ICENOGLE SEAVER POGUE

September 29, 2026

Vincent Junglas
City of Loveland
500 East 3rd Street, Suite 330
Loveland, Colorado 80537
(Via Email: lana.scott@cityofloveland.org)

Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, Colorado 80203
(Via E-Portal)

Division of Local Government
1570 Grant Street, Ste 4007
Denver, Colorado 80203
(Via E-Portal)

Larimer County Clerk and Recorder
Larimer County Colorado
P.O. Box 1280
Fort Collins, Colorado 80522
(Via E-Mail: recording@larimer.org)

Re: Supplement to 2025 Annual Report for Kinston Metropolitan District Nos. 1 – 10

To Whom It May Concern:

Enclosed for your information and records is a copy of the 2025 Audits and Audit Exemptions for Kinston Metropolitan District Nos. 1 – 10 (the "Districts"). These Audits and Audit Exemptions are being submitted pursuant to Sections I.K.3. and II.I of the Districts' Annual Service Plan Report that was submitted on February 27, 2026. At the time of submitting the Annual Report, the Audits and Audit Exemptions were not yet available.

Should you have any questions regarding the enclosed, please do not hesitate to contact our office.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation

Hannah M. Pogue
Hannah M. Pogue
Paralegal

KINSTON METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF C O N T E N T S

INDEPENDENT AUDITORS' REPORT 1 - 3

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
- Statement of Net Position 4
- Statement of Activities 5

Government Fund Financial Statements
- Balance Sheet – Governmental Funds 6
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 7
- Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 8
- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities 9

NOTES TO THE BASIC FINANCIAL STATEMENTS 10 - 23

REQUIRED SUPPLEMENTARY INFORMATION

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund 24

SUPPLEMENTARY INFORMATION

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund 25

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Kinston Metropolitan District No.1
Loveland, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Kinston Metropolitan District No. 1 (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Kinston Metropolitan District No. 1, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the general fund budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Greenwood Village, Colorado
July 9, 2026

BASIC FINANCIAL STATEMENTS

KINSTON METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash and investments	$ 50,977
Cash and investments - restricted	5,256,282
Accounts receivable	40,635
Developer advances receivable	2,167,829
Other assets	333,458
Prepaid items	40,853
Capital assets, not being depreciated	33,246,458
Total assets	41,136,492
Liabilities	
Accounts payable	2,163,305
Retainage payable	209,857
Accrued interest	206,912
Noncurrent liabilities:	
Due in more than one year	
Developer advances	21,840,382
Total liabilities	24,420,456
Net Position	
Net investment in capital assets	13,928,520
Restricted for:	
Emergencies	10,694
Capital projects	5,256,282
Unrestricted (deficit)	(2,479,460)
Total net position	$ 16,716,036

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
General government	$ 1,842,794	$ -	$ 348,205	$ 14,742,584	$ 13,247,995
Interest and fiscal charges	1,459,557	-	-	-	(1,459,557)
Total Governmental Activities	$ 3,302,351	$ -	$ 348,205	$ 14,742,584	11,788,438
General Revenues:					
Investment earnings					8,262
Total General Revenues					8,262
Non-Operating Expenses					
Loss on disposal of assets					(9,045,752)
Change in Net Position					2,750,948
Net Position, Beginning					13,965,088
Net Position, Ending					$ 16,716,036

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 1
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Capital Project Fund	Total Governmental Funds
Assets			
Cash and investments	$ 5,520	$ 45,457	$ 50,977
Cash and investments - restricted	-	5,256,282	5,256,282
Accounts receivable	40,635	-	40,635
Developer advance receivable	110,430	2,057,399	2,167,829
Other assets	-	333,458	333,458
Prepaid items	40,853	-	40,853
Total Assets	$ 197,438	$ 7,692,596	$ 7,890,034
Liabilities			
Accounts payable	$ 68,379	$ 2,094,926	$ 2,163,305
Retainage payable	-	209,857	209,857
Total Liabilities	68,379	2,304,783	2,373,162
Fund Balance			
Nonspendable:			
Prepaid items	40,853	333,458	374,311
Restricted:			
Capital projects	-	5,256,282	5,256,282
Emergencies	10,694	-	10,694
Unassigned (deficit)	77,512	(201,927)	(124,415)
Total Fund Balances	129,059	5,387,813	5,516,872
Total Liabilities and Fund Balance	$ 197,438	$ 7,692,596	$ 7,890,034

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance, governmental funds	$ 5,516,872
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,246,458
Some liabilities are not due in the current period and, therefore, are not reported in the fund balance sheet.	
Developer advances - operating	(1,639,281)
Developer advances - capital	(20,201,101)
Accrued interest	(206,912)
Total net position of governmental activities	$ 16,716,036

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Capital Project Fund	Total Governmental Funds
Revenues			
Intergovernmental	$ 238,914	$ 14,742,584	$ 14,981,498
Fees	109,291	-	109,291
Interest & other	8,262	-	8,262
Total revenues	356,467	14,742,584	15,099,051
Expenditures			
Current:			
Accounting and finance	94,331	-	94,331
Audit	17,000	-	17,000
District management	78,477	29,411	107,888
Facilities management	30,425	-	30,425
Director fees	7,000	-	7,000
Election	18,231	-	18,231
Engineering	-	80,909	80,909
Insurance	29,701	-	29,701
Office, dues, newsletters, other	13,684	18,694	32,378
Legal	59,395	-	59,395
Utilities	101,119	-	101,119
Stormwater facilities	3,376	-	3,376
HOA maintenance	161,695	-	161,695
Amenities	5,941	-	5,941
Payments to other governments	-	1,093,021	1,093,021
Repairs and maintenance	384	-	384
Capital outlay	-	8,521,083	8,521,083
Debt service:			
Repayment of Capital Advances	-	10,422,127	10,422,127
Interest	-	3,227,436	3,227,436
Total expenditures	620,759	23,392,681	24,013,440
Excess (Deficiency) of Revenues Over (Under) Expenditures	(264,292)	(8,650,097)	(8,914,389)
Other Financing Sources (Uses)			
Developer advances	382,283	13,612,435	13,994,718
Total other financing sources (uses)	382,283	13,612,435	13,994,718
Net change in fund balances	117,991	4,962,338	5,080,329
Fund balances, beginning of year	11,068	425,475	436,543
Fund balances, end of year	$ 129,059	$ 5,387,813	$ 5,516,872

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	$ 5,080,329
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	8,521,083
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. This amount is the effect of these differences in the treatment of long term debt and related items:	
Developer advances	(13,994,718)
Governmental funds report principal payments as expenditures. However, in the statement of activities these payments are reflected as a reduction in long-term debt obligations.	10,422,127
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental funds.	
Loss on disposal of assets	(9,045,752)
Change in accrued interest payable	1,767,879
Changes in net position of governmental activities	$ 2,750,948

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - DEFINITION OF REPORTING ENTITY

Kinston Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on December 5, 2019 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within Loveland, Colorado.

The District was established principally to provide streets, traffic and safety controls, street lighting, storm drainage, landscaping, parks and recreation, for the use and benefit of property owners, residents, taxpayers, and system users within and without the boundaries of the District.

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) include all of the activities of the District. As a general rule, the effect of interfund activity has been removed from these statements. These financial statements include all of the activities of the primary government except for the fiduciary activities or fiduciary component units. The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District is reported as net position. The District is responsible for the

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

construction of the aforementioned improvements. A net position of $17,826,366 is reflected on the District's statement of net position as of December 31, 2025.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider has been met. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, the District reports the following major governmental funds:

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

Capital Projects Fund accounts for the resources accumulated and available for capital expenditure within the development.

Budgets

In accordance with the State Budget Law, the District's Board of Directors hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified by the Board at a public hearing. The budget includes each fund on its basis of accounting.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

Cash and Cash Equivalents

Cash on hand, cash in the bank and all highly liquid investments with a maturity of three months or less when purchases or subject to withdrawal, are considered to be cash and cash equivalents. The District deposits funds in Colorado financial institutions that are eligible public depositories under the Colorado Public Deposit Protection Act, PDPA.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

Capital Assets

Capital assets consist entirely of construction projects in process. Therefore, no depreciation is calculated on these assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax

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 30 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. For the year ended December 31, 2025 and budget fiscal year 2026, there were no mills levied by the District, so total property tax revenues and receivables reflect a total of $0 on the financial statements.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year for which they are levied, in most instances in the year in which collection occurs.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Balances-Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact. At December 31, 2025, the District had $374,311 of nonspendable fund balance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. At December 31, 2025, the District had $5,266,976 in restricted fund balance.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2025, the District had no committed fund balance.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority. At December 31, 2025, the District had $0 of assigned fund balance.

Unassigned fund balance – amounts that are available for any purpose. At December 31, 2025, the capital projects fund had a deficit unassigned fund balance of ($201,927) because of the balance of restricted cash and deposits.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and then unassigned funds.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	$	50,977
Cash and investments - restricted		5,256,282
Total cash and investments	$	5,307,259

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2025, consist of the following:

Deposits with financial institutions	$	5,297,009
Investments		10,250
Total cash and investments	$	5,307,259

Deposits with Financial Institutions

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

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

At December 31, 2025, the District's cash deposits had a bank balance of $5,297,009 and a carrying balance of $5,297,009. At December 31, 2025, all of the District's deposits were covered by the Federal Deposit Insurance Corporation (FDIC).

Investments

The District adopted a formal investment policy on December 19, 2019. The District's investment policy follows State statutes regarding investments.

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

- Obligations of the United States, certain U.S. Agency securities, and securities of the World Bank
- General obligations and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools*

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Carrying Amount
Colorado Local Government Liquid Asset Trust	Weighted average under 60 days	$ 10,250

COLOTRUST

During 2025, the District invested in Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to $1.00.

The District invested in the COLOTRUST PLUS+ portfolio. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and repurchase agreements collateralized by certain obligations of U.S. government agencies.

A designated custodial bank serves as custodian for Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

However, the District's investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-like external investment pools. The District is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value (NAV) per share (or its equivalent) of the investment.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with GASB guidance. There are no unfunded commitments, and the redemption frequency is daily and there is no redemption notice period.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

Governmental Activities	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Capital assets, not being depreciated:				
Construction in progress	$ 33,771,127	$ 8,521,083	$ (9,045,752)	$ 33,246,458
Total Capital Assets	$ 33,771,127	$ 8,521,083	$ (9,045,752)	$ 33,246,458

Improvements are intended to be for the use and benefit of all the taxpayers, residents, and owners of real property within the District boundaries. Upon completion, the District plans to transfer certain improvements to the City of Loveland or other appropriate governmental or quasi-governmental entities.

