

**SOLA METROPOLITAN DISTRICT – COMMERCIAL AND
SOLA METROPOLITAN DISTRICT – INSTITUTIONAL**

CITY OF LAFAYETTE, COLORADO

2024 CONSOLIDATED ANNUAL REPORT

City of Lafayette, Colorado
via Email

County Clerk and Recorder
Boulder County, Colorado
via Email

Office of the State Auditor,
1525 Sherman Street, 7th Floor
Denver, Colorado 80203
via E-Filing Portal

Division of Local Government,
1313 Sherman Street, Room 521
Denver, Colorado 80203
via E-Filing Portal

Pursuant to Section VII of the Amended and Restated Consolidated Service Plan of the SoLa Metropolitan District – Commercial (the “**Commercial District**”) and the SoLa Metropolitan District – Institutional (the “**Institutional District**”, together with the Commercial District, the “**Districts**”) and Section 32-1-207(3)(c)(I), C.R.S., the District is required to submit an annual report (the “**Report**”) for the preceding calendar year no later than September 30 of each year to the City of Lafayette, Colorado (the “**City**”), the Colorado Division of Local Government, the Colorado State Auditor, and the County Clerk and Recorder; the Report must also be posted on the District’s website.

For the year ending December 31, 2024, the District makes the following report:

1. Boundary changes made:

The Districts had no boundary changes in 2024.

2. Intergovernmental agreements entered into or terminated:

The Districts did not enter into or terminate any Intergovernmental Agreements in 2024.

3. Access information to obtain a copy of the Rules and Regulations:

The Districts have not adopted Rules and Regulations; however, each District has adopted a Declaration of Use Restrictions and Covenants and can be found on their respective public website:

<https://www.solacomd.org/>

<https://www.solainsmd.org/>

4. A summary of any litigation involving public improvements by the District:

There is no litigation, pending or threatened, against the Districts of which we are aware.

5. A narrative summary of the progress of the Districts in implementing the Service Plan for the report year:

In 2009, the Commercial District issued its Subordinate Limited Property Tax Supported Convertible Capital Appreciation Revenue Bonds, Series 2009B (in the aggregate original principal amount of \$2,193,369.50) (the “**Series 2009B Bonds**”) and Junior Lien Limited Tax Supported Convertible Capital Appreciation Revenue Bonds, Series 2009C (in the original principal amount of \$2,098,173.95) (the “**Series 2009C Bonds**”) and together with the 2009 Bonds, the “**Series 2009 Bonds**”). Proceeds from the Series 2009 Bonds were used to pay the capital costs for the Public Improvements, details of the use of proceeds were provided in the Commercial District’s 2020 annual report. The Districts entered into the Subordinate Capital Pledge Agreement by which both Districts agreed to impose the debt service mill levy required to service the Series 2009 Bonds.

In 2012, the Commercial District issued its Senior Limited Property Tax Supported Convertible Capital Appreciation Revenue Bonds, Series 2012 (in the aggregate principal amount of \$3,125,171.70) (the “**Series 2012 Bonds**”). Proceeds from the Series 2012 Bonds were used to pay the capital costs for Public Improvements. The Districts entered into the 2012 Senior Capital Pledge Agreement by which both Districts agreed to impose the debt service mill levy required to service the Series 2012 Bonds.

In 2024, the Commercial District issued its Special Revenue Refunding Loan, Series 2024 (in the aggregate principal amount of \$6,850,000) (the “**Refunding Loan**”), and its Subordinate Revenue Notes, Series 2024 (in the aggregate principal amount of \$2,900,000) (the “**Subordinate Notes**”) and together with the Refunding Loan, the “**2024 Obligations**”). The proceeds of the 2024 Obligations refunded all of the Series 2012 Bonds and a portion of the Series 2009B Bonds. As part of the issuance of the 2024 Obligations, \$4,519,346 of principal and interest due on the Series 2009B Bonds and all \$6,713,783 of principal and interest due on the 2009C Bonds were canceled.

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

Attached as Exhibit A is a copy of the 2024 audited financial statements for the Commercial District.

Attached as Exhibit B is a copy of the 2024 Audit Exemption Application for the Institutional District.

7. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year:

The summary of the capital expenditures for 2024 is included in the Commercial District's 2024 audited financial statements.

The Institutional District did not have any capital expenditures for the development of Public Improvements in 2024. Rather, the Institutional District has contributed and will continue to contribute toward the financing of the Public Improvements financed and constructed by the Commercial District pursuant to the Facilities Funding, Construction and Operations Agreement approved by the Districts and the City of Lafayette, a copy of which was provided with the 2011 Report.

8. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year, and the current mill levy of the Districts pledged to Debt retirement in the report year:

The summary of the financial obligations for 2024 is included in the Commercial District's 2024 audited financial statements. The Institutional District has financial obligations owed to the Commercial District to pay for the Districts' collective operating expenses and for bonds issued by the Commercial District.

As of December 31, 2024, the Districts had an aggregate total of \$395,000,000 of authorized debt under the Service Plan, of which \$17,167,945 has been issued by the Commercial District, leaving \$377,832,055 of authorized but unissued debt.

The Districts' 2025 Budget specifies their respective assessed valuation and the mill levy certified in 2024.

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

Attached as Exhibit C is a copy of the Commercial District's 2025 Budget, which shows estimated financial activity for 2025.

Attached as Exhibit D is a copy of the Institutional District's 2025 Budget, which shows estimated financial activity for 2025.

10. A summary of the residential and commercial development in the Districts for the report year:

Commercial District: Dairy Queen, Ziggi’s Coffee, Murphy Oil gas station and convenience store, Blue Federal Credit Union, The Learning Experience, Hampton Inn and Suites, and Main Street aka Powerback Rehabilitation Center are open for business. No residential development is anticipated within the Commercial District.

Institutional District: Copper Stone Apartments, a multi-family apartment complex with approximately 260 units, is open for business. The Traditions at Lafayette apartment complex with approximately 133 units is open for business.

11. List of facilities or improvements constructed by the District that were conveyed to the City in 2024:

There were no improvements conveyed to the City during the report year.

12. A summary of all fees, charges and assessments imposed by the Districts as of January 1 of the report year:

Commercial District: None. Copper Stone and Lafayette Traditions, although in the Institutional District, are each paying a Fee instead of a Payment in Lieu of Tax to Commercial.

Institutional District: None.

13. A certification by the Board of the Districts that no action, event or condition has occurred that constitutes a modification of the Service Plan, or that if a modification has occurred, it has been approved by the City:

The Certification is attached hereto as Exhibit E

Respectfully submitted this 30th day of September, 2025.

SOLA METROPOLITAN DISTRICT –
COMMERCIAL

SOLA METROPOLITAN DISTRICT –
INSTITUTIONAL

Signed by:
By: Alex Pedersen
F5BA015139C747B
President of the Districts

EXHIBIT A

2024 AUDITED FINANCIAL STATEMENTS - COMMERCIAL DISTRICT

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
Boulder County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**SOLA METROPOLITAN DISTRICT - COMMERCIAL
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sola Metropolitan District - Commercial
Boulder County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Sola Metropolitan District - Commercial (the District) as of and for the year ended December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

I

Fiscal Focus Partners, LLC

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Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted 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 supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
September 8, 2025

BASIC FINANCIAL STATEMENTS

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 30,606
Cash and Investments - Restricted	80,027
Accounts Receivable	681,003
Prepaid Insurance	7,417
Receivable from County Treasurer	1,967
Property Tax Receivable	601,828
Capital Assets:	
Capital Assets Net of Depreciation	2,345,026
Total Assets	3,747,874
 LIABILITIES	
Accounts Payable	22,992
Fees Payable	168,471
Accrued Interest	32,569
Noncurrent Liabilities:	
Due Within One Year	114,000
Due in More Than One Year	15,442,430
Total Liabilities	15,780,462
 DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	601,828
Deferred Economic Gain on Debt Refunding	1,223,247
Total Deferred Inflows of Resources	1,825,075
 NET POSITION	
Invested in Capital Assets, Net of Related Debt	(2,937,646)
Restricted for:	
Emergency Reserve	7,100
Debt Service	507,163
Net Position - Unrestricted	(11,434,280)
Total Net Position	\$ (13,857,663)

See accompanying Notes to Basic Financial Statements.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenue (Expense) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 324,861	\$ -	\$ 1,598	\$ -	\$ (323,263)
Interest on Long-Term Debt and Related Costs	1,609,456	-	7,478	-	(1,601,978)
Total Governmental Activities	\$ 1,934,317	\$ -	\$ 9,076	\$ -	(1,925,241)
GENERAL REVENUES					
Property Taxes					554,742
Specific Ownership Taxes					23,436
Interest Income					16,670
Fee Revenue - Copper Stone					152,486
Fee Revenue - Lafayette Traditions					75,447
Fee Revenue - True up					294,649
Other Revenue					3,271
Special Item:					
Gain on Debt Defeasance					6,987,557
Total General Revenues and Special Items					8,108,258
CHANGES IN NET POSITION					6,183,017
Net Position - Beginning of Year					(20,040,680)
NET POSITION - END OF YEAR					\$ (13,857,663)

See accompanying Notes to Basic Financial Statements.

