WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1

2025 ANNUAL REPORT

WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1

2025 ANNUAL REPORT

TO

THE CITY OF AURORA

Pursuant to § 32-1-207(3)(c), C.R.S., and the Service Plan for Watkins Road Holdings Metropolitan District No. 1 (the "**District**"), the District is required to provide an annual report for the preceding year with regard to the following matters:.

For the year ending December 31, 2025, the District, to the best of its actual knowledge, makes the following report:

<u>Service Plan Requirements</u>

1. Boundary changes made or proposed to the District's boundaries as of December 31 of the prior year.

On March 6, 2025, the District was granted an Order of Inclusion to include approximately 1,28703 acres. The District was also granted an order for Inclusion to include approximately 767.06 acres. The Orders are attached hereto as **Exhibit A**.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year.

The District did not enter into or propose any Intergovernmental Agreements in 2025.

3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.

As of December 31, 2025, the District has not adopted rules and regulations.

4. A summary of any litigation which involves the District's Public Improvements as of December 31 of the prior year.

To our actual knowledge, based on review of the court records in Arapahoe County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's Public Improvements as of December 31, 2025.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

As of December 31, 2025, the District had not constructed any Public Improvements.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

The District did not construct any facilities or improvements that were dedicated to or accepted by the City in 2025.

7. The assessed valuation of the District's for the current year.

The District's assessed valuation for 2025 is $9,312,789.

8. **Current year budget including a description of the Public Improvements to be constructed in such year.**

The 2026 budget is attached hereto as **Exhibit B**. As of the date of filing this report, the District does not plan to construct any Public Improvements in 2026.

9. **Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable.**

The 2025 Audit Exemption Application is attached hereto as **Exhibit C**.

10. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.**

The District did not receive notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any Debt instrument.

11. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

There was not any inability of the District to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

§32-1-207(3), C.R.S Statutory Requirements

1. **Boundary changes made.**

On March 6, 2025, the District was granted an Order of Inclusion to include approximately 1,28703 acres. The District was also granted an order for Inclusion to include approximately 767.06 acres. The Orders are attached hereto as **Exhibit A**.

2. **Intergovernmental Agreements entered into or terminated with other governmental entities.**

The District did not enter into or terminate any Intergovernmental Agreements in 2025.

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

As of December 31, 2025, the District has not adopted any rules or regulations.

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

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

5. **The status of the construction of public improvements by the District.**

As of December 31, 2025, the District had not constructed any public improvements.

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

The District did not construct any facilities or improvements conveyed or dedicated to the City in 2025.

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

The District's assessed valuation for 2025 is $9,312,789.

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

The 2025 budget is attached hereto as **Exhibit B**.

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 Exemption Application is attached hereto as **Exhibit C**.

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

The District did not received notice of any uncured defaults existing for more than ninety (90) days under any Debt instrument of the District.

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

There was not any inability of the District to pay its obligations as they came due under any obligation which continued beyond a ninety (90) day period.

EXHIBIT A
Orders for Inclusion

04/15/2025 09:45 AM RF: $28.00 DF: $0.00
Arapahoe County Clerk, CO
Page: 1 of 4
E5025467
Joan Lopez, Clerk & Recorder
Electronically Recorded

COMBINED COURT
STATE OF COLORADO } ss.
ARAPAHOE COUNTY.
CERTIFIED to be a full, true and correct copy of the original in my custody.

DATED APR 9 2025 A.D.
SHANA KLOEK
Clerk of the Combined Court
By ________ Deputy

SO ORDERED BY COURT
03/06/2025

DISTRICT COURT, ARAPAHOE COUNTY, COLORADO Court Address: 7325 S. Potomac Street Centennial, CO 80112 Telephone: 303-649-6355	THOMAS WILLARD HENDERSON IV District Court Judge
Petitioner: WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1	▲ COURT USE ONLY ▲
By the Court:	Case Number: 2018CV32205 Division: 402 Courtroom: ____

ORDER FOR INCLUSION
(Watkins Road Associates, LLLP parcels – approx. 1,287.03 acres)

THIS MATTER comes before the Court pursuant to § 32-1-401(1), C.R.S., on Motion for an Order for Inclusion of property into the boundaries of the Watkins Road Holdings Metropolitan District No. 1, City of Aurora, Arapahoe County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby included within the boundaries of the District.