NOTE 5 - LONG-TERM OBLIGATIONS

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

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Governmental activities:					
Developer advances operating	$ 1,256,998	$ 382,283	$ -	$ 1,639,281	$ -
Developer advances capital	17,010,793	13,612,435	(10,422,127)	20,201,101	-
	$ 18,267,791	$ 13,994,718	$ (10,422,127)	$ 21,840,382	$ -

Developer Advances – Operating

On December 19, 2019, the District entered into a funding and reimbursement agreement with McWhinney Real Estate Services (MRES) pursuant to which MRES agreed to advance up to $250,000 to the District to pay for costs associated with operating and maintenance expenses and general operating expenditures of the District through December 31, 2020 or upon the conveyance of the property in the Kinston development to Centerra East Development, Inc. (CED), whichever occurs first. The District agreed to repay MRES for the advances and, to evidence the District's reimbursement obligation to MRES, the District issued a subordinate promissory note to MRES on December 19, 2019 with a maturity date of December 31, 2020. The note bears no interest. The District agreed to repay the note contingent upon the receipt of funds from an ad valorem tax levy and any other legally available revenues of the District, subject to the annual appropriation of funds by the District. On June 17, 2020, the property in the Kinston development was conveyed to CED and the obligations of MRES set forth in the agreement terminated. On December 10, 2020, MRES assigned to CED all of its right, title and interest in the note. On January 1, 2021, the District refunded the note and issued a new subordinate promissory note to CED with a maturity date of December 31, 2021. On November 11, 2021, CED and the District amended the agreement and issued a new subordinate promissory note to CED with a maturity date of December 18, 2059. District made no repayment on the note for the year ended December 31, 2025.

On June 18, 2020, the District entered into a funding and reimbursement agreement with CED pursuant to which CED agreed to advance up to $250,000 to the District to pay for costs associated with operating and maintenance expenses and general operating expenditures of the District through December 31, 2020. The District agreed to repay CED for the advances and, to evidence the District's reimbursement obligation to CED, the District issued a subordinate promissory note to CED on June 18, 2020 with a maturity date of December 31, 2020. The note bears no interest. The District agreed to repay the note contingent upon the receipt of funds from an ad valorem tax levy and any other legally available revenues of the District, subject to the

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

annual appropriation of funds by the District. On November 12, 2020, the District and CED amended the agreement to provide up to $450,000 in advances through December 31, 2021, and the District refunded the note and issued a new subordinate note to CED with a maturity date of December 31, 2021. On November 11, 2021 the District and CED amended the agreement to provide up to $725,000 in advances through December 31, 2022, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. On December 8, 2022 the District and CED amended the agreement to provide up to $1,000,000 in advances through December 31, 2023, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. On November 3, 2023 the District and CED amended the agreement to provide up to $1,500,000 in advances through December 31, 2024, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. On November 14, 2024 the District and CED amended the agreement to provide up to $1,750,000 in advances through December 31, 2025, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. On November 13, 2025 the District and CED amended the agreement to provide up to $2,000,000 in advances through December 31, 2026, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. The District received $166,356 in advances from CED and made no repayment on the note for the year ended December 31, 2025.

Developer Advances – Capital

On June 18, 2020, the District entered into an improvement acquisition, advance and reimbursement agreement with CED pursuant to which CED agreed to construct public improvements for acquisition by the District or advance up to $2,200,000 to the District for the construction of public improvements by the District, through December 31, 2020. The District agreed to repay CED for the advances and public improvements and evidenced its repayment obligation by issuing a subordinate promissory note to CED on June 18, 2020, with a maturity date of December 31, 2020. The note bears simple interest at the federal Prime Interest Rate (as reported on the date of issuance by The Wall Street Journal) plus 3%, up to a maximum or 8.5%, whichever is greater. On November 12, 2020, the District and CED amended the agreement to provide up to $4,600,000 in advances through December 31, 2021, and the District refunded the note and issued a new subordinate promissory note to CED with a maturity date of December 31, 2021. On April 8, 2021, the District and CED amended the agreement to provide up to $8,500,000 in advances through December 31, 2021, and the District refunded the note and issued a new subordinate note to CED with a maturity date of December 31, 2021. On November 11, 2021, the District and CED amended the agreement to provide up to $29,500,000 in advances through

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

December 31, 2022, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. On December 8, 2022, the District and CED amended the agreement to extend the term through December 31, 2023. On November 3, 2023 the District and CED amended the agreement to provide up to $43,500,000 in advances through December 31, 2023, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. On November 14, 2024 the District and CED amended and restated the agreement to clarify advances from CED and to provide up to $38,000,000 in advances through December 31, 2024, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. On November 13, 2025 the District and CED amended and restated the agreement to clarify advances from CED to provide up to $85,000,000 in advances through December 31, 2026, and the District refunded the note and issued a new subordinate note to CED with a maturity date of June 17, 2060. The District received $13,612,435 in advances from CED and paid $10,422,127 and $3,227,436 of principal and interest during the year ended December 31, 2025.

Authorized Debt

On November 5, 2019, a majority of eligible electors of the District authorized the issuance of indebtedness in an amount not to exceed $2,720,000,000. On November 4, 2025, a majority of eligible electors authorized the issuance of additional indebtedness in an amount not to exceed $3,060,000,000. The District's Service Plan limits the maximum amount of debt that may be issued by Kinston Metropolitan District Nos. 1 – 10 collectively to $170,000,000, in 2019 dollars, as adjusted based on the Engineering News-Record's Denver Builder Cost Index.

NOTE 6 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted.

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had net position classifications as of December 31, 2025, as follows:

NOTE 6 - NET POSITION (CONTINUED)

Net investment in capital assets	$ 13,928,520
Restricted for:	
Emergencies	10,694
Capital Projects	5,256,282
Unrestricted (deficit)	(2,479,460)
Total net position	$ 16,716,036

Unrestricted net position reflects a deficit due to loans to third parties and cash restricted for capital projects.

NOTE 7 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

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

In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. Settlements or losses have not exceeded coverage since the start of District operations.

NOTE 8 - CONTINGENCY

The property in the service area of the District is currently vacant and undeveloped and there is no assurance that it will be developed as currently contemplated or at all. A number of factors may affect the development, including the overall economy of the region, Larimer County, and the Loveland metropolitan area in particular. The collection of property and other taxes is dependent on the development occurring in

NOTE 8 – CONTINGENCY (CONTINUED)

the District, and the timing of debt service payments is, in part, dependent on the collection of property and other taxes.

CED has estimated the cost of public improvements necessary to serve the property in the development to be approximately $146 million. The CED plans to fund cost of the development that is not funded by legally attainable revenues and limited tax general obligation debt proceeds of the District and Kinston Metropolitan District Nos. 2-10.

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On September 5, 2025, the District’s voters passed an election question authorizing the retention of all revenues received from any source during the 2025 fiscal year and each fiscal year thereafter that are in excess of the revenue and fiscal year spending limits that would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law. The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 10 – INTERGOVERNMENTAL AGREEMENT CONCERNING DISTRICT OPERATIONS

In order to implement the Service Plan, the District entered into an intergovernmental agreement with Kinston Metropolitan Districts No. 2-10 on December 19, 2019, which

NOTE 10 - INTERGOVERNMENTAL AGREEMENT CONCERNING DISTRICT OPERATIONS

was amended and restated on November 19, 2020 and November 3, 2023, and further amended on September 5, 2025 (The District IGA). The agreement shall remain in full force and effect until such time as each of the terms and conditions have been performed in their entirety or until the agreement is terminated pursuant to the terms of the District IGA. Districts No.2 through No. 10 are responsible for providing the funding needed to support District No.1's costs of acquiring, constructing, operating, and maintaining public improvements for the Districts, and the general operating expenditures of the District. The District received $14,981,498 for services fees and capital expenditure funding from Kinston Metropolitan District Nos. 2-10 during 2025.

NOTE 11 - RELATED PARTIES

The District is one of ten Kinston Metropolitan Districts (collectively, the Districts) organized to assist in the provision of public improvements to serve the Kinston development. Realberry Real Estate Services, LLC (Realberry), formerly, Centerra East Development, Inc. is the developer for Kinston. Realberry and each director of the District have entered into an Agreement For the Sale and Purchase of Real Estate located within the Kinston development. Each director is also an employee of Ralberry Real Estate Services, LLC. Realberry may transact business with the District in the future. Pursuant to the District IGA, the District is responsible for acquiring, constructing, operating and maintaining public improvements to serve the Kinston development. The District has entered into funding and reimbursement agreements with Realberry as described in Note 5. During 2025, Realberry advanced $382,283 for general operating expenditures and $13,612,435 for capital expenditures for the District. The District paid Realberry $11,515,148 and $3,227,436 of principal and interest on outstanding loans. During 2025, the District paid Realberry $709,776 for project management costs.

NOTE 12 – COST SHARING AGREEMENT

On February 20, 2020 the District and Centerra Metropolitan District No. 1 (CMD1) entered into an intergovernmental cost sharing agreement relating to the allocation of costs between the District and CMD1 associated with the construction, installation, operations, and maintenance of any improvements that will mutually benefit the districts. Upon completion of projects outlined in the agreement, the District shall invoice CMD1 for CMD1's allocation of costs for the project. On September 21, 2023 the agreement was amended to state that CMD1 will seek reimbursement from the District for the remaining projects. During the year ended December 31, 2025 the District paid $1,093,021 to the CMD1 under the agreement.