**SOLA METROPOLITAN DISTRICT - COMMERCIAL
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 30,606	\$ -	\$ -	\$ 30,606
Cash and Investments - Restricted	7,100	72,927	-	80,027
Receivable from County Treasurer	495	1,472	-	1,967
Accounts Receivable	77,341	603,662	-	681,003
Due from Other Funds	11,809	2,064	-	13,873
Prepaid Insurance	7,417	-	-	7,417
Property Tax Receivable	144,680	457,148	-	601,828
	<u>\$ 279,448</u>	<u>\$ 1,137,273</u>	<u>\$ -</u>	<u>\$ 1,416,721</u>
Total Assets				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 22,992	\$ -	\$ -	\$ 22,992
Due to Other Funds	-	-	13,873	13,873
Fee Payable	28,078	140,393	-	168,471
Total Liabilities	<u>51,070</u>	<u>140,393</u>	<u>13,873</u>	<u>205,336</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	144,680	457,148	-	601,828
Total Deferred Inflows of Resources	<u>144,680</u>	<u>457,148</u>	<u>-</u>	<u>601,828</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expense	7,417	-	-	7,417
Restricted for:				
Emergency Reserves	7,100	-	-	7,100
Debt Service	-	539,732	-	539,732
Assigned to:				
Subsequent Year's Expenditures	47,671	-	-	47,671
Unassigned	21,510	-	(13,873)	7,637
Total Fund Balances (Deficits)	<u>83,698</u>	<u>539,732</u>	<u>(13,873)</u>	<u>609,557</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 279,448</u>	<u>\$ 1,137,273</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 2,345,026

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Loans Payable	(9,650,000)
Accrued Loan Interest	(32,569)
Deferred Economic Gain on Debt Refunding	(1,223,247)
Developer Advance Payable	(3,393,270)
Accrued Developer Advance Interest	(2,513,160)
	<u>(13,857,663)</u>

Net Position of Governmental Activities \$ (13,857,663)

See accompanying Notes to Basic Financial Statements.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 139,756	\$ 414,986	\$ -	\$ 554,742
Specific Ownership Taxes	5,897	17,539	-	23,436
Interest Income	-	16,637	33	16,670
Fee Revenue - Copper Stone	25,414	127,072	-	152,486
Fee Revenue - Lafayette Traditions	12,574	62,873	-	75,447
Fee Revenue - True up	49,263	245,386	-	294,649
Other Revenue	3,271	-	-	3,271
Intergovernmental Revenues	1,598	7,478	-	9,076
Total Revenues	237,773	891,971	33	1,129,777
EXPENDITURES				
Accounting	47,258	-	-	47,258
Auditing	6,600	-	-	6,600
Banking Fees	90	-	-	90
County Treasurer'S Fee	2,103	6,244	-	8,347
District Management	30,082	-	-	30,082
Dues And Membership	666	-	-	666
Insurance	7,130	-	-	7,130
Irrigation Repairs	26,039	-	-	26,039
Landscaping	30,881	-	-	30,881
Legal	12,103	-	-	12,103
Miscellaneous	1,011	-	-	1,011
Repairs And Maintenance	7,172	-	-	7,172
Snow Removal	834	-	-	834
Tree Care	2,372	-	-	2,372
Utilities	24,247	-	-	24,247
Bond Interest 2012	-	211,114	-	211,114
Loan Principal 2024A	-	100,000	-	100,000
Loan Interest 2024A	-	117,883	-	117,883
Loan Interest 2024B	-	63,357	-	63,357
Loan Issue Costs	-	347,449	-	347,449
Paying Agent Fees	-	1,000	-	1,000
Total Expenditures	198,588	847,047	-	1,045,635
EXCESS OF REVENUES OVER EXPENDITURES	39,185	44,924	33	84,142
OTHER FINANCING SOURCES (USES)				
Loan Issuance Proceeds	-	9,750,000	-	9,750,000
Bond Principal 2009B	-	(2,900,000)	-	(2,900,000)
Bond Interest 2009B	-	(2,918,214)	-	(2,918,214)
Bond Principal 2012	-	(3,755,000)	-	(3,755,000)
Total Other Financing Sources	-	176,786	-	176,786
NET CHANGE IN FUND BALANCES	39,185	221,710	33	260,928
Fund Balances (Deficits) - Beginning of Year	44,513	318,022	(13,906)	348,629
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 83,698	539,732	\$ (13,873)	\$ 609,557

See accompanying Notes to Basic Financial Statements.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 260,928

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Depreciation Expense (126,273)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Issuance Proceeds	(9,750,000)
Bond Principal 2009B	3,253,892
Bond Interest 2009B	2,885,000
Bond Principal 2012	3,755,000
Loan Principal 2024A	100,000

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 governmental funds.

Accrued Interest Payable - Change in Liability	7,272,593
Accrued Interest Payable Developer Advance - Change in Liability	(244,876)
Deferred Economic Gain on Debt Refunding	(1,345,572)
Amortization of Deferred Economic Gain	122,325
	122,325

Changes in Net Position of Governmental Activities \$ 6,183,017

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 141,443	\$ 139,756	\$ 139,756	\$ -
Specific Ownership Taxes	5,658	5,897	5,897	-
Interest Income	314	-	-	-
Fee Revenue - Copper Stone	25,414	25,414	25,414	-
Fee Revenue - Lafayette Traditions	12,575	12,574	12,574	-
Fee Revenue - True up	-	-	49,263	49,263
Other Revenue	-	3,271	3,271	-
Intergovernmental Revenues	1,596	1,598	1,598	-
Total Revenues	<u>187,000</u>	<u>188,510</u>	<u>237,773</u>	<u>49,263</u>
EXPENDITURES				
Accounting	42,000	47,258	47,258	-
Auditing	6,600	6,600	6,600	-
Banking Fees	150	90	90	-
Contingency	678	-	-	-
County Treasurer's Fee	2,122	2,103	2,103	-
District Management	29,500	30,082	30,082	-
Dues and Membership	900	666	666	-
Tree/Plant Replacement	2,500	-	-	-
Insurance	7,500	7,130	7,130	-
Irrigation Repairs	5,000	26,039	26,039	-
Landscaping	35,000	30,881	30,881	-
Legal	22,000	12,103	12,103	-
Miscellaneous	550	1,011	1,011	-
Repairs and Maintenance	5,000	7,172	7,172	-
Snow Removal	7,500	834	834	-
Tree Care	5,000	2,372	2,372	-
Utilities	15,000	24,247	24,247	-
Total Expenditures	<u>187,000</u>	<u>198,588</u>	<u>198,588</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(10,078)	39,185	49,263
Fund Balance - Beginning of Year	<u>6,268</u>	<u>44,513</u>	<u>44,513</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,268</u>	<u>\$ 34,435</u>	<u>\$ 83,698</u>	<u>\$ 49,263</u>

See accompanying Notes to Basic Financial Statements.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 DEFINITION OF REPORTING ENTITY

SoLa Metropolitan District - Commercial (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized on July 10, 2008, by order and decree of the Boulder County District Court and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Lafayette, in Boulder County, Colorado. The District was organized in conjunction with SoLa Metropolitan District – Institutional District. The Districts collectively will undertake the financing and construction of the public improvements. The Districts operate under a Consolidated Service Plan approved by the City of Lafayette on April 1, 2008, which was amended and restated on May 23, 2017. The District shall have the power to provide the following types of services: finance, design, construction, acquisition, installation, and to the extent necessary, operation and maintenance of services and facilities for street improvements, safety protection, transportation, water, sanitation, and park and recreation services.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (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. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and redemption of bonds and notes 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

The 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 another fund.

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2024.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank or investment account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the Board of 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, at the taxpayer's election, or in equal installments 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 a deferred inflow of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets component of the District's net position.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives on a straight-line basis, as applicable.

Streets	30 Years
Parks and Trails	25 Years
Detention Pond	50 Years
Landscaping	15 Years

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

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

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

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

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

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

Deficits

The Capital Projects Fund reported a deficit of \$13,873 as of December 31, 2024. This deficit is anticipated to be eliminated in 2025 through the receipt of developer advances.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash	\$ 30,606
Cash - Restricted	80,027
Total Cash and Investments	\$ 110,633

Cash and investments as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	\$ 110,633
Total Cash	\$ 110,633

Deposits with Financial Institutions

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

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

On December 31, 2024, the District’s cash deposits had a bank balance and a carrying balance of \$110,633.

The District did not hold any investments as of December 31, 2024.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024, follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Being Depreciated:				
Streets	\$ 1,925,353	\$ -	\$ -	\$ 1,925,353
Parks and Trails	662,589	-	-	662,589
Landscaping	491,246	-	-	491,246
Detention Pond	142,039	-	-	142,039
Total Capital Assets, Being Depreciated	3,221,227	-	-	3,221,227
Less Accumulated Depreciation				
Streets	385,068	64,178	-	449,246
Parks and Trails	159,024	26,504	-	185,528
Landscaping	188,790	32,750	-	221,540
Detention Pond	17,046	2,841	-	19,887
Total Accumulated Depreciation	749,928	126,273	-	876,201
Total Capital Assets, Being Depreciated, Net	2,471,299	(126,273)	-	2,345,026
Governmental Activities Capital Assets, Net	\$ 2,471,299	\$ (126,273)	\$ -	\$ 2,345,026

On December 31, 2024, depreciation expense was charged to the general government function of the District in the amount of \$126,273.

Governmental Activities

General Government	\$ 126,273
Total Depreciation Expense - Governmental Activities	\$ 126,273

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS

The District’s outstanding long-term obligations on December 31, 2024, were as follows:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable					
Senior Limited Tax Convertible					
Capital Appreciation					
Revenue Bonds Series 2012	\$ 3,755,000	\$ -	\$ 3,755,000	\$ -	\$ -
Subordinate Convertible					
Capital Appreciation					
Revenue Bonds Series 2009B	3,253,892	-	3,253,892	-	-
Revenue Bonds Series 2009C	2,885,000	-	2,885,000	-	-
Accrued Interest on:					
Series 2009B	3,908,840	457,494	4,366,334	-	-
Series 2009C	3,371,289	274,828	3,646,117	-	-
Subtotal Bonds Payable	17,174,021	732,322	17,906,343	-	-
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Series 2024A Loan	-	6,850,000	100,000	6,750,000	114,000
Series 2024B Subordinate Loan	-	2,900,000	-	2,900,000	-
Subtotal Notes/Loans/Bonds from Direct Borrowings and Direct Placements	-	9,750,000	100,000	9,650,000	114,000
Other Debts					
Developer Advances					
Operating	1,329,329	-	-	1,329,329	-
Capital	2,063,941	-	-	2,063,941	-
Accrued Interest on					
Operating	609,326	79,760	-	689,086	-
Capital	1,658,958	165,116	-	1,824,074	-
Subtotal Other Debts	5,661,554	244,876	-	5,906,430	-
Total Long-Term Obligations	\$ 22,835,575	\$ 10,727,198	\$ 18,006,343	\$ 15,556,430	\$ 114,000

The details of the District’s long-term obligations are as follows:

Refunding

The District previously issued in 2009 its Subordinate Limited Tax Supported Convertible Capital Appreciation Revenue Bonds, Series 2009B in the original principal amount of \$2,194,600 (the 2009 Subordinate Bonds) with an interest rate of 10.5% and its Junior Lien Limited Tax Supported Convertible Capital Appreciation Revenue Bonds, Series 2009C in the original principal amount of \$2,098,174 (the 2009 Junior Lien Bonds) with an interest rate of 8.00% and issued in 2012 its Senior Limited Property Tax Supported Convertible Capital Appreciation Revenue Bonds, Series 2012 (the 2012 Bonds) in the aggregate original principal amount of \$3,125,172 with an interest rate of 8.00%.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Refunding (Continued)

On August 14, 2024, the District entered into a Special Revenue Refunding Loan Agreement (the Loan) in the amount of \$6,850,000 for the purpose of consolidating long term debt, acquiring a better interest rate, and reducing its total annual debt service payments. Coinciding with the Loan, the District additionally issued a \$2,900,000 Subordinate Revenue Note (the Note) to retire the 2009 Subordinate Bonds.