2. That, in accordance with § 32-1-402(1)(b), C.R.S., after the date of this Order, the Property shall be subject to all of the taxes and charges imposed by the District and shall be liable for its proportionate share of existing bonded indebtedness of the District, except as owners may be exempt by law.

3. In accordance with § 32-1-402(1)(c), C.R.S., the Property shall be liable for its proportionate share of annual operation and maintenance charges and the cost of facilities of the District and taxes, rates, fees, tolls, or charges shall be certified and levied or assessed therefor.

4. In accordance with § 32-1-402(1)(f), C.R.S., the District's facility and service standards which are applied within the included area shall be compatible with the facility and service standards of adjacent municipalities.

5. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS ____ DAY OF __________ 20__.

BY THE COURT:

____
District Court Judge

EXHIBIT A
(Legal Description of Inclusion Property)

EXHIBIT A
(The Property)

DATE FILED
March 5, 2025 5:26 PM
FILING ID: 459A20DA8EE4A
CASE NUMBER: 2018CV32205

WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NOS. 2-10

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 4 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ARAPAHOE, STATE OF COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 19 SAID POINT BEING THE POINT OF BEGINNING;
THENCE ALONG THE WESTERLY LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19, N00°15'46"W A DISTANCE OF 500.00 FEET;
THENCE S89°37'49"E A DISTANCE OF 500.00 FEET;
THENCE S00°18'45"E A DISTANCE OF 500.00 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SECTION 19;
THENCE ALONG SAID SOUTHERLY LINE, N89°37'49"W A DISTANCE OF 500.00 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 5.739 ACRES OR 249,982 SQUARE FEET MORE OR LESS.

ALL LINEAL DIMENSIONS ARE U.S. SURVEY FEET.

PREPARED BY GREG PROULX, E.I.T.
FOR AND ON BEHALF OF
MARTIN/MARTIN, INC.
12499 WEST COLFAX AVENUE
LAKEWOOD, CO 80215

BASIS OF BEARINGS

BEARINGS ARE BASED ON THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN ASSUMED TO BEAR S00°12'02"W AND BEING MONUMENTED BY A FOUND 1/2" ALUMINUM CAP PLS #6935 AT THE EAST QUARTER CORNER AND A FOUND 2-1/2" ALUMINUM CAP PLS #6935 AT THE SOUTHEAST CORNER.

DATE: [illegible]
SHEET 1 OF 2

MARTIN/MARTIN
12499 WEST COLFAX AVENUE, LAKEWOOD, COLORADO 80215
303.431.6100 MARTINMARTIN.COM

Property located in Arapahoe County as indentified by the following AIN Numbers:

1977-00-0-00-387
1979-00-0-00-566

04/15/2025 09:45 AM RF: $33.00 DF: $0.00
Arapahoe County Clerk, CO
Page: 1 of 5
Joan Lopez, Clerk & Recorder
Electronically Recorded
E5025468

SO ORDERED BY COURT
03/06/2025

THOMAS WILLARD HENDERSON IV
District Court Judge

DISTRICT COURT, ARAPAHOE COUNTY, COLORADO Court Address: 7325 S. Potomac Street Centennial, CO 80112 Telephone: 303-649-6355	
Petitioner: WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1	▲ COURT USE ONLY ▲
By the Court:	Case Number: 2018CV32205 Division: 402 Courtroom: ____

ORDER FOR INCLUSION
(Watkins Road Associates II, LLLP parcels – approx. 767.06 acres)

THIS MATTER comes before the Court pursuant to § 32-1-401(1), C.R.S., on Motion for an Order for Inclusion of property into the boundaries of the Watkins Road Holdings Metropolitan District No. 1, City of Aurora, Arapahoe County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby included within the boundaries of the District.

2. That, in accordance with § 32-1-402(1)(b), C.R.S., after the date of this Order, the Property shall be subject to all of the taxes and charges imposed by the District and shall be liable for its proportionate share of existing bonded indebtedness of the District, except as owners may be exempt by law.

3. That, upon the inclusion of the Property within the boundaries of the District, the District's boundaries shall consist of those parcels of real property identified in **Exhibit B**, attached hereto and incorporated herein by this reference (the "Updated District Boundaries").