REQUIRED SUPPLEMENTARY INFORMATION

KINSTON METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 232,932	$ 238,914	$ 5,982
Fees	82,750	109,291	26,541
Interest & other	3,000	8,262	5,262
Total revenues	318,682	356,467	37,785
Expenditures			
Current:			
Accounting and finance	84,010	94,331	(10,321)
Audit	17,000	17,000	-
District management	94,085	78,477	15,608
Facilities management	20,150	30,425	(10,275)
Director fees	14,000	7,000	7,000
Election	15,000	18,231	(3,231)
Engineering	15,000	-	15,000
Insurance	30,000	29,701	299
Office, dues, newsletters, other	9,500	13,684	(4,184)
Utilities	85,000	101,119	(16,119)
Legal	83,000	59,395	23,605
Stormwater facilities	4,500	3,376	1,124
HOA maintenance	168,900	161,695	7,205
Amenities	12,500	5,941	6,559
Contingency	20,000	-	20,000
Repairs and maintenance	5,000	384	4,616
Total expenditures	677,645	620,759	56,886
Excess (Deficiency) of Revenues Over (Under) Expenditures	(358,963)	(264,292)	94,671
Other Financing Sources (Uses)			
Developer advances operating	358,963	382,283	23,320
Net change in fund balance	$ -	117,991	$ 117,991
Fund balances, beginning of year		11,068	
Fund balances, end of year		$ 129,059	

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

KINSTON METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental revenue	$ -	$ -	$ 14,742,584	$ 14,742,584
Total revenues	-	-	14,742,584	14,742,584
Expenditures				
Current:				
District management	50,000	50,000	29,411	20,589
Engineering	85,000	85,000	80,909	4,091
Office, dues, & other	-	-	18,694	(18,694)
Payments to Other Governments	-	-	1,093,021	(1,093,021)
Capital outlay	19,812,768	23,306,555	8,521,083	14,785,472
Debt Service				-
Repayment of Capital Advances	-	-	10,422,127	(10,422,127)
Interest	-	-	3,227,436	(3,227,436)
Total expenditures	19,947,768	23,441,555	23,392,681	48,874
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,947,768)	(23,441,555)	(8,650,097)	14,791,458
Other Financing Sources (Uses)				
Proceeds from capital note	19,947,768	19,947,768	13,612,435	(6,335,333)
Total other financing sources (uses)	19,947,768	19,947,768	13,612,435	(6,335,333)
Net change in fund balance	$ -	$ (3,493,787)	4,962,338	$ 8,456,125
Fund balances, beginning of year			425,475	
Fund balances, end of year			$ 5,387,813	

See accompanying independent auditors' report.

KINSTON METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF C O N T E N T S

INDEPENDENT AUDITORS' REPORT 1 - 3

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
Statement of Net Position 4
Statement of Activities 5

Government Fund Financial Statements
Balance Sheet – Governmental Fund 6
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund 7

NOTES TO THE BASIC FINANCIAL STATEMENTS 8 - 14

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 15

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Kinston Metropolitan District No. 2
Loveland, Colorado

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Kinston Metropolitan District No. 2 (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Kinston Metropolitan District No. 2, as of December 31, 2025, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

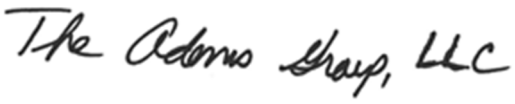
- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining,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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the general fund budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

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



Greenwood Village, Colorado
July 9, 2026

BASIC FINANCIAL STATEMENTS

KINSTON METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Property taxes receivable	$ 1,028,342
Due from county treasurer	5,383
Total assets	1,033,725
Liabilities	
Due to other governments	5,383
Total liabilities	5,383
Deferred Inflows Of Resources	
Unavailable revenue - property taxes	1,028,342
Total deferred inflows of resources	1,028,342
Net Position	
Total net position	$ -

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
General government	$ 1,064,300	$ -	$ -	$ -	$ (1,064,300)
Total Governmental Activities	$ 1,064,300	$ -	$ -	$ -	(1,064,300)
General Revenues:					
Property taxes					998,457
Specific ownership taxes					65,535
Interest & other					308
Total General Revenues					1,064,300
Change in Net Position					-
Net Position, Beginning					-
Net Position, Ending					$ -

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 2
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2025

	General Fund
Assets	
Property taxes receivable	$ 1,028,342
Due from county treasurer	5,383
Total Assets	$ 1,033,725
Liabilities	
Due to other Governments	$ 5,383
Total Liabilities	5,383
Deferred Inflows Of Resources	
Unavailable revenue - property taxes	1,028,342
Total deferred inflows of resources	1,028,342
Fund Balance	
Total Fund Balance	-
Total Liabilities and Fund Balance	$ 1,028,342

Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position

There were no differences between the amounts reported in the governmental fund balance sheet and the statement of net position

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2025

	General Fund
Revenues	
Property taxes	$ 998,457
Specific ownership taxes	65,535
Interest & other	308
Total revenues	1,064,300
Expenditures	
Current:	
Payment for services to District 1	203,438
Payment for services to District 5	840,885
Treasurer's fees	19,977
Total expenditures	1,064,300
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	$ -

Reconciliation of the Statement of Revenue, Expenditures, and Change in Fund Balance to the Statement of Activities

There were no differences between the amounts reported in the governmental fund statement of revenues, expenditures, and change in fund balance and the amounts reported in the statement of activities

The notes are an integral part of these financial statements.

NOTE 1 - DEFINITION OF REPORTING ENTITY

Kinston Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on December 5, 2019 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within Loveland, Colorado.

The District was established principally to finance the construction of streets, traffic and safety controls, street lighting, storm drainage, landscaping, parks and recreation, for the use and benefit of property owners, residents, taxpayers, and system users within and without the boundaries of the District.

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) include all of the activities of the District. As a general rule, the effect of interfund activity has been removed from these statements. These financial statements include all of the activities of the primary government except for the fiduciary activities or fiduciary component units. The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District is reported as net position. The District is responsible for financing the construction of the aforementioned improvements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)
A net position of $0 is reflected on the District's statement of net position as of December 31, 2025

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider has been met. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

are recorded when the liability is incurred, or the long-term obligation paid. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed. In the fund financial statements, the District reports the following major governmental fund:

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified by the Board at a public hearing. The budget includes each fund on its basis of accounting.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

Property Tax

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 30 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year for which they are levied, in most instances in the year in which collection occurs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Balances-Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact. At December 31, 2025, the District had $0 of nonspendable fund balance.

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. At December 31, 2025, the District had $0 in restricted fund balance.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2025, the District had no committed fund balance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority. At December 31, 2025, the District had $0 of assigned fund balance.

Unassigned fund balance – amounts that are available for any purpose. At December 31, 2025, the general fund had unassigned fund balance of $0

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and then unassigned funds.

NOTE 3 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted.

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had net position of $0 at December 31, 2025.

NOTE 4 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

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

NOTE 4 - RISK MANAGEMENT (CONTINUED)

In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. Settlements or losses have not exceeded coverage since the start of District operations.

NOTE 5 - CONTINGENCY

The property in the service area of the District is populated with residential owners and continues to be developed. A number of factors may affect the development, including the overall economy of the region, Larimer County, and the Loveland metropolitan area in particular. The collection of property and other taxes is dependent on the development occurring in the District, and the timing of debt service payments is, in part, dependent on the collection of property and other taxes.

CED has estimated the cost of public improvements necessary to serve the property in the development to be approximately $146 million. The CED plans to fund cost of the development that is not funded by legally attainable revenues and limited tax general obligation debt proceeds of the District and Kinston Metropolitan District Nos. 1, 3-10.

NOTE 6 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 6 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

On November 5, 2019, the District's voters passed an election question authorizing the retention of all revenues received from any source during the 2020 fiscal year and each fiscal year thereafter that are in excess of the revenue and fiscal year spending limits that would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law.

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

NOTE 7 – INTERGOVERNMENTAL AGREEMENT CONCERNING DISTRICT OPERATIONS

In order to implement the provision of the Service Plan, the District entered into an intergovernmental agreement with Kinston Metropolitan Districts No. 1 & 3-10 on December 19, 2019, which was amended and restated on November 19, 2020 and further amended on November 3, 2023 (The District IGA). The agreement shall remain in full force and effect until such time as each of the terms and conditions have been performed in their entirety or until the agreement is terminated pursuant to the terms of the District IGA. Districts No.2 through No. 10 are responsible for providing the funding needed to support District No.1's costs of acquiring, constructing, operating, and maintaining public improvements for the Districts, and the general operating expenditures of the Districts.

NOTE 8 - RELATED PARTIES

The District is one of ten Kinston Metropolitan Districts (collectively, the Districts) organized to assist in the provision of public improvements to serve the Kinston development. Centerra East Development, Inc. (CED) is the developer for Kinston. CED and four of the directors of the District have entered into an Agreement For the Sale and Purchase of Real Estate located within the Kinston development. These four directors are also employees of Realberry Real Estate Services, LLC. Realberry may transact business with the District in the future.

Pursuant to the District IGA, the District is responsible for assisting in the financing the acquisition, construction, and operating and maintaining public improvements to serve the Kinston development.

REQUIRED SUPPLEMENTARY INFORMATION

KINSTON METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property taxes	$ 1,000,077	$ 998,457	$ (1,620)
Specific ownership taxes	60,005	65,535	5,530
Interest & other	10,000	308	(9,692)
Total revenues	1,070,082	1,064,300	(5,782)
Expenditures			
Current:			
Payment for services to District 1	202,613	203,438	(825)
Payment for services to District 5	837,467	840,885	(3,418)
Treasurer's fees	20,002	19,977	25
Contingency	10,000	-	10,000
Total expenditures	1,070,082	1,064,300	5,782
Net change in fund balance	$ -	$ -	$ -
Fund balances, beginning of year		-	
Fund balances, end of year		$ -	

See accompanying independent auditors' report.

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	Kinston Metropolitan District No. 3
Street address	550 W Eisenhower Blvd
City, State, Zip	Loveland, CO 80537
Contact person	Wendy McFarland
Phone	970-669-3611
Email	wendym@pcgi.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	Brendan Campbell
Title	District Accountant
Firm name (if applicable)	Pinnacle Consulting Group, Inc.
Address	550 W Eisenhower Blvd, Loveland, CO 80537
Phone	970-669-3611

Preparer signature	Date prepared
	3/24/2026

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
1-2	Specific ownership	$ 18
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	
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)	$ 71

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	$ 70
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	Treasurer Fees	$ 1
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 71

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?	$ 93,670,000	
3-15	Date the debt was authorized	11/5/2019	
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?		
3-18	Date of the most recent Service Plan		
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		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 0

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	$ 156
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.			
	Streets, Safety Protection, Park and Recreation, Potable Water, Sanitary Sewer, Storm Drainage			
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.			
	All services provided by Kinston Metropolitan District No. 1			
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		67.814	
9-14	General/other mills		16.406	
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)		84.220	
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).