The proceeds of the Loan, net of costs of issuance, of \$6,465,750 plus an additional \$418,578 of funds on hand were used to defease the 2012 Bonds with a principal and interest payment of \$3,966,114 and partially repay the accrued interest on the 2009 Subordinate Bonds in the amount of \$2,918,214. The \$2,900,000 of proceeds from the Note was used to partially repay the outstanding principal of the 2009 Subordinate Bonds. After the payments are made, the 2009 Subordinate Bonds are considered paid in full and no other payment of principal and interest will be made. Additionally, completed donation forms and the original bonds issued were received from the registered bond holders for the 2009 Junior Lien Bonds. Upon closing of the debt, no further payments of principal or interest will be made.

As a result of the debt refunding and defeasance, the District recognized a Gain on Debt Defeasance of \$6,987,557 and a Deferred Economic Gain on Debt Refunding of \$1,223,247.

Assumptions

On August 14, 2024, the District refunded and defeased:

- \$2,194,600 Subordinate Limited Property Tax Supported Convertible Capital Appreciation Bonds, Series 2009B, dated November 2, 2009, with an interest rate of 10.5%
 - \$2,098,174 Junior Lien Limited Tax Supported Convertible Capital Appreciation Revenue Bonds, Series 2009C, dated November 2, 2009, with an interest rate of 8.0%
 - \$3,125,171 Senior Limited Property Tax Supported Convertible Capital Appreciation Revenue Bonds, Series 2012, dated February 3, 2012, with an interest rate of 8.0%
- with new debt of:
- \$6,850,000 Special Revenue Refunding Loan, Senior Promissory Note, Series 2024A, dated August 14, 2024, with an interest rate of 5.790%, and
 - \$2,900,000 Subordinate Revenue Note, Series 2024B, dated August 14, 2024, with an interest rate of 6.5%.

All issuance costs were paid from bond proceeds. \$384,250 was funded to an account to fund closing costs. As of December 31, 2024, the following costs were funded from the proceeds:

Placement Agent	\$	166,000
Legal Fees		180,199
Other Professional Fees		1,250
		347,449
	\$	347,449

Remaining proceed funds of \$36,801 are available to pay additional closing costs in the subsequent year.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Refunding (Continued)

The debt service requirements and related present value of debt used to determine the effective interest rate and economic gain on refunding are as follows:

New Debt

Year Ending <u>December 31,</u>	<u>Principal</u>	Total Debt Service <u>Requirements</u>	Present Value <u>of Principal</u>	Present Value of Total Debt <u>Service</u>
2024	\$ 518,578	\$ 699,818	\$ 518,578	\$ 699,818
2025	278,530	857,855	260,257	801,576
2026	299,684	861,714	261,653	752,359
2027	369,775	913,184	301,669	744,992
2028	457,869	978,153	349,032	745,642
2029	491,774	983,260	350,284	700,363
2030	537,339	997,884	357,630	664,150
2031	576,390	1,003,093	358,454	623,818
2032	630,620	1,021,008	366,451	593,303
2033	569,019	930,325	308,962	505,142
2034	5,439,000	5,753,918	2,759,491	2,919,266
Total	<u>\$ 10,168,578</u>	<u>\$ 15,000,211</u>	<u>\$ 6,192,462</u>	<u>\$ 9,750,430</u>

Calculation of effective interest rate target amount and rate:

Principal Amount of New Debt	\$ 9,750,000
Cash on Hand Used for Defeasance	418,578
Financing Costs	<u>(3,976,116)</u>
Effective Interest Rate Target	<u>\$ 6,192,462</u>
Effective Interest Rate	7.021%

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Refunding (Continued)

Defeased Debt

Year Ending December 31,	Principal	Total Debt Service Requirements	Present Value of Total Debt Service
2024	\$ 220,000	\$ 1,029,309	\$ 1,029,309
2025	240,000	1,029,834	962,273
2026	270,000	1,038,634	906,827
2027	300,000	1,044,784	852,353
2028	335,000	1,053,284	802,915
2029	365,000	1,053,734	750,561
2030	405,000	1,061,534	706,513
2031	445,000	1,065,884	662,868
2032	500,000	1,081,659	628,548
2033	550,000	1,087,534	590,503
2034	605,000	1,093,909	554,998
2035	665,000	1,100,509	521,716
2036	740,000	1,116,809	494,710
2037	805,000	1,116,484	462,121
2038	1,628,892	1,869,226	722,929
2039	345,000	435,800	157,490
2040	380,000	443,200	149,657
2041	410,000	442,800	139,712
Total	<u>\$ 9,208,892</u>	<u>\$ 18,164,927</u>	<u>\$ 11,096,001</u>

Sources and Uses of Funds

The sources and uses of funds required for the transaction are shown below:

Sources

Principal Amount of New Debt	\$ 9,750,000
Funds on Hand Used for Debt Defeasance	418,578
Total Sources	<u>\$ 10,168,578</u>

Uses

Defease 2012 Bond Principal	\$ 3,755,000
Defease 2012 Bond Interest	211,114
Partial Repayment of Accrued Interest on 2009 Subordinate Bonds	2,918,214
Partial Repayment of 2009 Subordinate Bond Principal	2,900,000
Cost of Issuance Funded from New Debt	384,250
Total Uses	<u>\$ 10,168,578</u>

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Cash Flow Savings and Economic Gain on the Refunding

The aggregate cash flow savings and economic gain on refunding are summarized as follows:

Cash Flow Difference

Old Debt Service Cash Flows	\$ 18,164,927
New Debt Service Cash Flows	14,581,633
Plus Contribution of Cash on Hand	418,578
Total	\$ 3,164,716

Economic Gain

Present Value of Old Debt Service Cash Flows	\$ 11,096,001
Present Value of New Debt Service Cash Flows	9,331,852
Plus Contribution of Cash on Hand	418,578
Total	\$ 1,345,572

\$6,850,000 Special Revenue Refunding Loan, Senior Promissory Note, Series 2024A

On August 14, 2024, the District entered into a special revenue refunding loan agreement with Western Alliance Business Trust, a Delaware statutory trust, or a wholly owned affiliate of Western Alliance Bank, as lender (the Lender) in the amount of \$6,850,000 (the 2024 Loan) for the purposes of refunding the 2012 Bonds and a portion of the accrued interest on the 2009 Subordinate Bonds, and paying certain costs of issuance. The 2024 Loan is memorialized in the form of a Senior Promissory Note.

The 2024 Loan bears a tax-exempt interest rate of 5.790% per annum and is payable semiannually on June 1 and December 1, beginning on December 1, 2024. Interest on the 2024 Loan is calculated on the basis of a 360-day year and the actual number of days elapsed. The principal payment is due annually on December 1, beginning on December 1, 2024. The 2024 Loan has a final maturity date of December 1, 2034.

The 2024 Loan and the Senior Promissory Note are special limited revenue obligations payable from and secured by the Pledged Revenue, which means: a) the Required Mill Levy, b) the Pledge Agreement Revenues, c) the District Fees, d) the portion of Specific Ownership Tax Revenues which are collected as a result of the Required Mill Levy, and e) any other legally available moneys at the District’s discretion.

Optional Prepayment

The Loan may be prepaid at the option of the District in whole or, with the consent of the Lender, in part on any Payment Date after December 1, 2026, at a prepayment price equal to the principal so prepaid plus accrued interest thereon plus the Prepayment Fee equal to a percentage of the principal amount so redeemed, as follows:

December 1, 2026, and June 1, 2027	3.00%
December 1, 2027, and June 1, 2028	2.00
December 1, 2028, and June 1, 2029	1.00
December 1, 2029, and thereafter	0.00

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**\$6,850,000 Special Revenue Refunding Loan, Senior Promissory Note, Series 2024A,
(Continued)**

Events of Default

The Loan Agreement defines the following conditions as Events of Default:

- a) The District fails to pay when due any principal of, prepayment premium, if any, and/or interest on a Loan or any other amounts due and owing to the Lender,
- b) Non-payment of the District Fees,
- c) The District fails to impose the Required Mill Levy or fails or refuses to collect or apply the Pledged Revenue as required herein, in the Pledge Agreement or in the Custodial Agreement,
- d) The District fails to observe or perform any other of the covenants, agreements, duties or conditions on the part of the District in this Agreement or the other Financing Documents,
- e) Any representation or warranty made by the District in the Loan Agreement or in any other Financing Document to which the District is a party or any certificate, instrument, financial or other statement furnished by the District to Lender in connection with the Loan proves to have been untrue or incomplete in any material respect when made or deemed made,
- f) An event of default has occurred under the Custodial Agreement,
- g) The District initiates, acquiesces or consents to any proceedings to dissolve the District or to consolidate the District with other similar entities into a single entity or the District shall otherwise cease to exist,
- h) The District shall commence any case, proceeding or other action
 - a. under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, liquidation, dissolution, winding-up, composition or other relief with respect to it or its debts; or
 - b. seeking the appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors.
- i) An event of default occurs under the Pledge Agreement.
- j) The Loan Agreement or any other Financing Document or material provision thereof ceases to be valid or binding on the District.
- k) Any funds or investments established under the Loan Agreement or related Custodial Agreement become subject to any writ, judgment, warrant or attachment

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**\$6,850,000 Special Revenue Refunding Loan, Senior Promissory Note, Series 2024A,
(Continued)**

Remedies

Upon the occurrence and during the continuance of any Event of Default and subject to the provision of an Event of Default Notice, the Lender, at its option, may do any one or more of the following:

- a) impose the Default Rate on the Loan Balance in accordance with the provisions of the Loan Agreement,
- b) apply all amounts constituting Collateral to the Loan Balance and all interest accrued and unpaid thereon, in any order of priority determined by the Lender,
- c) proceed by mandamus or any other suit, action, or proceeding at law or inequity, to enforce all rights of the Lender, and
- d) take any other action or exercise any other remedy available hereunder or under the other Financing Documents, at law or in equity.

Acceleration is not a remedy for an event of default, nor will the District be liable for punitive or consequential damages.