4. In accordance with § 32-1-402(1)(c), C.R.S., the Property shall be liable for its proportionate share of annual operation and maintenance charges and the cost of facilities of the District and taxes, rates, fees, tolls, or charges shall be certified and levied or assessed therefor.

5. In accordance with § 32-1-402(1)(f), C.R.S., the District's facility and service standards which are applied within the included area shall be compatible with the facility and service standards of adjacent municipalities.

6. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS _____ DAY OF __________ 20__.

BY THE COURT:

____
District Court Judge

EXHIBIT A
(Legal Description of Inclusion Property)

EXHIBIT A
(The Property)

DATE FILED
March 5, 2025 5:26 PM
FILING ID: 459A20DA8EE4A
CASE NUMBER: 2018CV32205

WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NOS. 11-20

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 4 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ARAPAHOE, STATE OF COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 30, SAID POINT BEING THE POINT OF BEGINNING;
THENCE ALONG THE NORTHERLY LINE OF SAID NORTHWEST QUARTER, S89°37'49"E A DISTANCE OF 500.00 FEET;
THENCE S00°11'17"E A DISTANCE OF 500.00 FEET;
THENCE N89°37'49"W A DISTANCE OF 500.00 FEET TO A POINT ON THE WESTERLY LINE OF SAID NORTHWEST QUARTER;
THENCE ALONG SAID WESTERLY LINE, N00°11'17"W A DISTANCE OF 500.00 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 5.739 ACRES OR 249,997 SQUARE FEET MORE OR LESS.

ALL LINEAL DIMENSIONS ARE U.S. SURVEY FEET.

PREPARED BY GREG PROULX, E.I.T.
FOR AND ON BEHALF OF
MARTIN/MARTIN, INC.
12499 WEST COLFAX AVENUE,
LAKEWOOD, CO 80125

BASIS OF BEARINGS

BEARINGS ARE BASED ON THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 4 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN ASSUMED TO BEAR S00°12'02"W AND BEING MONUMENTED BY A FOUND 1/2" ALUMINUM CAP PLS #6935 AT THE EAST QUARTER CORNER AND A FOUND 2-1/2" ALUMINUM CAP PLS #6935 AT THE SOUTHEAST CORNER.

DATE: 01/05/18
SHEET 1 OF 2

MARTIN/MARTIN
CONSULTING ENGINEERS
12499 WEST COLFAX AVENUE, LAKEWOOD, COLORADO 80215
303.431.6100 MARTINMARTIN.COM

Property located in Arapahoe County as indentified by the following AIN Numbers:

1979-00-0-00-560
1977-00-0-00-382

T4HC2FYP7XT7-1861231896-7576

EXHIBIT B
(Description of Updated District Boundaries)

That certain property located in Arapahoe County as identified by the following AIN Numbers:

1979-00-0-00-560
1979-00-0-00-561
1977-00-0-00-387
1977-00-0-00-116
1977-00-0-00-382
1979-00-0-00-566
1979-00-0-00-567
1979-00-0-00-562
1979-00-0-00-563

EXHIBIT B

2026 Budget

WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

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

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Agricultural	$ 86	$ 86	$ 22,040
Personal property	314,659	303,644	498,808
Vacant land	52,675	52,675	75,405
Oil and Gas	1,220,541	406,393	8,716,536
Certified Assessed Value	$ 1,587,961	$ 762,798	$ 9,312,789
MILL LEVY			
General	70.000	70.000	70.000
Total mill levy	70.000	70.000	70.000
PROPERTY TAXES			
General	$ 111,157	$ 53,396	$ 651,895
Levied property taxes	111,157	53,396	651,895
Adjustments to actual/rounding	-	11	-
Budgeted property taxes	$ 111,157	$ 53,407	$ 651,895
BUDGETED PROPERTY TAXES			
General	**$ 111,157**	**$ 53,407**	**$ 651,895**
	$ 111,157	**$ 53,407**	**$ 651,895**

See summary of significant assumptions.