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	Jeff Breidenbach	
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
	Jeff Breidenbach Jeff Breidenbach (Mar 25, 2026 14:32:05 MDT)	03/25/2026
Board Member 2		
Board member's name	Bradley Lenz	
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
	Bradley D Lenz Bradley D Lenz (Mar 24, 2026 11:42:25 MDT)	03/24/2026
Board Member 3		
Board member's name	Rishi Loona	
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
		03/24/2026
Board Member 4		
Board member's name	Wendy Messinger	
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
	Wendy Messinger Wendy Messinger (Mar 24, 2026 11:14:34 MDT)	03/24/2026
Board Member 5		
Board member's name	Sam Voelz	
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
	Sam Voelz Sam Voelz (Mar 24, 2026 11:39:01 MDT)	03/24/2026
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

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE
FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE **(name of government)** STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed $1,000,000 may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $200,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $1,000,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), and independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

SAMPLE

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

SAMPLE

Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign

Final Audit Report 2026-03-25

Created:	2026-03-24
By:	Jake Downing (jaked@pcgi.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZ3oFXWVgmcqY9N38xfrJlWHX1Py96H1s

"Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign" History

Document created by Jake Downing (jaked@pcgi.com)
2026-03-24 - 5:00:26 PM GMT

Document emailed to Jeff Breidenbach (jeff.breidenbach@realberry.com) for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to blenz@landassetstrategies.com for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to Rishi Loona (rishi.loona@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Wendy Messinger (wendy.messinger@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Sam Voelz (sam.voelz@realberry.com) for signature
2026-03-24 - 5:11:29 PM GMT

Email viewed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Rishi Loona (rishi.loona@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Wendy Messinger (wendy.messinger@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Sam Voelz (sam.voelz@realberry.com)
2026-03-24 - 5:11:40 PM GMT

Powered by
Adobe
Acrobat Sign

Document e-signed by Wendy Messinger (wendy.messinger@realberry.com)
Signature Date: 2026-03-24 - 5:14:34 PM GMT - Time Source: server

Document e-signed by Sam Voelz (sam.voelz@realberry.com)
Signature Date: 2026-03-24 - 5:39:01 PM GMT - Time Source: server

Email viewed by blenz@landassetstrategies.com
2026-03-24 - 5:41:20 PM GMT

Signer blenz@landassetstrategies.com entered name at signing as Bradley D Lenz
2026-03-24 - 5:42:23 PM GMT

Document e-signed by Bradley D Lenz (blenz@landassetstrategies.com)
Signature Date: 2026-03-24 - 5:42:25 PM GMT - Time Source: server

Document e-signed by Rishi Loona (rishi.loona@realberry.com)
Signature Date: 2026-03-24 - 6:23:39 PM GMT - Time Source: server

Document e-signed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
Signature Date: 2026-03-25 - 8:32:05 PM GMT - Time Source: server

Agreement completed.
2026-03-25 - 8:32:05 PM GMT

Powered by
Adobe
Acrobat Sign

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	Kinston Metropolitan District No. 4
Street address	550 W Eisenhower Blvd
City, State, Zip	Loveland, CO 80537
Contact person	Wendy McFarland
Phone	970-669-3611
Email	wendym@pcgi.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	Brendan Campbell
Title	District Accountant
Firm name (if applicable)	Pinnacle Consulting Group, Inc.
Address	550 W Eisenhower Blvd, Loveland, CO 80537
Phone	970-669-3611

Preparer signature	Date prepared
	3/24/2026

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)	$ 114
1-2	Specific ownership	$ 9,778
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	
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)	$ 9,892

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	$ 9,890
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	Treasurer Fees	$ 2
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 9,892

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?	$ 93,670,000	
3-15	Date the debt was authorized	11/5/2019	
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?		
3-18	Date of the most recent Service Plan		
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		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 0

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	$ 9,892
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.		
	Streets, Safety Protection, Park and Recreation, Potable Water, Sanitary Sewer, Storm Drainage		
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.		
	All services provided by Kinston Metropolitan District No. 1		
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		67.995
9-14	General/other mills		16.450
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)		84.445

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).

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	Jeff Breidenbach	
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
	Jeff Breidenbach Jeff Breidenbach (Mar 25, 2026 14:32:05 MDT)	03/25/2026
Board Member 2		
Board member's name	Bradley Lenz	
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
	Bradley D Lenz Bradley D Lenz (Mar 24, 2026 11:42:25 MDT)	03/24/2026
Board Member 3		
Board member's name	Rishi Loona	
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
		03/24/2026
Board Member 4		
Board member's name	Wendy Messinger	
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
	Wendy Messinger Wendy Messinger (Mar 24, 2026 11:14:34 MDT)	03/24/2026
Board Member 5		
Board member's name	Sam Voelz	
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
	Sam Voelz Sam Voelz (Mar 24, 2026 11:39:01 MDT)	03/24/2026
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

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE
FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE **(name of government)** STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed $1,000,000 may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $200,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $1,000,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), and independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

SAMPLE

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

SAMPLE

Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign

Final Audit Report 2026-03-25

Created:	2026-03-24
By:	Jake Downing (jaked@pcgi.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZ3oFXWVgmcqY9N38xfrJlWHX1Py96H1s

"Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign" History

Document created by Jake Downing (jaked@pcgi.com)
2026-03-24 - 5:00:26 PM GMT

Document emailed to Jeff Breidenbach (jeff.breidenbach@realberry.com) for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to blenz@landassetstrategies.com for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to Rishi Loona (rishi.loona@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Wendy Messinger (wendy.messinger@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Sam Voelz (sam.voelz@realberry.com) for signature
2026-03-24 - 5:11:29 PM GMT

Email viewed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Rishi Loona (rishi.loona@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Wendy Messinger (wendy.messinger@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Sam Voelz (sam.voelz@realberry.com)
2026-03-24 - 5:11:40 PM GMT

Powered by
Adobe
Acrobat Sign

Document e-signed by Wendy Messinger (wendy.messinger@realberry.com)
Signature Date: 2026-03-24 - 5:14:34 PM GMT - Time Source: server

Document e-signed by Sam Voelz (sam.voelz@realberry.com)
Signature Date: 2026-03-24 - 5:39:01 PM GMT - Time Source: server

Email viewed by blenz@landassetstrategies.com
2026-03-24 - 5:41:20 PM GMT

Signer blenz@landassetstrategies.com entered name at signing as Bradley D Lenz
2026-03-24 - 5:42:23 PM GMT

Document e-signed by Bradley D Lenz (blenz@landassetstrategies.com)
Signature Date: 2026-03-24 - 5:42:25 PM GMT - Time Source: server

Document e-signed by Rishi Loona (rishi.loona@realberry.com)
Signature Date: 2026-03-24 - 6:23:39 PM GMT - Time Source: server

Document e-signed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
Signature Date: 2026-03-25 - 8:32:05 PM GMT - Time Source: server

Agreement completed.
2026-03-25 - 8:32:05 PM GMT

Powered by
Adobe
Acrobat Sign

KINSTON METROPOLITAN DISTRICT NO. 5

FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF C O N T E N T S

Independent Auditors' Report 1 - 3

BASIC FINANCAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position 4

Statement of Activities 5

FUND FINANCIAL STATEMENTS

Balance Sheet – Governmental Funds 6

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 7

Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds 8

Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances to the Statement of Activities 9

NOTES TO THE BASIC FINANCIAL STATEMENTS 10 - 25

REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 26

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund 27

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Kinston Metropolitan District No. 5
Loveland, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Kinston Metropolitan District No. 5 (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Kinston Metropolitan District No. 5, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's

ability to continue as going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the general fund budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Greenwood Village, Colorado
July 9, 2026

KINSTON METROPOLITAN DISTRICT NO. 5
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash and investments - restricted	$ 7,588,297
Property taxes receivable	87,732
Accounts receivable	6,068
Total assets	7,682,097
Deferred Outflows Of Resources	
Loss on refunding of debt	717,000
Total deferred outflows of resources	717,000
Liabilities	
Accrued interest	267,871
Noncurrent liabilities:	
Due in more than one year	
Series 2025 bonds, net of unamortized discount	51,833,640
Total liabilities	52,101,511
Deferred Inflows Of Resources	
Unavailable revenue - property taxes	87,732
Total deferred inflows of resources	87,732
Net Position	
Restricted for:	
Emergencies	10,800
Debt service	7,295,785
Capital projects	30,709
Unrestricted (deficit)	(51,127,440)
Total net position (deficit)	$ (43,790,146)

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 5
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
General government	$ 14,775,539	$ 853,333	$ -	$ -	$ (13,922,206)
Interest and fiscal charges	3,552,970	-	-	-	(3,552,970)
Total Governmental Activities	$ 18,328,509	$ 853,333	$ -	$ -	(17,475,176)
General Revenues:					
Property taxes					156,262
Investment earnings					332,339
Total General Revenues					488,601
Change in Net Position					(16,986,575)
Net Position, Beginning (deficit)					(26,803,571)
Net Position, Ending (deficit)					$ (43,790,146)

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 5
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash and investments - restricted	$ -	$ 7,588,297	$ 7,588,297
Property taxes receivable	17,090	70,642	87,732
Accounts receivable	-	6,068	6,068
Total assets	$ 17,090	$ 7,665,007	$ 7,682,097
Deferred Inflows Of Resources			
Unavailable revenue - property taxes	$ 17,090	$ 70,642	$ 87,732
Total deferred inflows of resources	17,090	70,642	87,732
Fund Balance			
Restricted:			
Debt service	-	7,563,656	7,563,656
Capital projects	-	30,709	30,709
Emergencies	10,800	-	10,800
Unassigned (deficit)	(10,800)	-	(10,800)
Total fund balances	-	7,594,365	7,594,365
Total liabilities, deferred inflows of resources and fund balance	$ 17,090	$ 7,665,007	$ 7,682,097

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 5
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of net position are different because:	
Fund balance of Governmental funds	$ 7,594,365
Deferred losses on debt refundings are recognized as deferred outflows of resources and, therefore, are not reported in the funds.	717,000
Some liabilities are not due in the current period and, therefore, are not reported in the fund balance sheet.	
Series 2025A/Series 2025B bonds	(52,430,000)
Discount on bond issuance	596,360
Accrued interest	(267,871)
Net Position of Governmental Activities	$ (43,790,146)

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Property taxes	$ 30,441	$ 125,821	$ 156,262
District service fees	-	853,333	853,333
Investment earnings	-	332,339	332,339
Total revenues	30,441	1,311,493	1,341,934
Expenditures			
Current:			
Payment for services to District 1	29,832	14,742,584	14,772,416
Treasurer's fees	609	2,514	3,123
Agent fees	-	7,971	7,971
Debt service:			
Cost of Issuance	-	2,598,857	2,598,857
Principal	-	23,900,000	23,900,000
Interest	-	6,038,047	6,038,047
Total expenditures	30,441	47,289,973	47,320,414
Other Financing Sources (Uses)			
Bond Proceeds	-	52,430,000	52,430,000
Total other financing sources (uses)	-	52,430,000	52,430,000
Net change in fund balances	-	6,451,520	6,451,520
Fund balances, beginning of year	-	1,142,845	1,142,845
Fund balances, end of year	$ -	$ 7,594,365	$ 7,594,365

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - Total governmental funds	$ 6,451,520
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. This amount is the effect of these differences in the treatment of long term debt and related items:	
Proceeds from Bond Issuance	(52,430,000)
Principal payments on outstanding bonds	23,900,000
Early call premiums paid on refunded bonds that are reported as deferred losses on refunding on the statement of net position	717,000
Discount on bond issuance that is amortized over the life of the bonds on the statement of net position	596,360
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental funds.	
Change in accrued interest payable	3,778,545
Change in Net Position of Governmental Activities	$ (16,986,575)

The notes are an integral part of these financial statements.