Collateral

No assets have been pledged as collateral on the 2024 Loan, Senior Promissory Note.

\$2,900,000 Subordinate Revenue Note, Series 2024B

On August 14, 2024, contemporaneously with the issuance of the Senior Loan and the Senior Promissory Note, the District issued its Subordinate Revenue Notes to the former holders of the 2009 Subordinate Bonds in the aggregate amount of \$2,900,000 (the Subordinate Notes) as part of the Project. In exchange for payment from the District from the Subordinate Note proceeds, the 2009 Subordinate Bond Bondholders accepted the offer in the Tender Notice to refund the 2009 Subordinate Bonds and surrender all of the 2009 Junior Lien Bonds. The Subordinate Notes are special revenue obligations of the District, payable only from the Subordinate Pledged Revenue and are subordinate in all respects to the 2024 Loan and the Senior Promissory Note.

The Subordinate Notes bear interest at 6.5% per annum, calculated based on a 360 day of twelve 30-day months. The principal payment is due annually on December 15, commencing on December 15, 2024. The interest is payable annually on the principal balance of the Subordinate Notes commencing December 15, 2024, and the 15th day of December thereafter. The Subordinate Notes mature on December 1, 2031, and terminate on December 31, 2050 (the Termination Date), with any unpaid amounts outstanding as of the Termination Date extinguished.

Optional Redemption

The Subordinate Notes are subject to redemption, at par plus accrued interest, at any time prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$2,900,000 Subordinate Revenue Note, Series 2024B (Continued)

Mandatory Principal Payments

The principal amount on the Subordinate Note is to be paid annually by agreement.

The Subordinate Note is payable from available Subordinate Pledged Revenue. As such, principal payments are not estimable, and no schedule of maturity is disclosed.

Events of Default

The occurrence or existence of any one or more of the following events are considered an event of default:

- a) Nonpayment of Principal or Interest, failure to impose the Subordinate Mill Levy, and failure to collect the Subordinate Pledged Revenue,
- b) Breach or Nonperformance of Duties as described in the Note Agreement
- c) The District files a petition under the federal bankruptcy law.

Remedies

Upon the occurrence and during the continuance of any Event of Default and subject to the provision of an Event of Default Notice, the Lender, at its option, may do any one or more of the following:

- a) proceed by mandamus or any other suit, action, or proceeding at law or inequity, to enforce all rights of the Lender, and
- b) The failure of the District to proceed in accordance with the agreement does not relieve the District of any liability for failure to perform or carry out its duties under the agreement.

Acceleration is not a remedy for an event of default, nor will the District be liable for punitive or consequential damages.

Collateral

No assets have been pledged as collateral on the 2024 Subordinate Note.

The District’s long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 114,000	\$ 390,825	\$ 504,825
2026	121,000	384,224	505,224
2027	128,000	377,219	505,219
2028	136,000	369,807	505,807
2029	144,000	361,933	505,933
2030-2034	6,107,000	1,674,063	7,781,063
Total	<u>\$ 6,750,000</u>	<u>\$ 3,558,071</u>	<u>\$ 10,308,071</u>

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On May 6, 2008, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$119,000,000 for general obligation bonds at an interest rate not to exceed 10% per annum. As the 2009 Subordinate Bonds and 2009 Junior Lien Bonds were issued on the same date, as part of the same plan of finance, the two series were treated as a single issue for federal tax law purposes and for the purpose of the District’s electoral authorization. When viewed as a single issue, the combined yield (net effective interest rate) for the bonds was 9.1464% and was therefore within the 10% maximum net effective interest rate set forth in the election questions.

On May 8, 2012, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$276,000,000 for general obligation bonds at an interest rate not to exceed 10% per annum.

As of December 31, 2024, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

Purpose	Total	Amount	Amount	Amount	Amount	Authorization
	Authorized	Used Series 2009B	Used Series 2009C	Used Series 2012	Used Loan 2024	2024
Streets	\$ 40,000,000	\$ 2,017,715	\$ 439,987	\$ 2,809,530	\$ -	\$ 34,732,768
Water	40,000,000	71,325	579,096	290,641	-	39,058,938
Sanitation	40,000,000	105,560	1,079,091	25,000	-	38,790,349
Safety Protection	40,000,000	-	-	-	-	40,000,000
Public Transportation	40,000,000	-	-	-	-	40,000,000
Debt Refunding	63,000,000	-	-	-	9,750,000	53,250,000
Intergovernmental Contracts	40,000,000	-	-	-	-	40,000,000
Parks and Recreation	23,000,000	-	-	-	-	23,000,000
Mosquito Control	23,000,000	-	-	-	-	23,000,000
Fire Protection	23,000,000	-	-	-	-	23,000,000
Television Relay/Translation	23,000,000	-	-	-	-	23,000,000
Total	<u>\$ 395,000,000</u>	<u>\$ 2,194,600</u>	<u>\$ 2,098,174</u>	<u>\$ 3,125,171</u>	<u>\$ 9,750,000</u>	<u>\$ 377,832,055</u>

Pursuant to the Consolidated Service Plan, the District, as well as SoLa Metropolitan District - Institutional, shall not issue debt in excess of \$23,000,000 total aggregate principal amount. The District’s maximum mill levy per the Service Plan is 50 mills for debt service for as long as the aggregate debt attributable to the District exceeds 50% of the District’s assessed valuation, as adjusted for changes in the ratio of actual value to assessed value of property within the District. Additionally, the District’s maximum operations mill levy is 20 mills, but the maximum operations mill levy shall be reduced if the District’s debt mill levy exceeds 40 mills so that the total of the debt and operations mill levy is limited to 60 mills.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advance

The District has entered into Reimbursement Agreements with the Developer as follows:

Facilities Funding and Reimbursement Agreement

On December 20, 2011, the District and SoLa, Inc. (the Developer) entered into the Facilities Funding and Reimbursement Agreement 2011 – 2014, as amended on November 11, 2014, and as amended on November 15, 2017, to extend the term of the Agreement through December 31, 2047, pursuant to which the District agrees to reimburse the Developer for advances made to or on behalf of the District plus interest of 8% compounding annually for costs related to the construction of public improvements and organizational costs of the District and the Institutional District subject to limitations set forth in the Service Plan. As of December 31, 2024, outstanding advances under the agreement totaled \$2,063,941 and accrued interest totaled \$1,824,074.

Operations Funding Agreement

On December 20, 2011, the District and the Developer entered into the 2012 – 2018 Operation Funding Agreement, as amended on May 16, 2017, to adjust the interest rate from 8% to 6%, pursuant to which the District agrees to reimburse the Developer for advances made to or on behalf of the District for operations, maintenance, and administrative expenses of the District, including advances made prior to 2012 plus 6% interest per annum until paid.

On September 12, 2022, the District entered into an Operating Reimbursement Agreement that amended, superseded, and replaced in its entirety the 2012 – 2018 Operation Funding Agreement as amended on May 16, 2017. Pursuant to the Operating Reimbursement Agreement, the District agrees to reimburse the Developer for the advances related to the operations, maintenance, and administrative expenses of the District, including all advances made prior to the date of the agreement, plus 6% simple interest per annum (cumulatively, the operating reimbursement amount) until paid or until December 31, 2048, whichever date occurs first. Any portion of the operating reimbursement amount not paid by December 31, 2048, shall be deemed discharged, paid and canceled. As of December 31, 2024, outstanding advances under the agreement totaled \$1,329,329 and accrued interest totaled \$689,086.

Lines of Credit

The District has no lines of credit.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 2,345,026
Current Portion of Outstanding Long-Term Obligations	(44,484)
Noncurrent Portion of Outstanding Long-Term Obligations	<u>(5,238,188)</u>
Net Investment in Capital Assets	<u><u>\$ (2,937,646)</u></u>

The restricted component of net position consists of 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. As of December 31, 2024, the District had restricted net position of \$514,263 for debt service.

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 7,100
Debt Service Reserve	<u>507,163</u>
Total Restricted Net Position	<u><u>\$ 514,263</u></u>

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District has a deficit in unrestricted net position. The deficit is a result of the District being responsible for the repayment of long-term debt issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTY

The Developer of the property which constitutes the District is SoLa, Inc. Certain members of the board of directors are employees of, owners of, or otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 AGREEMENTS

Facilities Funding, Construction, and Operations Agreement

On December 20, 2011, the District and SoLa Metropolitan District - Institutional (the Institutional District) entered into the SoLa Metropolitan District - Commercial and SoLa Metropolitan District - Institutional Facilities Funding, Construction and Operations Agreement establishing certain expectations as to the financing, construction, operation and maintenance of improvements as contemplated in the Service Plan of the Districts for the purpose of providing, in a timely and coordinated fashion, essential services within the Districts. Pursuant to this agreement, the District is designated as the Management District and agrees to provide: 1) project administration services (generally comprised of contracting for and supervising the acquisition, construction, operation and maintenance of public improvements), and 2) district administration services (including, but not limited to, serving as the depository for district records, coordinating board meetings, filing notices, preparing financial reports and budgets, and coordinating legal, accounting, management, engineering and other professional services) for both Districts. Pursuant to this agreement, the Institutional District agrees to impose a mill levy to pay its share of the costs of such services, at a rate determined annually in accordance with the procedures set forth in the agreement, and to remit the revenues therefrom to the District.

Amended and Restated Pledge Agreement

On January 1, 2012, the District and the Institutional District (collectively, “the Districts”) entered into a Senior Capital Pledge Agreement pursuant to which each District pledged to impose the Senior Mill Levy for payment of its share of debt service on the 2012 Bonds and a Subordinate Capital Pledge Agreement related to the revenues pledged for the 2009 Subordinate Bonds and the 2009 Junior Lien Bonds.

On August 14, 2024, the Districts executed an Amended and Restated Pledge Agreement with Western Alliance Trust Company N.A., (the Custodian), which terminated the Senior Capital Pledge Agreement and the Subordinate Capital Pledge Agreement and by which the Districts pledged certain revenues and covenanted to take certain actions to generate revenues to pay the 2024 Loan and Senior Promissory Note and the Subordinate Notes.

