumulated Depreciation/ Amortization (Enter a negative or credit balance)				\$ 0
5-13	TOTAL (Add lines 5-4 through 5-12)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance

**Generally capital asset additions should be reported as capital outlay on line 2-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 6: Pension Information

6-1	Does the entity have an "old hire" firefighters' pension plan?	☐ Yes	☒ No
6-2	Does the entity have a volunteer firefighters' pension plan?	☐ Yes	☒ No
6-3	If yes, who administers the plan?		
Indicate the contributions from the following in lines 6-4 through 6-6.			
6-4	Tax (property, specific ownership, sales, etc.)		
6-5	State contribution amount		
6-6	Other (gifts, donations, etc.)		
6-7	TOTAL (Add lines 6-4 through 6-6)	\$ 0	
6-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

Part 7: Budget Information

7-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?	☐ N/A	☒ Yes	☐ No
7-2	If no, MUST explain below.			
7-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	☐ N/A	☒ Yes	☐ No
7-4	If no, MUST explain below.			
	If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.			

Appropriation Amount by Fund Table

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported.
Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
7-5	General Fund	\$ 500
7-6	Debt Service Fund	\$ 2,000
7-7		
7-8		
7-9		

Please use the space below to provide any additional information (optional).

Part 8: Taxpayer’s Bill of Rights (TABOR)

8-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	☒ Yes	☐ No
8-2	If no, MUST explain below.		

Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.

Please use the space below to provide any additional information (optional).

Part 9: General Information

9-1	Is this application for a newly formed governmental entity?	☐ Yes	☒ No
9-2	If yes, what was the date of formation		
9-3	Has the entity changed its name in the past or current year?	☐ Yes	☒ No
9-4	If yes, please list the NEW name below.		
9-5	If yes, please list the PRIOR name below.		
9-6	Is the entity a metropolitan district?	☒ Yes	☐ No
9-7	Please indicate what services the entity provides below.		
	Westerly MD Nos. 1-4 work together to provide services to the Westerly community.		
9-8	Does the entity have an agreement with another government to provide services?	☒ Yes	☐ No
9-9	If yes, list the name of the other governmental entity and the services provided below.		
	Westerly MD Nos. 1-4 work together to provide services to the Westerly community.		
9-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	☐ Yes	☒ No
9-11	If yes, what was the date filed		
9-12	Does the entity have a certified mill levy?	☒ Yes	☐ No
	If yes, please provide the following mills levied for the year reported in lines 9-13 through 9-14. (Do not report \$ amounts.)		
9-13	Bond redemption mills	57.785	
9-14	General/other mills	10.506	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	68.291	
9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	☐ N/A	☒ Yes ☐ No
9-17	If no, please explain below.		

Please use the space below to provide any additional information (optional).

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Part 10: Governing Body Approval

10-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	☒ Yes	☐ No
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Office of the State Auditor — Local Government Division Exemption Form Electronic Signature Policy and Procedure

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards must note their approval and submit the application using one of the following two methods:

- 1) Submit the application in hard copy via U.S. Mail, including original signatures.
- 2) Submit the application electronically via email and either:
 - a. include a copy of an adopted resolution that documents formal approval by the board; or
 - b. include electronic signatures obtained through a software program such as DocuSign or EchoSign, in accordance with the requirements noted above.

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name	Alexander Woodin	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature Date <i>Alex Woodin</i> 48859E4C0B214DA... 2/27/2026	
Board Member 2		
Board member's name	Jeremy Moss	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature Date 42C07EA0A3104CD... 2/27/2026	
Board Member 3		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature Date	
Board Member 4		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature Date	
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature Date	
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature Date	
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature Date	



February 16, 2026

Board of Directors
Westerly Metropolitan District No. 3
Weld County, Colorado

The accompanying Application for Exemption from Audit ("Application") was prepared by CliftonLarsonAllen, LLP in a format prescribed by the Colorado Office of the State Auditor which may differ from accounting principles generally accepted in the United States of America. The application is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

Certificate Of Completion

Envelope Id: 28670DD6-905A-4B7E-A29F-3F1A05B78DE5

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Subject: Westerly MD 3 Docusign: Westerly MD No. 3 - 2025 Audit Exemption - Short Form.pdf

Client Name: Westerly MD 3

Client Number: A157646

Source Envelope:

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Signatures: 2

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Kathy Suazo

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Signer Events

Alex Woodin

alex.woodin@southernland.com

Authorized Signatory

Southern Land Company

Security Level: Email, Account Authentication (None)

Signature

Signed by:

48859F4C0B214DA...

Signature Adoption: Pre-selected Style
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Timestamp

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Signed: 2/27/2026 12:46:18 PM

Electronic Record and Signature Disclosure:

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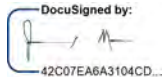
Jeremy Moss

jeremy.moss@southernland.com

Owners Rep

Southern Land Co

Security Level: Email, Account Authentication (None)

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Signed: 2/27/2026 9:29:07 AM

Electronic Record and Signature Disclosure:

Accepted: 2/17/2025 2:43:51 PM

ID: 38119d96-3c9d-4a01-8178-946a03e8f96c

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

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Certified Delivery Events

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Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/25/2026 4:20:32 PM
Certified Delivered	Security Checked	2/27/2026 9:28:57 AM
Signing Complete	Security Checked	2/27/2026 9:29:07 AM
Completed	Security Checked	2/27/2026 12:46:18 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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