KINSTON METROPOLITAN DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - DEFINITION OF REPORTING ENTITY

Kinston Metropolitan District No. 5 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on December 5, 2019 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within Loveland, Colorado.

The District was established to finance the acquisition, construction, and installation of improvements, for the use and benefit of property owners, residents, taxpayers, and system users within the boundaries of the District.

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) include all of the activities of the District. As a general rule, the effect of interfund activity has been removed from these statements. These financial statements include all of the activities of the primary government. The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District is reported as net position. The District is responsible for the repayment of bonds issued to construct the aforementioned improvements. Consequently, a net deficit balance is reflected on the District's statement of net position as of December 31, 2025.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider has been met. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, the District reports the following major governmental funds:

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

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified by the Board at a public hearing. The budget includes each fund on its basis of accounting.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

Cash and Cash Equivalents

Cash on hand, cash in the bank and all highly liquid investments with a maturity of three months or less when purchases or subject to withdrawal, are considered to be cash and cash equivalents. The District deposits funds in Colorado financial institutions that are eligible public depositories under the Colorado Public Deposit Protection Act, PDPA.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax

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 30 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year for which they are levied, in most instances in the year in which collection occurs.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Balances-Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact. At December 31, 2025, the District had $0 of nonspendable fund balance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. At December 31, 2025, the District had $7,605,165 in restricted fund balance.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2025, the District had no committed fund balance.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority. At December 31, 2025, the District had no assigned fund balance.

Unassigned fund balance – amounts that are available for any purpose. At December 31, 2025, the general fund had a deficit unassigned fund balance of $10,800.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and then assigned funds.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments - restricted	$ 7,588,297
Total cash and investments	$ 7,588,297

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2025, consist of the following:

Investments	$ 7,588,297
Total cash and investments	$ 7,588,297

Deposits with Financial Institutions

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

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

Investments

The District adopted a formal investment policy on December 19, 2019. The District's investment policy follows State statutes regarding investments.

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

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

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The District generally limits its concentration of investments to those noted with an asterisk (*) above, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

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

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Fair Value
Colotrust	Less than One Year	$ 7,588,297

Through its bond trustee, UMB, the District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The District has invested in the Trust's COLOTRUST PLUS+ portfolio. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolio pursuant to a custodian agreement.

The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAm by Standards & Poor's.

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

However, the District's investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-like external investment pools.

Investment Valuation

The District is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value (NAV) per share (or its equivalent) of the investment. Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with GASB guidance. There are no unfunded commitments, and the redemption frequency is daily and there is no redemption notice period.

Annual audited financial statements of COLOTRUST can be obtained at: https://www.colotrust.com/document-center/.

NOTE 4 - LONG-TERM OBLIGATIONS

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

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Governmental activities:					
General obligation bonds:					
Series 2020A	$ 12,400,000	$ -	$ (12,400,000)	$ -	$ -
Series 2020B	11,500,000	-	(11,500,000)	-	-
Series 2025A	-	42,430,000	-	42,430,000	-
Series 2025B	-	10,000,000	-	10,000,000	-
Unamortized discount	-	(596,360)	-	(596,360)	27,879
	$ 23,900,000	$ 51,833,640	$ (23,900,000)	$ 51,833,640	$ 27,879

Senior General Obligation Limited Tax Bonds, Series 2020A

On November 19, 2020, the District issued $12,400,000 of Limited Tax General Obligation Bonds Series 2020A (the 2020A Bonds). The 2020A Bonds were issued with an interest rate of 4.625% to 5.125% per annum. Interest is payable semi-annually on

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

June 1 and December 1, commencing on June 1, 2021. Any unpaid interest compounds semi-annually thereafter. The 2020A Bonds mature on December 1, 2050. If any principal or interest remains unpaid on that date, the 2020A bonds are discharged.

Principal is payable each December 1 from the available pledged revenues, if any. The failure to pay principal of or interest on the 2020A Bonds when due shall not constitute an event of default or result in the acceleration of the 2020A Bonds.

The 2020A Bonds are secured and payable from the Senior Pledged Revenues, consisting generally of (i) all Senior Property Tax Revenues, (ii) all Senior Specific Ownership Tax Revenues, and (iii) any other legally available moneys which the District determines in its absolute discretion. The District along with Kinston Metropolitan Districts Nos. 2, 3, 4, and 10 have each covenanted to levy the Senior Required Mill Levy, to generate senior property tax revenue. The mill levy is capped at 62 mills, subject to adjustment as provided in the Senior Pledge Agreement among the District and Districts Nos. 2, 3, 4, and 10. The mill levy to be imposed by District No. 10 for the repayment of the 2020A Bonds is capped at 62 mills less the debt service mill levy imposed by Centerra Metropolitan District Nos. 2 and 4. Failure to make any payment does not result in the acceleration of the principal on the debt. The proceeds of the 2020A Bonds were used to: (i) finance public improvements related to the development, (ii) fund capitalized interest on the 2020A Bonds, (iii) fund the Senior Reserve Fund, and (iv) pay the costs of issuance of the 2020A and 2020B Bonds. The 2020A Bonds are also secured by the Senior Reserve Fund in the amount of $0. None of these accounts are available to the holders of the Tax-Exempt Subordinated General Obligation Bonds Series 2020B.

The 2020 Bonds cannot be prepaid prior to December 1, 2025. From December 1, 2025 to November 30, 2026 bonds can be prepaid at a redemption premium of 3%. From December 1, 2026 to November 30, 2027 bonds can be prepaid at a redemption premium of 2%. From December 1, 2027 to November 30, 2028 bonds can be prepaid at a redemption premium of 1%. After December 1, 2028 bonds can be redeemed without redemption premium.

The 2020A Bonds, maturing on December 1, 2035 are subject to mandatory sinking fund redemption on December 1, 2028 and on each December 1, thereafter. The 2020A Senior Bonds maturing on December 1, 2050 are subject to a mandatory sinking fund redemption on December 1, 2036 and each December 1, thereafter. The 2020A Bonds were refunded in full on October 1, 2025, and an early call premium of $372,000 was paid as a part of the refunding.

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

Subordinated General Obligation Limited Tax Bonds, Series 2020B

On November 19, 2020, the District issued $11,500,000 of Subordinate Limited Tax General Obligation Bonds Series 2020B (the 2020B Bonds). The 2020B Bonds were issued with an interest rate of 7.5% per annum. Interest is payable annually on December 15, commencing on December 15, 2021. Any unpaid interest compounds annually thereafter. The 2020 Bonds mature on December 15, 2052. The 2020B Bonds are structured as cash flow bonds, meaning that the Indenture contains no scheduled payments of principal on the Bonds other than at maturity. Principal is payable each December 15 from the available subordinate pledged revenues, if any, pursuant to a mandatory redemption.

All principal is due upon maturity. Payment of principal of and interest on the 2020B Bonds is subordinate to the annual payment of debt service on the 2020A Bonds. The failure to pay principal of or interest on the 2020B Bonds when due shall not constitute an event of default. Any amount of unpaid principal of or interest on the 2020B Bonds shall be deemed discharged on December 15, 2059.

The 2020B Bonds are secured and payable from the Subordinate Pledged Revenues, consisting generally of (i) all Subordinate Property Tax Revenues, (ii) all Subordinate Specific Ownership Tax Revenues, (iii) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. The District along with Kinston Metropolitan Districts Nos. 2, 3, 4, and 10 have each covenanted to levy the Subordinate Required Mill Levy, to generate the subordinate property tax revenue. The proceeds of the 2020B Bonds were used to finance additional public improvements related to the development.

The 2020B Bonds cannot be prepaid prior to December 1, 2025. From December 1, 2025 to November 30, 2026 bonds can be prepaid at a redemption premium of 3%. From December 1, 2026 to November 30, 2027 bonds can be prepaid at a redemption premium of 2%. From December 1, 2027 to November 30, 2028 bonds can be prepaid at a redemption premium of 1%. After December 1, 2028 bonds can be redeemed without premium.

The 2020B Bonds are subject to mandatory sinking fund redemption, in part by lot on December 15 of each year commencing December 15, 2020 to the extent moneys are available and certain reimbursements are met. The 2020B Bonds are structured as cash flow bonds, meaning that the Indenture contains no scheduled payments of principal on the Bonds other than at maturity. The 2020B Bonds were refunded in full on October 7, 2025, and an early call premium of $345,000 was paid as a part of the refunding.

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

Senior General Obligation Limited Tax Bonds, Series 2025A

On October 7, 2025, the District issued $42,430,000 of Limited Tax General Obligation Refunding and Improvement Bonds Series 2025A (the 2025A Bonds) in order to refund the 2020 Series bonds and finance the construction of infrastructure within the Districts' boundaries. The 2025A Bonds were issued with an interest rate of 5% to 5.75% per annum. Interest is payable semi-annually on June 1 and December 1, commencing on December 1, 2025. Any unpaid interest compounds semi-annually thereafter. The 2025A Bonds mature on December 1, 2055. The final discharge date for the 2025 Series A Bonds is October 7, 2065.