Development Agreement – Murphy Public Improvements

The District and the City of Lafayette (the City) entered into a Development Agreement with Murphy Oil USA, Inc. (Murphy) on December 16, 2013, establishing that the District shall construct certain city public improvements that must be completed prior to the City’s willingness to grant a certificate of occupancy for any buildings constructed on Lot 2C, Filing 1 (the Property). In connection with this agreement, the District is required to establish an escrow account in the amount equal to 125% of the estimated improvement costs. The District deposited \$150,841 to the escrow account held with Land Title Guarantee Company. If and when the City initially accepts any of the Murphy Public Improvements, the City shall have the Escrow Agent transfer to the District any remaining funds in the escrow account, less the minimum warranty amount, which is 10% of the estimated costs of the improvements. There is a three-year warranty period on the improvements, and once expired, the balance of any remaining funds in the escrow account will be returned to the District. On December 31, 2024, the balance in this account was \$6,867.

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 AGREEMENTS (CONTINUED)

Copper Stone Fee Payment Agreement

On April 1, 2018, the Districts entered into a Fee Pay Agreement (the Copper Agreement) with Copper Stone Apartments, LLC (Copper Stone), an entity exempt from property taxation, for the purpose of collecting a District Fee in substitution of a payment in lieu of taxes (PILOT). The annual amount of the District Fee is set forth in the agreement and is reasonably calculated in an amount estimated to be equal the revenue that would be derived from the annual Debt Service Mill Levy and the Operations Mill Levy imposed by the Institutional District. The agreement is effective commencing in tax collection year 2018 through tax collection year 2033. In 2024, the District recognized \$152,486 in revenue related to the agreement.

The Copper Agreement acknowledges that the Parties to the agreement intend that the amount of District Fees paid under the agreement are calculated to produce revenue that is not materially less or more than the amount of PILOTs that would otherwise be payable under the Declaration of Use Restrictions and Covenants in the real property records of Boulder County, Colorado at Reception Number 03350940 (the Covenants) during the Fee Payment Term. The District is required to report an accounting to Copper Stone by August 15th each year based on the actual assessed valuation if the District determines that a deviation of 10% or more exists between the cumulative amount of District Fees paid and the PILOTs that otherwise would be payable under the Covenants. In the event of an over(under) payment, the District will credit (bill) Copper Stone an amount equal to the difference payable on October 1. During 2024, this accounting resulted in a true up of \$463,120.

Lafayette Traditions Fee Payment Agreement

On June 4, 2020, the Districts entered into a Fee Pay Agreement (the Lafayette Agreement) with Lafayette Traditions Apartments, LLC (Lafayette Traditions), an entity exempt from property taxation, for the purpose of collecting a District Fee in substitution of a PILOT. The annual amount of the District Fee is set forth in the agreement and is reasonably calculated in an amount estimated to be equal the revenue that would be derived from the annual Debt Service Mill Levy and the Operations Mill Levy imposed by the Institutional District. The agreement is effective commencing in tax collection year 2020 through tax collection year 2035. In 2024, the District recognized \$75,447 in revenue related to the agreement.

The Lafayette Agreement acknowledges that the Parties to the agreement intend that the amount of District Fees paid under the agreement are calculated to produce revenue that is not materially less or more than the amount of PILOTs that would otherwise be payable under the Declaration of Use Restrictions and Covenants in the real property records of Boulder County, Colorado at Reception Number 03350940 (the Covenants) during the Fee Payment Term. The District is required to report an accounting to Lafayette Traditions by August 15th each year based on the actual assessed valuation if the District determines that a deviation of 10% or more exists between the cumulative amount of District Fees paid and the PILOTs that otherwise would be payable under the Covenants. In the event of an over(under) payment, the District will credit (bill) Lafayette Traditions an amount equal to the difference payable on October 1. During 2024, this accounting resulted in a true up of \$(168,471).

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 RISK MANAGEMENT

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

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

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.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On May 6, 2008, District voters passed an election question to initially increase property taxes by \$35,000 annually for the first full fiscal year and then by the additional amounts that are raised annually thereafter by the imposition of an ad valorem property tax levy of 20 mills to pay the District's operational and maintenance costs, without regard to any limitation under TABOR. Additionally, on May 8, 2012, District voters passed an election question to increase property taxes annually by up to \$23,000,000 without regard to any limitations under TABOR or Section 29-1-301, Colorado Revised Statutes with no mill levy limitation. However, the District's Consolidated Service Plan limits the District's operations mill levy to 20.000 mills.

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

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

SUPPLEMENTARY INFORMATION

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property Taxes	\$ 420,688	\$ 420,688	\$ 414,986	\$ (5,702)
Specific Ownership Taxes	16,828	16,828	17,539	711
Fee Revenue - Copper Stone	127,072	127,072	127,072	-
Fee Revenue - Lafayette Traditions	62,872	62,872	62,873	1
Fee Revenue - True Up	-	-	245,386	245,386
Interest Income	14,862	14,862	16,637	1,775
Intergovernmental Revenues	7,678	7,678	7,478	(200)
Total Revenues	<u>650,000</u>	<u>650,000</u>	<u>891,971</u>	<u>241,971</u>
	-			
EXPENDITURES				
County Treasurer's Fee	6,310	6,310	6,244	66
Contingency	503	1,297,361	-	1,297,361
Paying Agent Fees	4,000	4,000	1,000	3,000
Bond Interest 2012	300,400	300,400	211,114	89,286
Bond Principal 2009C	-	2,885,000	-	2,885,000
Loan Interest 2024A	-	-	117,883	(117,883)
Loan Interest 2024B	-	-	63,357	(63,357)
Loan Principal 2024A	-	-	100,000	(100,000)
Loan Issue Costs	-	384,250	347,449	36,801
Total Expenditures	<u>311,213</u>	<u>4,877,321</u>	<u>847,047</u>	<u>4,030,274</u>
NET CHANGE IN FUND BALANCE	338,787	(4,227,321)	44,924	4,272,245
OTHER FINANCING SOURCES (USES)				
Loan Issuance Proceeds	-	11,187,483	9,750,000	(1,437,483)
Bond Principal 2009B	-	(3,253,892)	(2,900,000)	353,892
Bond Principal 2012	(75,000)	(3,755,000)	(3,755,000)	-
Bond Interest 2009B	(263,787)	(263,787)	(2,918,214)	(2,654,427)
Total Other Financing Sources (Uses)	<u>(338,787)</u>	<u>3,914,804</u>	<u>176,786</u>	<u>(3,738,018)</u>
NET CHANGE IN FUND BALANCE	-	(312,517)	221,710	534,227
Fund Balance - Beginning of Year	<u>312,517</u>	<u>312,517</u>	<u>318,022</u>	<u>5,505</u>
FUND BALANCE - END OF YEAR	<u>\$ 312,517</u>	<u>\$ -</u>	<u>\$ 539,732</u>	<u>\$ 539,732</u>

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ -	\$ 33	\$ 33
Total Revenues	<u>-</u>	<u>33</u>	<u>33</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	33	33
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>(13,906)</u>	<u>(13,906)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ (13,873)</u></u>	<u><u>\$ (13,873)</u></u>

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$6,850,000 Series 2024A General Obligation Special Revenue Refunding Loan Interest Rate 5.79% Interest Payable June 1 and December 1 Principal Payable December 1		
2025	\$ 114,000	\$ 390,825	\$ 504,825
2026	121,000	384,224	505,224
2027	128,000	377,219	505,219
2028	136,000	369,807	505,807
2029	144,000	361,933	505,933
2030	153,000	353,595	506,595
2031	162,000	344,737	506,737
2032	171,000	335,357	506,357
2033	182,000	325,456	507,456
2034	5,439,000	314,918	5,753,918
Total	\$ 6,750,000	\$ 3,558,071	\$ 10,308,071

**SOLA METROPOLITAN DISTRICT – COMMERCIAL
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024**

Year Ended December 31,	Prior Year Property Tax Levy	General Operations	Debt Service	Total Property Taxes		Percent Collected to Levied
				Levied	Collected	
2020	\$ 10,111,311	10.000	50.000	\$ 606,679	\$ 583,733	96.22 %
2021	10,379,255	10.000	50.000	622,756	621,867	99.86
2022	10,336,286	10.000	50.000	620,177	622,335	100.35
2023	10,296,376	10.000	50.000	617,783	618,629	100.14
2024	8,413,756	16.811	50.000	562,131	554,742	98.69
Estimated for the Year Ending December 31, 2025	\$ 8,520,610	16.980	53.652	\$ 601,828		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

Source: Boulder County Assessor and Treasurer.

EXHIBIT B

2024 AUDIT EXEMPTION APPLICATION – INSTITUTIONAL DISTRICT

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT ADDRESS CONTACT PERSON PHONE EMAIL	Sola Metropolitan District - Institutional 8390 East Crescent Parkway Suite 300 Greenwood Village, CO 80111-2814 Paul Wilson 303-779-5710 paul.wilson@claconnect.com	For the Year Ended 12/31/24 or fiscal year ended:
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PART 1 - 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.

NAME: TITLE FIRM NAME (if applicable) ADDRESS PHONE	Paul Wilson Accountant for the District CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814 303-779-5710
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PREPARER (SIGNATURE REQUIRED)	DATE PREPARED (No exemption shall be granted prior to the close of said fiscal year)
See Accountant's Compilation Report	2/18/2025

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS) <input checked="" type="checkbox"/>	PROPRIETARY (CASH OR BUDGETARY BASIS) <input type="checkbox"/>
--	--	---

PART 2 - REVENUES

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	Round to the nearest dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in question 10-7)	\$ 9,047	
2-2	Specific ownership	\$ 377	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify): State Backfill SB22-238/	\$ 43	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree to table 4-4, column 'Issued during year')	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree to table 4-4, column 'Issued during year')	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24		\$ -	
2-25		\$ -	
2-26	(add lines 2-1 through 2-25) TOTAL REVENUES	\$ 9,467	

PART 3 - EXPENDITURES/EXPENSES

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	Round to the nearest dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree to table 4-4, column 'Retired during year')	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance (should agree to table 4-4, column 'Retired during year')	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan	\$ -	
3-22	Contribution to Fire & Police Pension Assoc.	\$ -	
3-23	Other (specify):County Treasurer's Fee	\$ 136	
3-24	Transfer to Sola Metropolitan District - Commercial	\$ 9,077	
3-25	County Treasurer - Abatement payback	\$ 255	
3-26		\$ -	
3-27		\$ -	
3-28	(add lines 3-1 through 3-27) TOTAL EXPENDITURES/EXPENSES	\$ 9,467	