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

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 203,875	$ 290,268	$ 320,879
REVENUES			
Property taxes	111,157	53,407	651,895
Specific ownership taxes	7,204	3,204	35,854
Interest Income	13,851	12,000	12,500
Total revenues	132,212	68,611	700,249
Total funds available	336,087	358,879	1,021,128
EXPENDITURES			
General and administrative			
Accounting	17,911	15,000	18,000
County Treasurer's Fee	1,677	801	9,778
Dues and Membership	300	300	300
Insurance	7,671	2,771	3,300
Legal	17,331	15,000	18,000
Election	329	1,916	-
Contingency	-	1,412	822
Website	600	800	800
Total expenditures	45,819	38,000	51,000
Total expenditures and transfers out requiring appropriation	45,819	38,000	51,000
ENDING FUND BALANCES	$ 290,268	$ 320,879	$ 970,128
EMERGENCY RESERVE	$ 4,000	$ 2,100	$ 21,100
AVAILABLE FOR OPERATIONS	286,268	318,779	949,028
TOTAL RESERVE	$ 290,268	$ 320,879	$ 970,128

See summary of significant assumptions.

WATKINS ROAD HOLDINGS 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 District Court of the County of Arapahoe on November 26, 2018, 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 City of Aurora on August 6, 2018. The District's service area is located entirely within the City of Aurora, in Arapahoe County, Colorado.

The District was established to provide financing for the planning, design, acquisition, construction, installation, relocation, and redevelopment of public improvements, including but not limited to street improvements, traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements, and irrigation system improvements.

Pursuant to the Service Plan, the Districts are permitted to issue bond indebtedness of up to $450 million. In the future, the Districts may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts' service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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.

Revenues - (continued)

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.

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 5.50% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

Expenditures

Administrative Expenditures

Administrative expenditures for the project have been provided based on estimates of the District’s Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, audit, accounting, insurance, management, maintenance and other administrative expenses.

County Treasurer’s Fees

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

Debt and Leases

The District has no debt or operating or capital leases.

Reserves

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.

EXHIBIT C

2025 Application for Exemption from Audit

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/lg

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	Watkins Road Holdings Metropolitan District No. 1
Street address	2001 16th Street, Suite 1700
City, State, Zip	Denver, CO 80202
Contact person	Paul Wilson
Phone	(303) 779-5710
Email	Paul.Wilson@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	Paul Wilson	
Title	Accountant for the District	
Firm name (if applicable)	CliftonLarsonAllen LLP	
Address	2001 16th Street, Suite 1700, Denver, CO 80202	
Phone	(303) 779-5710	
Preparer signature		Date prepared
Paul A. Wilson		2/18/2025

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)	$ 53,426
1-2	Specific ownership	$ 2,902
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4	Other Revenue	$ 6,740
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	$ 13,456
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)	$ 76,524

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	$ 7,894
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	$ 2,771
2-7	Accounting and legal fees	$ 22,910
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		
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 33,575

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	Oustanding 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?	$ 11,250,000,000	
3-15	Date the debt was authorized	11/6/2018	
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?	$ 450,000,000	
3-18	Date of the most recent Service Plan	5/30/2018	
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	$ 5,410
4-2	Certificates of deposit	
4-3	**TOTAL CASH DEPOSITS** (Add lines 4-1 and 4-2)	$ 5,410
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4	CSAFE	$ 328,832
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 328,832
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 334,242

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.		

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	$ 50,000
7-6		
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.			
	See comments below.			
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.			
	This District operates in connection with Watkins Road Holdings Metropolitan District Nos. 2-20			
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		0.000	
9-14	General/other mills		70.000	
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)		70.000	
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).

9-7: The District was established to provide financing for the planning, design, acquisition, construction, installation, relocation, and redevelopment of public improvements, including but not limited to street improvements, traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscape drainage improvements, and irrigation system improvements.

Part 10: Governing Body Approval

10-1	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	Steven Cohen	
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
	Signed by: Steve Cohen 2979404C6DC74F5...	3/6/2026
Board Member 2		
Board member's name	Marc Cooper	
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
	DocuSigned by: Marc Cooper 3CE9C118480D4DE...	3/8/2026
Board Member 3		
Board member's name	Brett Perry	
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
	Signed by: Brett Perry 3CC25E606B1C4A0...	3/6/2026
Board Member 4		
Board member's name	Blake Cohen	
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
Board Member 5		
Board member's name	Diana Garlow	
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
	DocuSigned by: Diana Garlow CB8AC939CEC9489...	3/6/2026
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

02/18/26

Board of Directors
Watkins Road Holdings Metropolitan District No. 1
Arapahoe 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.