Principal is payable each December 1 from the available pledged revenues, if any. The failure to pay principal of or interest on the 2025A Bonds when due shall not constitute an event of default or result in the acceleration of the 2025A Bonds.

The 2025A Bonds are secured and payable from the Senior Pledged Revenues, consisting generally of (i) all Senior Property Tax Revenues, (ii) all Senior Specific Ownership Tax Revenues, and (iii) any other legally available moneys which the District determines in its absolute discretion. The District along with Kinston Metropolitan Districts Nos. 2, 3, 4, and 10 have each covenanted to levy the Senior Required Mill Levy, consisting of ad valorem property taxes. The mill levy is capped at 62 mills, subject to adjustment as provided in the Senior Pledge Agreement among the District and Districts Nos. 2, 3, 4, and 10. The mill levy to be imposed by District No. 10 for the repayment of the 2025A Bonds is capped at 62 mills less the debt service mill levy imposed by Centerra Metropolitan District Nos. 2 and 4. Failure to make any payment does not result in the acceleration of the principal on the debt. The proceeds of the 2025A Bonds were used to: (i) refund the 2020 Series Bonds, (ii) finance a portion of the public improvements related to the development, (iii) fund capitalized interest on the 2025A Bonds, (iv) fund the Senior Reserve Fund, and (v) pay the costs of issuance of the 2025A and 2025B Bonds. The 2025A Bonds are also secured by the Senior Reserve Fund in the amount of $720,544. None of these accounts are available to the holders of the Tax-Exempt Subordinated General Obligation Refunding and Improvement Bonds Series 2025B.

The 2025 Bonds cannot be prepaid prior to December 1, 2030. From December 1, 2030 to November 30, 2031 bonds can be prepaid at a redemption premium of 3%. From December 1, 2031 to November 30, 2032 bonds can be prepaid at a redemption premium of 2%. From December 1, 2032 to November 30, 2033 bonds can be prepaid at a redemption premium of 1%. After December 1, 2033 bonds can be redeemed without redemption premium.

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

The 2025A Bonds, maturing on December 1, 2035 are subject to mandatory sinking fund redemption on December 1, 2031 and on each December 1, thereafter. The 2025A Senior Bonds maturing on December 1, 2045 are subject to a mandatory sinking fund redemption on December 1, 2036 and each December 1, thereafter. The 2025A Senior Bonds maturing on December 1, 2055 are subject to a mandatory sinking fund redemption on December 1, 2046 and each December 1, thereafter. The District paid $358,418 of interest on the 2025A bonds during the year ended December 31, 2025. The annual scheduled debt service requirements for the 2025A bonds are shown below:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 2,389,450	$ 2,389,450
2027	-	2,389,450	2,389,450
2028	-	2,389,450	2,389,450
2029	-	2,389,450	2,389,450
2030	-	2,389,450	2,389,450
2031-2035	2,810,000	11,713,500	14,523,500
2036-2040	4,710,000	10,769,828	15,479,828
2041-2045	6,970,000	9,240,002	16,210,002
2046-2050	10,080,000	6,956,064	17,036,064
2051-2055	17,860,000	3,608,414	21,468,414
Total	$ 42,430,000	$ 54,235,058	$ 96,665,058

Subordinated General Obligation Limited Tax Bonds, Series 2025B

On October 7, 2025, the District issued $10,000,000 of Subordinate Limited Tax General Obligation and Refunding Improvement Bonds Series 2025B (the 2025B Bonds) in order to refund the 2020 Series bonds and finance the construction of infrastructure with the Districts' boundaries. The 2025B Bonds were issued with an interest rate of 8.25% per annum. Interest is payable annually on December 15, commencing on December 15, 2025. Any unpaid interest compounds annually thereafter. The 2025 Bonds mature on December 1, 2041. The 2025B Bonds are structured as cash flow bonds, meaning that the Indenture contains no scheduled payments of principal on the Bonds other than at maturity. Principal is payable each December 1 from the available subordinate pledged revenues, if any, pursuant to a mandatory redemption.

Principal is payable on each December 15 from available Subordinate Pledged Revenue, if any. The failure to pay principal of or interest on the 2025B Bonds when due shall not constitute an event of default. The final discharge date for the 2025 Series B Bonds is October 7, 2065 .

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

The 2025B Bonds are secured and payable from the Subordinate Pledged Revenues, consisting generally of (i) all Subordinate Property Tax Revenues, (ii) all Subordinate Specific Ownership Tax Revenues, (iii) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. The District along with Kinston Metropolitan Districts Nos. 2, 3, 4, and 10 have each covenanted to levy the Subordinate Required Mill Levy, to generate subordinate property tax revenues. The proceeds of the 2025B Bonds were used to refund the 2020 series bonds, finance additional public improvements related to the development, and pay for the costs of issuance related to the 2025 B Bonds..

The 2025B Bonds cannot be prepaid prior to December 1, 2030. From December 1, 2030 to November 30, 2031 bonds can be prepaid at a redemption premium of 3%. From December 1, 2031 to November 30, 2032 bonds can be prepaid at a redemption premium of 2%. From December 1, 2032 to November 30, 2023 bonds can be prepaid at a redemption premium of 1%. After December 1, 2033 bonds can be redeemed without premium.

The 2025B Bonds are subject to mandatory sinking fund redemption, as determined by the trustee each November 15. The 2025B Bonds are structured as cash flow bonds, meaning that the Indenture contains no scheduled payments of principal on the Bonds other than at maturity.

Senior Pledge Agreement

Pursuant to the Senior Pledge Agreement and Subordinate Pledge Agreement, the District, along with Kinston Metropolitan District Nos. 2, 3, 4, and 10 will service the 2025A and 2025B Bonds with revenues derived from the required Senior and Subordinate Mill Levies.

Authorized Debt

On November 5, 2019, a majority of eligible electors of the District authorized the issuance of indebtedness in an amount not to exceed $2,720,000,000. On November 4, 2025, a majority of eligible electors authorized the issuance of additional indebtedness in an amount not to exceed $3,060,000,000. The District's Service Plan limits the maximum amount of debt that may be issued by Kinston Metropolitan District Nos. 1 – 10 collectively to $170,000,000, in 2019 dollars, as adjusted based on the Engineering News-Record's Denver Builder Cost Index. As of December 31, 2025, only the District has issued debt in the total amount of $52,430,000, resulting in $117,570,000 remaining in unissued debt allowed under the Service Plan.

NOTE 5 - NET POSITION

The District's net position consists of two components – restricted and unrestricted.

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2025, of $10,800 restricted for emergencies, $7,295,785 restricted for debt service, and $30,709 restricted for capital projects.

In the government-wide financial statements, the District's liabilities and deferred inflows of resources exceeded assets by $43,790,146 as a result of outstanding principal and accrued interest on the 2025A and 2025B Bonds and payments to Kinston Metropolitan District No. 1 to fund construction costs with proceeds from the 2025 bond issuance.

NOTE 6 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. Settlements or losses have not exceeded coverage during the last 3 years of district operations.

NOTE 7 - CONTINGENCY

The property in the service area of the District is currently undergoing development. A number of factors may affect the development, including the overall economy of the region, Larimer County, and the Loveland metropolitan area in particular. The collection of property and other taxes is dependent on the development occurring in the District, and the timing of debt service payments is, in part, dependent on the collection of property and other taxes.

The developer has estimated the cost of public improvements necessary to serve the property in the development to be approximately $146 million. The developer plans to fund cost of the development that is not funded by legally attainable revenues and limited tax general obligation debt proceeds of the Districts.

NOTE 8 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments, except those governmental activities designated as Enterprises. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On September 5, 2025, the District’s voters passed an election question authorizing the retention of all revenues received from any source during the 2025 budget year and each budget year thereafter that are in excess of the revenue and fiscal year spending limits that would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law.

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

NOTE 9 – INTERGOVERNMENTAL AGREEMENT CONCERNING DISTRICT OPERATIONS

In order to implement the Service Plan, the District entered into an intergovernmental agreement with Kinston Metropolitan Districts No. 1, 3-10 on December 19, 2019, which was amended and restated on November 19, 2020 and further amended on November 3, 2023 (The District IGA). The agreement shall remain in full force and effect until such time as each of the terms and conditions have been performed in their entirety or until the agreement is terminated pursuant to the terms of the District IGA. Districts No. 2 through No. 10 are responsible for providing the funding needed to support District No.1's costs of acquiring, constructing, operating, and maintaining public improvements for the Districts, and the general operating expenditures of the Districts.

NOTE 10 - RELATED PARTIES

The District is one of ten Kinston Metropolitan Districts (collectively, the Districts) organized to assist in the provision of public improvements to serve the Kinston development. Centerra East Development, Inc. (CED) is the developer for Kinston. CED and each director of the District have entered into an Agreement For the Sale and Purchase of Real Estate located within the Kinston development. Each director is also an employee of Realberry Real Estate Services, LLC. Realberry may transact business with the District in the future.

REQUIRED SUPPLEMENTARY INFORMATION

KINSTON METROPOLITAN DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property taxes	$ 30,441	$ 30,441	$ -
Interest & Other	100	-	(100)
Total revenues	30,541	30,441	(100)
Expenditures			
Current:			
Payment for Services to District #1	29,832	29,832	-
Treasurer's fees	609	609	-
Contingency	100	-	100
Total expenditures	30,541	30,441	100
Net change in fund balance	$ -	-	$ -
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

SUPPLEMENTARY INFORMATION

KINSTON METROPOLITAN DISTRICT NO. 5
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 125,821	$ 125,821	$ 125,821	$ -
Specific ownership taxes	-	-	-	-
Service fees, District 2	837,467	837,467	840,885	3,418
Service fees, District 3	44	44	57	13
Service fees, District 4	96	96	7,963	7,867
Service fees, District 10	528	528	4,428	3,900
Investment earnings	48,000	48,000	332,339	284,339
Total revenues	1,011,956	1,011,956	1,311,493	299,537
Expenditures				
Current				
Treasurer fees	2,516	2,516	2,514	2
Trustee fees	7,000	7,970	7,971	(1)
Contingency	5,000	-	-	-
Payment to District 1	-	14,742,584	14,742,584	-
Debt service				-
Principal	-	24,617,000	23,900,000	717,000
Interest	625,500	6,038,047	6,038,047	-
Bond issuance costs	-	1,881,857	2,598,857	(717,000)
Total expenditures	640,016	47,289,974	47,289,973	1
Excess of revenues over (under) expenditures	371,940	(46,278,018)	(45,978,480)	299,538
Other Financing Sources (Uses)				
Bond Proceeds	$ -	$ 52,430,000	52,430,000	$ -
Total other financing sources and uses	-	52,430,000	52,430,000	-
Net change in fund balance	$ 371,940	$ (46,278,018)	$ 6,451,520	$ 299,538
Fund balance, beginning of year			1,142,845	
Fund balance, end of year			$ 7,594,365	

See accompanying independent auditors' report.