If TOTAL REVENUES (Line 2-26) or TOTAL EXPENDITURES (Line 3-28) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.		Yes	No
4-1	Does the entity have outstanding debt? <i>(If 'No' is checked, skip to question 4-5)</i> <i>(If 'Yes' is checked, please attach a copy of the entity's debt repayment schedule)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A The District has no debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A The District has no debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: <small>(please only include principal amounts) (enter all amounts as positive numbers)</small>	Outstanding at end of prior year*	Issued during year
	General obligation bonds	\$ -	\$ -
	Revenue bonds	\$ -	\$ -
	Notes/Loans	\$ -	\$ -
	Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -
	Developer Advances	\$ -	\$ -
	Other (specify):	\$ -	\$ -
	TOTAL	\$ -	\$ -

**Subscription-Based Information Technology Arrangements

*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.		Yes	No
4-5	Does the entity have any authorized but unissued debt as of its fiscal year-end? How much? \$ 49,000,000.00 Date the debt was authorized: 5/6/2008	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NEW 4-6	Is the authorized but unissued debt further limited by the entity's most recent Service Plan? If yes: How much? \$ 23,000,000.00 Date of the most recent Service Plan: 4/3/2017	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-7	Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-9	Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
TOTAL CASH DEPOSITS			\$ -
5-3	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
		\$ -	
		\$ -	
		\$ -	
TOTAL INVESTMENTS			\$ -
TOTAL CASH AND INVESTMENTS			\$ -

Please answer the following questions by marking in the appropriate boxes.		Yes	No	N/A
5-4	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part 5 - If no, MUST use this space to provide any explanations

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

- | | | | |
|-----|---|--------------------------|-------------------------------------|
| | | Yes | No |
| 6-1 | Does the entity have capital assets?
<i>(If 'No' is checked, skip the rest of Part 6)</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6-2 | Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain: | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The District has no Capital Assets

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions [^]	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization <small>(Please enter a negative, or credit, balance)</small>	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*Must agree to prior year-end balance

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

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

- | | | | |
|-----|--|--------------------------|-------------------------------------|
| | | Yes | No |
| 7-1 | Does the entity have an "old hire" firefighters' pension plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7-2 | Does the entity have a volunteer firefighters' pension plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?
 \$ -

Part 7 - Please use this space to provide any explanations or comments

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

- | | | | | |
|-----|---|-------------------------------------|--------------------------|--------------------------|
| | | Yes | No | N/A |
| 8-1 | Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?
If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | |
| 8-2 | Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | |

If yes: Please indicate the amount appropriated for each fund separately for the year reported (Please make sure each individual fund's appropriation agrees to how the budget was adopted. Do not combine funds)

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$2,000.00
Debt Service Fund	\$8,500.00

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box.		Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>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.</i>			

Part 9 - If no, MUST use this space to provide any explanations

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.		Yes	No
10-1	Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Date of formation: <input style="width: 300px;" type="text"/>		
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Please list the NEW name: <input style="width: 300px;" type="text"/>		
	Please list the PRIOR name: <input style="width: 300px;" type="text"/>		
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10-4	Please indicate what services the entity provides:		
	<input style="width: 500px; height: 20px;" type="text" value="See below comments"/>		
10-5	Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	List the name of the other governmental entity and the services provided:		
	<input style="width: 500px; height: 20px;" type="text" value="See below comments"/>		
10-6	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.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Date filed: <input style="width: 300px;" type="text"/>		
10-7	Does the entity have a certified mill levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):		
	Bond redemption mills		<input style="width: 100px;" type="text" value="50.000"/>
	General/other mills		<input style="width: 100px;" type="text" value="10.394"/>
	Total mills		<input style="width: 100px;" type="text" value="60.394"/>
		Yes	No
10-8	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.]? If NO, please explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<input style="width: 500px; height: 20px;" type="text"/>		

Please use this space to provide any additional explanations or comments not previously included

10-4: Financing for design, acquisition, construction and installation of essential public-purpose facilities such as streets and safety controls, water, sanitary sewer, and public transportation.

10-5: The District entered into a Facilities Funding, Construction, and Operations agreement with Sola Metropolitan District - Commercial with respect to financing, construction and maintenance of public improvements.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box.

Yes

No

11-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
------	--	-------------------------------------	--------------------------

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

Policy - Requirements

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 note their approval and submit the application through one of the following two methods:

- 1) Submit the application in hard copy via the US 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.

<p style="text-align: center;">Print or type the names of <u>ALL</u> members of current governing body below. A <u>MAJORITY</u> of the members of the governing body must sign below.</p>		
Board Member 1	<p style="text-align: center;">Board Member's Name:</p> <p>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.</p> <p>My term expires: MAY 2027</p>	<p style="text-align: center;">Alexander Pedersen</p> <p>Signed by: <i>Alexander Pedersen</i></p> <p>Signature _____ <small>68A3999E10AE46A...</small></p> <p>Date <u>3/17/2025</u></p>
Board Member 2	<p style="text-align: center;">Board Member's Name:</p> <p>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.</p> <p>My term expires: MAY 2027</p>	<p style="text-align: center;">Emily Pedersen</p> <p>DocuSigned by: <i>Emily Pedersen</i></p> <p>Signature _____ <small>82643476CB2E4A4...</small></p> <p>Date <u>3/17/2025</u></p>
Board Member 3	<p style="text-align: center;">Board Member's Name:</p> <p>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.</p> <p>My term expires: MAY 2027</p>	<p style="text-align: center;">Thomas L. VonGillern</p> <p>DocuSigned by: <i>Thomas L. VonGillern</i></p> <p>Signature _____ <small>484D25AE5A8D439...</small></p> <p>Date <u>3/15/2025</u></p>
Board Member 4	<p style="text-align: center;">Board Member's Name:</p> <p>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.</p> <p>My term expires: _____</p>	<p>_____</p> <p>Signature _____</p> <p>Date _____</p>
Board Member 5	<p style="text-align: center;">Board Member's Name:</p> <p>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.</p> <p>My term expires: _____</p>	<p>_____</p> <p>Signature _____</p> <p>Date _____</p>
Board Member 6	<p style="text-align: center;">Board Member's Name:</p> <p>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.</p> <p>My term expires: _____</p>	<p>_____</p> <p>Signature _____</p> <p>Date _____</p>
Board Member 7	<p style="text-align: center;">Board Member's Name:</p> <p>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.</p> <p>My term expires: _____</p>	<p>_____</p> <p>Signature _____</p> <p>Date _____</p>



CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
claconnect.com

Accountant's Compilation Report

Board of Directors
Sola Metropolitan District Institutional
Boulder County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Sola Metropolitan District Institutional of and for the year ended December 31, 2024, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Sola Metropolitan District Institutional.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 24, 2025

Certificate Of Completion

Envelope Id: B87FBDE6-3718-4469-995E-102EBAFDA45B	Status: Completed
Subject: Complete with DocuSign: SOLA INST MD - 2024 Audit Exemption.pdf	
Client Name: Sola Metro District - Institutional	
Client Number: A513034	
Source Envelope:	
Document Pages: 8	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Ling Chen
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 S 6th St Ste 300
	Minneapolis, MN 55402-1418
	Ling.Chen@claconnect.com
	IP Address: 4.2.161.250

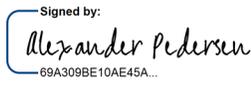
Record Tracking

Status: Original	Holder: Ling Chen	Location: DocuSign
3/13/2025 10:04:32 AM	Ling.Chen@claconnect.com	

Signer Events

Alexander Pedersen
 apedersen@conexusins.com
 Managing Member
 Conexus Insurance Partners Inc.
 Security Level: Email, Account Authentication (None)

Signature

Signed by:

 69A309BE10AE45A...
 Signature Adoption: Pre-selected Style
 Using IP Address: 67.162.139.52

Timestamp

Sent: 3/13/2025 10:27:26 AM
 Viewed: 3/17/2025 9:59:48 AM
 Signed: 3/17/2025 9:59:57 AM

Electronic Record and Signature Disclosure:
 Accepted: 3/17/2025 9:59:48 AM
 ID: 346bbef6-8d46-4b2a-9060-c3af0b3d6f38

Emily Pedersen
 emily.pedersen@hotmail.com
 Security Level: Email, Account Authentication (None)

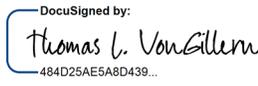
DocuSigned by:

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 Signature Adoption: Pre-selected Style
 Using IP Address: 67.162.139.52
 Signed using mobile

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 Viewed: 3/17/2025 8:41:20 AM
 Signed: 3/17/2025 8:41:31 AM

Electronic Record and Signature Disclosure:
 Accepted: 2/28/2019 9:33:23 PM
 ID: 0ff7f2e0-e935-4949-ae19-625b26d71cb1

Thomas L. VonGillern
 TVonGillern@qcora.com
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 484D25AE5A8D439...
 Signature Adoption: Pre-selected Style
 Using IP Address: 64.110.14.5
 Signed using mobile

Sent: 3/13/2025 10:27:26 AM
 Viewed: 3/15/2025 9:23:23 AM
 Signed: 3/15/2025 9:26:18 AM

Electronic Record and Signature Disclosure:
 Accepted: 3/15/2025 9:23:23 AM
 ID: 3a3ac529-f9a2-4b34-9a2c-9566fbaaf915

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/13/2025 10:27:27 AM
Certified Delivered	Security Checked	3/15/2025 9:23:23 AM
Signing Complete	Security Checked	3/15/2025 9:26:18 AM
Completed	Security Checked	3/17/2025 9:59:57 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

EXHIBIT C

2025 BUDGET - COMMERCIAL DISTRICT

SOLA METROPOLITAN DISTRICT - COMMERCIAL
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**SOLA METRO DISTRICT - COMMERCIAL
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/11/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 306,456	\$ 348,629	\$ 53,421
REVENUES			
Property taxes	618,629	559,977	601,828
Specific ownership taxes	28,382	22,486	24,073
Fee revenue - Copper Stone	150,976	152,486	154,011
Fee revenue - Lafayette Traditions	74,700	75,447	76,202
Developer advance	35,000	13,863	-
Interest income	30,776	15,599	5,084
IGA revenue Institutional District	20,063	9,077	-
Other revenue	-	3,271	250,000
Bond issuance proceeds	-	9,750,000	-
Total revenues	958,526	10,602,206	1,111,198
Total funds available	1,264,982	10,950,835	1,164,619
EXPENDITURES			
General Fund	135,376	180,510	236,507
Debt Service Fund	780,977	10,716,904	922,362
Total expenditures	916,353	10,897,414	1,158,869
Total expenditures and transfers out requiring appropriation	916,353	10,897,414	1,158,869
ENDING FUND BALANCES	\$ 348,629	\$ 53,421	\$ 5,750
EMERGENCY RESERVE	\$ 4,400	\$ 5,700	\$ 5,700
DEBT SERVICE SENIOR SURPLUS FUND	312,517	-	-
TOTAL RESERVE	\$ 316,917	\$ 5,700	\$ 5,700

**SOLA METRO DISTRICT - COMMERCIAL
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/11/24

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

ASSESSED VALUATION

Residential	\$ -	\$ 1,662,605	\$ 1,662,605
Commercial	8,921,017	5,489,121	5,441,216
State assessed	22,973	27,199	25,802
Vacant land	1,352,241	1,234,686	1,390,842
Other	145	145	145
Certified Assessed Value	\$ 10,296,376	\$ 8,413,756	\$ 8,520,610

MILL LEVY

General	10.000	16.811	16.980
Debt Service	50.000	50.000	53.652
Total mill levy	60.000	66.811	70.632

PROPERTY TAXES

General	\$ 102,964	\$ 141,443	\$ 144,680
Debt Service	514,819	420,688	457,148
Levied property taxes	617,783	562,131	601,828
Refunds and abatements	932	(2,154)	-
Budgeted property taxes	\$ 618,715	\$ 559,977	\$ 601,828

BUDGETED PROPERTY TAXES

General	\$ 103,125	\$ 140,902	\$ 144,680
Debt Service	515,504	419,075	457,148
	\$ 618,629	\$ 559,977	\$ 601,828

**SOLA METRO DISTRICT - COMMERCIAL
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/11/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (3,922)	\$ 44,513	\$ 53,421
REVENUES			
Property taxes	103,125	140,902	144,680
Specific ownership taxes	4,731	5,658	5,787
Fee revenue - Copper Stone	25,163	25,414	25,669
Fee revenue - Lafayette Traditions	12,450	12,575	12,700
Developer advance	35,000	-	-
IGA revenue Institutional District	3,342	1,598	-
Other revenue	-	3,271	-
Total revenues	183,811	189,418	188,836
Total funds available	179,889	233,931	242,257
EXPENDITURES			
General and administrative			
Accounting	36,338	42,000	44,100
Auditing	6,400	6,600	7,000
Banking fees	225	150	250
Contingency	-	-	1,485
County Treasurer's Fee	1,552	2,113	2,170
District management	26,942	29,500	32,000
Dues and Membership	695	667	800
Election	-	-	3,000
Insurance	6,938	7,130	8,200
Legal	12,697	18,000	18,000
Miscellaneous	1,075	100	502
Operations and maintenance			
Irrigation repairs	3,584	5,000	7,500
Landscaping	30,881	35,000	40,000
Repairs and maintenance	799	8,000	10,000
Snow removal	4,680	7,500	6,500
Tree Care	-	2,500	5,000
Tree/Plant replacement	-	1,250	25,000
Utilities	2,570	15,000	25,000
Total expenditures	135,376	180,510	236,507
Total expenditures and transfers out requiring appropriation	135,376	180,510	236,507
ENDING FUND BALANCES	\$ 44,513	\$ 53,421	\$ 5,750
EMERGENCY RESERVE	\$ 4,400	\$ 5,700	\$ 5,700
TOTAL RESERVE	\$ 4,400	\$ 5,700	\$ 5,700

No assurance provided. See summary of significant assumptions.

**SOLA METRO DISTRICT - COMMERCIAL
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/11/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 324,324	\$ 318,022	\$ -
REVENUES			
Property taxes	515,504	419,075	457,148
Specific ownership taxes	23,651	16,828	18,286
Interest income	30,736	15,556	5,084
Fee revenue - Copper Stone	125,813	127,072	128,342
Fee revenue - Lafayette Traditions	62,250	62,872	63,502
IGA revenue Institutional District	16,721	7,479	-
Other revenue	-	-	250,000
Loan issuance proceeds	-	9,750,000	-
Total revenues	774,675	10,398,882	922,362
Total funds available	1,098,999	10,716,904	922,362
EXPENDITURES			
County Treasurer's Fee	7,760	6,286	6,857
Paying agent fees	5,000	1,000	7,000
Bond interest 2009B	397,617	-	-
Bond interest 2012	305,600	211,114	-
Bond principal 2009B	-	3,253,892	-
Bond principal 2009C	-	2,885,000	-
Bond principal 2012	65,000	3,755,000	-
2024 Loan issuance costs	-	384,250	-
2024A Loan interest	-	117,883	114,000
2024A Loan principal	-	100,000	390,825
2024B Loan interest	-	-	153,680
Contingency	-	2,479	250,000
Total expenditures	780,977	10,716,904	922,362
Total expenditures and transfers out requiring appropriation	780,977	10,716,904	922,362
ENDING FUND BALANCES	\$ 318,022	\$ -	\$ -
DEBT SERVICE SENIOR SURPLUS FUND	\$ 312,517	\$ -	\$ -
TOTAL RESERVE	\$ 312,517	\$ -	\$ -

**SOLA METRO DISTRICT - COMMERCIAL
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/11/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (13,946)	\$ (13,906)	\$ -
REVENUES			
Interest income	40	43	
Developer advance	-	13,863	-
Total revenues	40	13,906	-
Total funds available	(13,906)	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ (13,906)	\$ -	\$ -

**SOLA METROPOLITAN DISTRICT - COMMERCIAL
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by court order on October 18, 2008, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Lafayette (the "City"), in Boulder County, Colorado.

SOLA Metropolitan District - Commercial (the "District") was organized to provide financing, design, construction, acquisition, installation and to the extent necessary, operation and maintenance of services and facilities for street improvements, safety protection, transportation, water and sanitation services. The District was organized in conjunction with SOLA Metropolitan District - Institutional. The Districts, collectively, will undertake the financing and construction of the public improvements. The Districts have entered into a Facilities Funding, Construction and Operations Agreement ("FFCOA") which governs the relationship between the Districts with respect to the financing, construction and operation of the public improvements. The Districts operate under a Service Plan originally approved by the City on April 1, 2008. An amended and restated Service Plan was approved by the City on May 16, 2017.

At its formation election held on May 6, 2008, District voters approved authorization to increase property taxes up to \$35,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. The election approved general obligation indebtedness of \$17,000,000 for street improvements, \$17,000,000 for traffic and safety protection, \$17,000,000 for water, \$17,000,000 for sanitary sewer systems, \$17,000,000 for transportation, \$17,000,000 for refinancing of District debt, and \$17,000,000 for Intergovernmental Agreements (IGA) as debt.

At the election held on May 8, 2012, District voters approved authorization to increase property taxes up to \$23,000,000, annually, as necessary to pay for operations and maintenance of the District. The election approved general obligation indebtedness of \$23,000,000 for street improvements, \$23,000,000 for parks and recreation, \$23,000,000 for water, \$23,000,000 for sanitary sewer systems, \$23,000,000 for transportation, \$23,000,000 for mosquito control, \$23,000,000 for safety protection, \$23,000,000 for fire protection, \$23,000,000 for television relay and translation, \$23,000,000 for refunding of District debt, and \$23,000,000 for Intergovernmental Agreements as debt.

The Districts' service plan limits the total debt issuance of the project to \$23,000,000 total aggregate principal amount. Also, the service plan states that any debt issued by either of the Districts shall mature no later than December 31, 2048, and the maximum term cannot exceed 30 years. More than one third of the Debt authorized by the service plan will be issued to finance the construction of two parking structures serving the Commercial District. The Maximum Debt Mill Levy the District is permitted to impose is 50.000 mills for any aggregate District's Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any aggregate District's Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy.

As a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate. Additionally, the maximum operations mill levy is 20.000 mills, however the total aggregate mill levies for both debt and operations cannot exceed 60.000 mills.

**SOLA METROPOLITAN DISTRICT - COMMERCIAL
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (Continued)

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

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

Revenues

Property Taxes

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

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

For property tax collection year 2025, SB22-238, SB23B-001, SB24-233 and HB24B-1001 set the assessment rates and actual values as follows:

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

**SOLA METROPOLITAN DISTRICT - COMMERCIAL
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 4.00% of the property taxes collected by the General Fund and Debt Service Fund.

Intergovernmental with SOLA Institutional

Per the FFCOA between the District and the Institutional District, the Institutional District will transfer its operating and debt property tax and specific ownership tax revenues, net of any applicable fees, to the District to fund operating and debt service costs.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as accounting, legal, insurance, and other administrative expenditures.

Operations and Maintenance

Certain common areas and street landscaping improvements are owned and maintained by the District. The estimated costs for repairs and maintenance are found on the General Fund page of the budget.

County Treasurer's Fees

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

Developer Advances

Developer advances are no longer required. As of December 31, 2024, the District has received advances from the Developer, which remain outstanding per the attached schedule.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2024A Loan (discussed under Debt and Leases).

**SOLA METROPOLITAN DISTRICT - COMMERCIAL
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Debt

On August 14, 2024, the District issued the Special Revenue Refunding Loan, Series 2024 in the amount of \$6,850,000 (2024A Loan) and the Subordinate Revenue Note, Series 2024 in the amount of \$2,900,000 (2024B Loan, and together with the 2024A Loan, the 2024 Loans). The proceeds of the 2024 Loans were used to refund, cancel and restructure the Series 2012, 2009B and Series 2009C Bonds and to pay for the issuance costs of the 2024 Loans.

The 2024A Loan was issued at an interest rate of 5.790% with a maturity date of December 1, 2050. The 2024A Loan is subject to optional prepayment beginning on December 1, 2026 with a prepayment fee of 3%, declining 1% annually through December 1, 2029.

The 2024B Loan was issued at an interest rate of 6.500% with a maturity date of December 15, 2050

The interest rate on the 2023 Loan is 5.50% until any portion of the Loan is reissued as Tax-Exempt with the opinion of Bond Counsel. If any portion of the 2023 Loan is reissued as Tax-Exempt, the interest rate will be 4.60% through December 1, 2033, and thereafter the rate of the U.S. 10 Year Treasury Note plus 2.00%, with a minimum of 4.75%, to be reset every 10 years.

The 2024A Loan is subject to optional prepayment prior to maturity, beginning December 1, 2026, with a Prepayment Fee of 3% of the principal amount, declining 1% annually. No Prepayment Fee will be due beginning December 1, 2029.

Leases

The District has no operating or capital leases.