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	Kinston Metropolitan District No. 6
Street address	550 W Eisenhower Blvd
City, State, Zip	Loveland, CO 80537
Contact person	Wendy McFarland
Phone	970-669-3611
Email	wendym@pcgi.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	Brendan Campbell
Title	District Accountant
Firm name (if applicable)	Pinnacle Consulting Group, Inc.
Address	550 W Eisenhower Blvd, Loveland, CO 80537
Phone	970-669-3611

Preparer signature	Date prepared
	3/24/26

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)	$ 0
1-2	Specific ownership	$ 0
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	
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)	$ 0

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	$ 0
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	Treasurer Fees	$ 0
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 0

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?	$ 93,670,000	
3-15	Date the debt was authorized	11/5/2019	
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?		
3-18	Date of the most recent Service Plan		
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		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 0

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	$ 100
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.			
	Streets, Safety Protection, Park and Recreation, Potable Water, Sanitary Sewer, Storm Drainage			
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.			
	All services provided by Kinston Metropolitan District No. 1			
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			27.884
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)			27.884
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).

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	Jeff Breidenbach	
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 Jeff Breidenbach Jeff Breidenbach (Mar 25, 2026 14:32:05 MDT)	Date 03/25/2026
Board Member 2		
Board member's name	Bradley Lenz	
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 Bradley D Lenz Bradley D Lenz (Mar 24, 2026 11:42:25 MDT)	Date 03/24/2026
Board Member 3		
Board member's name	Rishi Loona	
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 03/24/2026
Board Member 4		
Board member's name	Wendy Messinger	
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 Wendy Messinger Wendy Messinger (Mar 24, 2026 11:14:34 MDT)	Date 03/24/2026
Board Member 5		
Board member's name	Sam Voelz	
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 Sam Voelz Sam Voelz (Mar 24, 2026 11:39:01 MDT)	Date 03/24/2026
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

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE
FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE **(name of government)** STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed $1,000,000 may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $200,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $1,000,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), and independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

SAMPLE

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

SAMPLE

Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign

Final Audit Report 2026-03-25

Created:	2026-03-24
By:	Jake Downing (jaked@pcgi.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZ3oFXWVgmcqY9N38xfrJlWHX1Py96H1s

"Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign" History

Document created by Jake Downing (jaked@pcgi.com)
2026-03-24 - 5:00:26 PM GMT

Document emailed to Jeff Breidenbach (jeff.breidenbach@realberry.com) for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to blenz@landassetstrategies.com for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to Rishi Loona (rishi.loona@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Wendy Messinger (wendy.messinger@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Sam Voelz (sam.voelz@realberry.com) for signature
2026-03-24 - 5:11:29 PM GMT

Email viewed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Rishi Loona (rishi.loona@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Wendy Messinger (wendy.messinger@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Sam Voelz (sam.voelz@realberry.com)
2026-03-24 - 5:11:40 PM GMT

Powered by
Adobe
Acrobat Sign

Document e-signed by Wendy Messinger (wendy.messinger@realberry.com)
Signature Date: 2026-03-24 - 5:14:34 PM GMT - Time Source: server

Document e-signed by Sam Voelz (sam.voelz@realberry.com)
Signature Date: 2026-03-24 - 5:39:01 PM GMT - Time Source: server

Email viewed by blenz@landassetstrategies.com
2026-03-24 - 5:41:20 PM GMT

Signer blenz@landassetstrategies.com entered name at signing as Bradley D Lenz
2026-03-24 - 5:42:23 PM GMT

Document e-signed by Bradley D Lenz (blenz@landassetstrategies.com)
Signature Date: 2026-03-24 - 5:42:25 PM GMT - Time Source: server

Document e-signed by Rishi Loona (rishi.loona@realberry.com)
Signature Date: 2026-03-24 - 6:23:39 PM GMT - Time Source: server

Document e-signed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
Signature Date: 2026-03-25 - 8:32:05 PM GMT - Time Source: server

Agreement completed.
2026-03-25 - 8:32:05 PM GMT

Powered by
Adobe
Acrobat Sign

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	Kinston Metropolitan District No. 7
Street address	550 W Eisenhower Blvd
City, State, Zip	Loveland, CO 80537
Contact person	Wendy McFarland
Phone	970-669-3611
Email	wendym@pcgi.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	Brendan Campbell
Title	District Accountant
Firm name (if applicable)	Pinnacle Consulting Group, Inc.
Address	550 W Eisenhower Blvd, Loveland, CO 80537
Phone	970-669-3611

Preparer signature	Date prepared
	3/24/26

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)	$ 0
1-2	Specific ownership	$ 0
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	
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)	$ 0

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	$ 0
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	Treasurer Fees	$ 0
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 0

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?	$ 93,670,000	
3-15	Date the debt was authorized	11/5/2019	
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?		
3-18	Date of the most recent Service Plan		
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		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 0

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	$ 100
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.			
	Streets, Safety Protection, Park and Recreation, Potable Water, Sanitary Sewer, Storm Drainage			
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.			
	All services provided by Kinston Metropolitan District No. 1			
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			27.884
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)			27.884
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).

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	Jeff Breidenbach	
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
	Jeff Breidenbach Jeff Breidenbach (Mar 25, 2026 14:32:05 MDT)	03/25/2026
Board Member 2		
Board member's name	Bradley Lenz	
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
	Bradley D Lenz Bradley D Lenz (Mar 24, 2026 11:42:25 MDT)	03/24/2026
Board Member 3		
Board member's name	Rishi Loona	
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
		03/24/2026
Board Member 4		
Board member's name	Wendy Messinger	
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
	Wendy Messinger Wendy Messinger (Mar 24, 2026 11:14:34 MDT)	03/24/2026
Board Member 5		
Board member's name	Sam Voelz	
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
	Sam Voelz Sam Voelz (Mar 24, 2026 11:39:01 MDT)	03/24/2026
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

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE
FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE **(name of government)** STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed $1,000,000 may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $200,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $1,000,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), and independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

SAMPLE

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

SAMPLE

Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign

Final Audit Report 2026-03-25

Created:	2026-03-24
By:	Jake Downing (jaked@pcgi.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZ3oFXWVgmcqY9N38xfrJlWHX1Py96H1s

"Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign" History

Document created by Jake Downing (jaked@pcgi.com)
2026-03-24 - 5:00:26 PM GMT

Document emailed to Jeff Breidenbach (jeff.breidenbach@realberry.com) for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to blenz@landassetstrategies.com for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to Rishi Loona (rishi.loona@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Wendy Messinger (wendy.messinger@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Sam Voelz (sam.voelz@realberry.com) for signature
2026-03-24 - 5:11:29 PM GMT

Email viewed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Rishi Loona (rishi.loona@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Wendy Messinger (wendy.messinger@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Sam Voelz (sam.voelz@realberry.com)
2026-03-24 - 5:11:40 PM GMT

Powered by
Adobe
Acrobat Sign

Document e-signed by Wendy Messinger (wendy.messinger@realberry.com)
Signature Date: 2026-03-24 - 5:14:34 PM GMT - Time Source: server

Document e-signed by Sam Voelz (sam.voelz@realberry.com)
Signature Date: 2026-03-24 - 5:39:01 PM GMT - Time Source: server

Email viewed by blenz@landassetstrategies.com
2026-03-24 - 5:41:20 PM GMT

Signer blenz@landassetstrategies.com entered name at signing as Bradley D Lenz
2026-03-24 - 5:42:23 PM GMT

Document e-signed by Bradley D Lenz (blenz@landassetstrategies.com)
Signature Date: 2026-03-24 - 5:42:25 PM GMT - Time Source: server

Document e-signed by Rishi Loona (rishi.loona@realberry.com)
Signature Date: 2026-03-24 - 6:23:39 PM GMT - Time Source: server

Document e-signed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
Signature Date: 2026-03-25 - 8:32:05 PM GMT - Time Source: server

Agreement completed.
2026-03-25 - 8:32:05 PM GMT

Powered by
Adobe
Acrobat Sign

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	Kinston Metropolitan District No. 8
Street address	550 W Eisenhower Blvd
City, State, Zip	Loveland, CO 80537
Contact person	Wendy McFarland
Phone	970-669-3611
Email	wendym@pcgi.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	Brendan Campbell
Title	District Accountant
Firm name (if applicable)	Pinnacle Consulting Group, Inc.
Address	550 W Eisenhower Blvd, Loveland, CO 80537
Phone	970-669-3611

Preparer signature	Date prepared
	3/24/26

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)	$ 0
1-2	Specific ownership	$ 0
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	
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)	$ 0

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	$ 0
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	Treasurer Fees	$ 0
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 0

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?	$ 93,670,000	
3-15	Date the debt was authorized	11/5/2019	
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?		
3-18	Date of the most recent Service Plan		
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		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 0

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	$ 100
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.			
	Streets, Safety Protection, Park and Recreation, Potable Water, Sanitary Sewer, Storm Drainage			
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.			
	All services provided by Kinston Metropolitan District No. 1			
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			27.884
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)			27.884
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).