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

**SOLA METROPOLITAN DISTRICT - COMMERCIAL
SCHEDULE OF DEBT SERVICE TO MATURITY**

\$6,850,000

General Obligation Refunding Loan

Interest Rate 5.790%

Interest payable June 1 and December 1

Principal Payable December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total*</u>
2024	\$ 100,000	117,883	\$ 217,883
2025	114,000	390,825	504,825
2026	121,000	384,224	505,224
2027	128,000	377,219	505,219
2028	136,000	369,807	505,807
2029	144,000	361,933	505,933
2030	153,000	353,595	506,595
2031	162,000	344,737	506,737
2032	171,000	335,357	506,357
2033	182,000	325,456	507,456
2034	193,000	314,918	507,918
2035	204,000	262,300	466,300
2036	217,000	252,100	469,100
2037	230,000	241,250	471,250
2038	243,000	229,750	472,750
2039	258,000	217,600	475,600
2040	273,000	204,700	477,700
2041	290,000	191,050	481,050
2042	307,000	176,550	483,550
2043	326,000	161,200	487,200
2044	345,000	144,900	489,900
2045	366,000	127,650	493,650
2046	388,000	109,350	497,350
2047	411,000	89,950	500,950
2048	436,000	69,400	505,400
2049	462,000	47,600	509,600
2050	490,000	24,500	514,500
Total	\$ 6,850,000	\$ 6,225,804	\$ 13,075,804

No assurance provided. See summary of significant assumptions.

**SOLA METROPOLITAN DISTRICT - COMMERCIAL
SCHEDULE OF DEVELOPER ADVANCES**

	Balance at December 31, 2023	Additions*	Payments	Balance at December 31, 2024*
Developer advance payable	\$ 3,393,270	-	-	\$ 3,393,270
Accrued interest on advances	2,268,284	244,876	-	2,513,160
	<u>\$ 5,661,554</u>	<u>244,876</u>	<u>-</u>	<u>\$ 5,906,430</u>

	Balance at December 31, 2024*	Additions*	Payments	Balance at December 31, 2025*
Developer advance payable	\$ 3,393,270	-	-	\$ 3,393,270
Accrued interest on advances	2,513,160	244,875	-	2,758,035
	<u>\$ 5,906,430</u>	<u>244,875</u>	<u>-</u>	<u>\$ 6,151,305</u>

*Estimated amounts

EXHIBIT D

2025 BUDGET - INSTITUTIONAL DISTRICT

Sola Metropolitan District-Institutional
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**SOLA METROPOLITAN DISTRICT INSTITUTIONAL
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ (23,180)
REVENUES			
Property taxes	19,461	(14,680)	9,704
Specific ownership taxes	894	314	388
Other revenue	-	43	15,588
Total revenues	<u>20,355</u>	<u>(14,323)</u>	<u>25,680</u>
Total funds available	<u>20,355</u>	<u>(14,323)</u>	<u>2,500</u>
EXPENDITURES			
General Fund	3,391	1,560	1,000
Debt Service Fund	16,964	7,297	1,500
Total expenditures	<u>20,355</u>	<u>8,857</u>	<u>2,500</u>
Total expenditures and transfers out requiring appropriation	<u>20,355</u>	<u>8,857</u>	<u>2,500</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ (23,180)</u>	<u>\$ -</u>

**SOLA METROPOLITAN DISTRICT INSTITUTIONAL
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION			
Commercial	\$ 183,187	\$ -	\$ -
State assessed	141,060	149,038	154,219
Personal property	-	758	1,395
Certified Assessed Value	\$ 324,247	\$ 149,796	\$ 155,614
MILL LEVY			
General	10.000	10.394	10.394
Debt Service	50.000	50.000	51.971
Total mill levy	60.000	60.394	62.365
PROPERTY TAXES			
General	\$ 3,242	\$ 1,557	\$ 1,617
Debt Service	16,212	7,490	8,087
Levied property taxes	19,454	9,047	9,704
Adjustments to actual/rounding	7	-	-
Refunds and abatements	-	(23,727)	-
Budgeted property taxes	\$ 19,461	\$ (14,680)	\$ 9,704
BUDGETED PROPERTY TAXES			
General	\$ 3,242	\$ (2,562)	\$ 1,617
Debt Service	16,219	(12,118)	8,087
	\$ 19,461	\$ (14,680)	\$ 9,704

**SOLA METROPOLITAN DISTRICT INSTITUTIONAL
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ (4,025)
REVENUES			
Property taxes	3,242	(2,562)	1,617
Specific ownership taxes	149	54	65
Other revenue	-	43	3,343
Total revenues	<u>3,391</u>	<u>(2,465)</u>	<u>5,025</u>
Total funds available	<u>3,391</u>	<u>(2,465)</u>	<u>1,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	49	(38)	24
Contingency	-	-	976
IGA Expenditure Commercial District	3,342	1,598	-
Total expenditures	<u>3,391</u>	<u>1,560</u>	<u>1,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,391</u>	<u>1,560</u>	<u>1,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ (4,025)</u>	<u>\$ -</u>

**SOLA METROPOLITAN DISTRICT INSTITUTIONAL
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ (19,155)
REVENUES			
Property taxes	16,219	(12,118)	8,087
Specific ownership taxes	745	260	323
Other revenue	-	-	12,245
Total revenues	<u>16,964</u>	<u>(11,858)</u>	<u>20,655</u>
Total funds available	<u>16,964</u>	<u>(11,858)</u>	<u>1,500</u>
EXPENDITURES			
County Treasurer's fee	244	(182)	121
Contingency	-	-	1,379
IGA Expenditure Commercial District	16,720	7,479	-
Total expenditures	<u>16,964</u>	<u>7,297</u>	<u>1,500</u>
Total expenditures and transfers out requiring appropriation	<u>16,964</u>	<u>7,297</u>	<u>1,500</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ (19,155)</u>	<u>\$ -</u>

**SOLA METROPOLITAN DISTRICT - INSTITUTIONAL
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by court order on October 18, 2008, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Lafayette (the "City"), in Boulder County, Colorado.

SOLA Metropolitan District - Institutional (the "District") was organized to provide financing, design, construction, acquisition, installation and to the extent necessary, operation and maintenance of services and facilities for street improvements, safety protection, transportation, water and sanitation services. The District was organized in conjunction with SOLA Metropolitan District - Commercial. The Districts, collectively, will undertake the financing and construction of the public improvements. The Districts have entered into a Facilities Funding Construction and Operations Agreement (FFCOA) which governs the relationship between the Districts with respect to the financing, construction and operation of the public improvements. The Districts operate under a Service Plan approved by the City of Lafayette.

At its formation election held on May 6, 2008, District voters approved authorization to increase property taxes up to \$25,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. The election approved general obligation indebtedness of \$7,000,000 for street improvements, \$7,000,000 for safety protection, \$7,000,000 for water, \$7,000,000 for sanitary sewer systems, \$7,000,000 for transportation, \$7,000,000 for refinancing of District debt, and \$7,000,000 for Intergovernmental Agreements (IGA) as debt.

At the election held on May 8, 2012, District voters approved authorization to increase property taxes up to \$23,000,000, annually, as necessary, to pay for the operations and maintenance of the District. The election approved general obligation indebtedness of \$23,000,000 for street improvements, \$23,000,000 for parks and recreation, \$23,000,000 for water, \$23,000,000 for sanitary sewer systems, \$23,000,000 for transportation, \$23,000,000 for mosquito control, \$23,000,000 for safety protection, \$23,000,000 for fire protection, \$23,000,000 for television relay and translation, \$23,000,000 for refinancing of District debt, and \$23,000,000 for Intergovernmental Agreements as debt.

The Districts' service plan limits the total debt issuance of the project to \$23,000,000 total aggregate principal amount. Also, the service plan states that any debt issued by either of the Districts shall mature no later than December 31, 2048, and the maximum term cannot exceed 30 years. More than one third of the Debt authorized by the service plan will be issued to finance the construction of two parking structures serving the Commercial District. The Maximum Debt Mill Levy the District is permitted to impose is 50.000 mills for any aggregate District's Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any aggregate District's Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation or rate. Additionally, the maximum operations mill levy is 10.000 mills.

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

**SOLA METROPOLITAN DISTRICT - INSTITUTIONAL
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (continued)

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

Revenues

Property Taxes

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

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

For property tax collection year 2025, SB22-238, SB23B-001, SB24-233 and HB24B-1001 set the assessment rates and actual values as follows:

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District’s share will be equal to approximately 4.0% of the property taxes collected by the General Fund and Debt Service Fund.

**SOLA METROPOLITAN DISTRICT - INSTITUTIONAL
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative Expenditures

The Commercial District is the operating District; therefore, the administrative expenditures necessary to maintain the District's administrative viability such as accounting, legal, insurance, and other administrative expenditures will be incurred in the Commercial District for both Districts.

County Treasurer's Fees

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

Intergovernmental Agreement with SOLA Commercial

Per the FFCOA between the District and the Commercial District, the District will transfer its operating and debt property tax and specific ownership tax revenues, net of any applicable fees, to the Commercial District to fund operating and debt service costs.

Debt and Leases

The District has no debt or operating or capital leases. However, the District is party to the Senior Capital Pledge Agreement entered into on January 1, 2012, whereby the District and the Commercial District each pledge to impose a senior mill levy for the payment of their share of debt service on the Senior Bonds of the Commercial District. In addition, the District is party to the Subordinate Capital Pledge Agreement entered into on October 1, 2009, whereby the District and the Commercial District each pledge to impose a subordinate mill levy for the payment of their share of debt service on the Subordinate Bonds of the Commercial District.

Reserves

Emergency Reserve

The District anticipates transferring all of its operating revenues to the Commercial District. Therefore, the Commercial District will provide for an Emergency Reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

EXHIBIT E

CERTIFICATION

On behalf of the Boards of Directors of the Sola Metropolitan District – Commercial and Sola Metropolitan District – Institutional, I hereby certify that no action, event or condition has occurred that constitutes a modification of the Service Plan, or that if a modification has occurred; it has been approved by the City of Lafayette.

Signed by:

Alex Pedersen

ESBA015139C747B...
President

Certificate Of Completion

Envelope Id: 20D2E059-B435-4E87-9A37-E06E6DF05D8D
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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/29/2025 12:59:23 PM
Certified Delivered	Security Checked	9/30/2025 1:57:46 PM
Signing Complete	Security Checked	9/30/2025 1:57:57 PM
Completed	Security Checked	9/30/2025 1:57:57 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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