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	Jeff Breidenbach	
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
	Jeff Breidenbach Jeff Breidenbach (Mar 25, 2026 14:32:05 MDT)	03/25/2026
Board Member 2		
Board member's name	Bradley Lenz	
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
	Bradley D Lenz Bradley D Lenz (Mar 24, 2026 11:42:25 MDT)	03/24/2026
Board Member 3		
Board member's name	Rishi Loona	
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
	Rishi Loona	03/24/2026
Board Member 4		
Board member's name	Wendy Messinger	
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
	Wendy Messinger Wendy Messinger (Mar 24, 2026 11:14:37 MDT)	03/24/2026
Board Member 5		
Board member's name	Sam Voelz	
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
	Sam Voelz Sam Voelz (Mar 24, 2026 11:39:01 MDT)	03/24/2026
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

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE
FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE **(name of government)** STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed $1,000,000 may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $200,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $1,000,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), and independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

SAMPLE

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

SAMPLE

Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign

Final Audit Report 2026-03-25

Created:	2026-03-24
By:	Jake Downing (jaked@pcgi.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZ3oFXWVgmcqY9N38xfrJlWHX1Py96H1s

"Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign" History

Document created by Jake Downing (jaked@pcgi.com)
2026-03-24 - 5:00:26 PM GMT

Document emailed to Jeff Breidenbach (jeff.breidenbach@realberry.com) for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to blenz@landassetstrategies.com for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to Rishi Loona (rishi.loona@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Wendy Messinger (wendy.messinger@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Sam Voelz (sam.voelz@realberry.com) for signature
2026-03-24 - 5:11:29 PM GMT

Email viewed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Rishi Loona (rishi.loona@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Wendy Messinger (wendy.messinger@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Sam Voelz (sam.voelz@realberry.com)
2026-03-24 - 5:11:40 PM GMT

Powered by
Adobe
Acrobat Sign

Document e-signed by Wendy Messinger (wendy.messinger@realberry.com)
Signature Date: 2026-03-24 - 5:14:34 PM GMT - Time Source: server

Document e-signed by Sam Voelz (sam.voelz@realberry.com)
Signature Date: 2026-03-24 - 5:39:01 PM GMT - Time Source: server

Email viewed by blenz@landassetstrategies.com
2026-03-24 - 5:41:20 PM GMT

Signer blenz@landassetstrategies.com entered name at signing as Bradley D Lenz
2026-03-24 - 5:42:23 PM GMT

Document e-signed by Bradley D Lenz (blenz@landassetstrategies.com)
Signature Date: 2026-03-24 - 5:42:25 PM GMT - Time Source: server

Document e-signed by Rishi Loona (rishi.loona@realberry.com)
Signature Date: 2026-03-24 - 6:23:39 PM GMT - Time Source: server

Document e-signed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
Signature Date: 2026-03-25 - 8:32:05 PM GMT - Time Source: server

Agreement completed.
2026-03-25 - 8:32:05 PM GMT

Powered by
Adobe
Acrobat Sign

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	Kinston Metropolitan District No. 9
Street address	550 W Eisenhower Blvd
City, State, Zip	Loveland, CO 80537
Contact person	Wendy McFarland
Phone	970-669-3611
Email	wendym@pcgi.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	Brendan Campbell
Title	District Accountant
Firm name (if applicable)	Pinnacle Consulting Group, Inc.
Address	550 W Eisenhower Blvd, Loveland, CO 80537
Phone	970-669-3611

Preparer signature	Date prepared
	3/24/2026

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)	$ 12
1-2	Specific ownership	$ 1
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	
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)	$ 13

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	$ 13
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	Treasurer Fees	$ 0
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 13

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?	$ 93,670,000	
3-15	Date the debt was authorized	11/5/2019	
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?		
3-18	Date of the most recent Service Plan		
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		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 0

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	$ 113
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.		
	Streets, Safety Protection, Park and Recreation, Potable Water, Sanitary Sewer, Storm Drainage		
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.		
	All services provided by Kinston Metropolitan District No. 1		
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		27.466
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)		27.466

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).

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	Jeff Breidenbach	
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 Jeff Breidenbach Jeff Breidenbach (Mar 25, 2026 14:32:05 MDT)	Date 03/25/2026
Board Member 2		
Board member's name	Bradley Lenz	
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 Bradley D Lenz Bradley D Lenz (Mar 24, 2026 11:42:25 MDT)	Date 03/24/2026
Board Member 3		
Board member's name	Rishi Loona	
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 03/24/2026
Board Member 4		
Board member's name	Wendy Messinger	
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 Wendy Messinger Wendy Messinger (Mar 24, 2026 11:14:34 MDT)	Date 03/24/2026
Board Member 5		
Board member's name	Sam Voelz	
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 Sam Voelz Sam Voelz (Mar 24, 2026 11:39:01 MDT)	Date 03/24/2026
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

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE
FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE **(name of government)** STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed $1,000,000 may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $200,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $1,000,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), and independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

SAMPLE

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

SAMPLE

Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign

Final Audit Report 2026-03-25

Created:	2026-03-24
By:	Jake Downing (jaked@pcgi.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZ3oFXWVgmcqY9N38xfrJlWHX1Py96H1s

"Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign" History

Document created by Jake Downing (jaked@pcgi.com)
2026-03-24 - 5:00:26 PM GMT

Document emailed to Jeff Breidenbach (jeff.breidenbach@realberry.com) for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to blenz@landassetstrategies.com for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to Rishi Loona (rishi.loona@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Wendy Messinger (wendy.messinger@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Sam Voelz (sam.voelz@realberry.com) for signature
2026-03-24 - 5:11:29 PM GMT

Email viewed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Rishi Loona (rishi.loona@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Wendy Messinger (wendy.messinger@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Sam Voelz (sam.voelz@realberry.com)
2026-03-24 - 5:11:40 PM GMT

Powered by
Adobe
Acrobat Sign

Document e-signed by Wendy Messinger (wendy.messinger@realberry.com)
Signature Date: 2026-03-24 - 5:14:34 PM GMT - Time Source: server

Document e-signed by Sam Voelz (sam.voelz@realberry.com)
Signature Date: 2026-03-24 - 5:39:01 PM GMT - Time Source: server

Email viewed by blenz@landassetstrategies.com
2026-03-24 - 5:41:20 PM GMT

Signer blenz@landassetstrategies.com entered name at signing as Bradley D Lenz
2026-03-24 - 5:42:23 PM GMT

Document e-signed by Bradley D Lenz (blenz@landassetstrategies.com)
Signature Date: 2026-03-24 - 5:42:25 PM GMT - Time Source: server

Document e-signed by Rishi Loona (rishi.loona@realberry.com)
Signature Date: 2026-03-24 - 6:23:39 PM GMT - Time Source: server

Document e-signed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
Signature Date: 2026-03-25 - 8:32:05 PM GMT - Time Source: server

Agreement completed.
2026-03-25 - 8:32:05 PM GMT

Powered by
Adobe
Acrobat Sign

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	Kinston Metropolitan District No. 10
Street address	550 W Eisenhower Blvd
City, State, Zip	Loveland, CO 80537
Contact person	Wendy McFarland
Phone	970-669-3611
Email	wendym@pcgi.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	Brendan Campbell
Title	District Accountant
Firm name (if applicable)	Pinnacle Consulting Group, Inc.
Address	550 W Eisenhower Blvd, Loveland, CO 80537
Phone	970-669-3611

Preparer signature	Date prepared
	3/24/2026

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)	$ 931
1-2	Specific ownership	$ 7,206
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	
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)	$ 8,137

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	$ 8,118
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	Treasurer Fees	$ 19
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 8,137

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?	$ 93,670,000	
3-15	Date the debt was authorized	11/5/2019	
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?		
3-18	Date of the most recent Service Plan		
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		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 0

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	$ 8,137
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.			
	Streets, Safety Protection, Park and Recreation, Potable Water, Sanitary Sewer, Storm Drainage			
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.			
	All services provided by Kinston Metropolitan District No. 1			
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		19.300	
9-14	General/other mills		16.083	
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)		35.383	
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).

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	Jeff Breidenbach	
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
	Jeff Breidenbach Jeff Breidenbach (Mar 25, 2026 14:32:05 MDT)	03/25/2026
Board Member 2		
Board member's name	Bradley Lenz	
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
	Bradley D Lenz Bradley D Lenz (Mar 24, 2026 11:42:25 MDT)	03/24/2026
Board Member 3		
Board member's name	Rishi Loona	
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
		03/24/2026
Board Member 4		
Board member's name	Wendy Messinger	
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
	Wendy Messinger Wendy Messinger (Mar 24, 2026 11:14:3[illegible] MDT)	03/24/2026
Board Member 5		
Board member's name	Sam Voelz	
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
	Sam Voelz Sam Voelz (Mar 24, 2026 11:39:01 MDT)	03/24/2026
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

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE
FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE **(name of government)** STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed $1,000,000 may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $200,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded $1,000,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), and independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

SAMPLE

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

SAMPLE

Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign

Final Audit Report 2026-03-25

Created:	2026-03-24
By:	Jake Downing (jaked@pcgi.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZ3oFXWVgmcqY9N38xfrJlWHX1Py96H1s

"Kinston Metropolitan District - 2025 Audit Exemptions - Please Adobe Sign" History

Document created by Jake Downing (jaked@pcgi.com)
2026-03-24 - 5:00:26 PM GMT

Document emailed to Jeff Breidenbach (jeff.breidenbach@realberry.com) for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to blenz@landassetstrategies.com for signature
2026-03-24 - 5:11:27 PM GMT

Document emailed to Rishi Loona (rishi.loona@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Wendy Messinger (wendy.messinger@realberry.com) for signature
2026-03-24 - 5:11:28 PM GMT

Document emailed to Sam Voelz (sam.voelz@realberry.com) for signature
2026-03-24 - 5:11:29 PM GMT

Email viewed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Rishi Loona (rishi.loona@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Wendy Messinger (wendy.messinger@realberry.com)
2026-03-24 - 5:11:38 PM GMT

Email viewed by Sam Voelz (sam.voelz@realberry.com)
2026-03-24 - 5:11:40 PM GMT

Powered by
Adobe
Acrobat Sign

Document e-signed by Wendy Messinger (wendy.messinger@realberry.com)
Signature Date: 2026-03-24 - 5:14:34 PM GMT - Time Source: server

Document e-signed by Sam Voelz (sam.voelz@realberry.com)
Signature Date: 2026-03-24 - 5:39:01 PM GMT - Time Source: server

Email viewed by blenz@landassetstrategies.com
2026-03-24 - 5:41:20 PM GMT

Signer blenz@landassetstrategies.com entered name at signing as Bradley D Lenz
2026-03-24 - 5:42:23 PM GMT

Document e-signed by Bradley D Lenz (blenz@landassetstrategies.com)
Signature Date: 2026-03-24 - 5:42:25 PM GMT - Time Source: server

Document e-signed by Rishi Loona (rishi.loona@realberry.com)
Signature Date: 2026-03-24 - 6:23:39 PM GMT - Time Source: server

Document e-signed by Jeff Breidenbach (jeff.breidenbach@realberry.com)
Signature Date: 2026-03-25 - 8:32:05 PM GMT - Time Source: server

Agreement completed.
2026-03-25 - 8:32:05 PM GMT

Powered by
Adobe
Acrobat Sign