GLENWOOD MEADOWS METROPOLITAN DISTRICT NO. 1
GLENWOOD MEADOWS METROPOLITAN DISTRICT NO. 2
GLENWOOD MEADOWS METROPOLITAN DISTRICT NO. 3
GARFIELD COUNTY, COLORADO
2025 CONSOLIDATED ANNUAL REPORT

City of Glenwood Springs, Colorado
via Email

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

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

Garfield County Clerk and Recorder,
via Email

Pursuant to 32-1-207(3)(c)(I), C.R.S., Glenwood Meadows Metropolitan District No. 1 ("**District No. 1**"), Glenwood Meadows Metropolitan District No. 2 ("**District No. 2**") and Glenwood Meadows Metropolitan District No. 3 ("**District No. 3**," along with District No. 1 and District No. 2, the "**Districts**") are required to submit a consolidated annual report for the preceding calendar year (the "**Report**") no later than October 1 of each year to the City of Glenwood Springs, Colorado (the "**City**"), the Colorado Division of Local Government, the Colorado State Auditor, the County Clerk and Recorder; the Report must also be posted on the Districts' website, if applicable.

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

1. **Boundary changes made**:

There were no boundary changes made or proposed to the Districts' boundaries during the reporting period.

2. **Intergovernmental agreements entered into or terminated**:

There were no intergovernmental agreements entered into or terminated during the reporting period.

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

No rules and regulations have been established as of December 31, 2025

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

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

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

No public improvements were constructed by the Districts during the reporting period.

6. **List of facilities or improvements constructed by the Districts that were conveyed to the City**:

No facilities or improvements constructed by the Districts were dedicated to or accepted by the City during the reporting period.

7. **Final Assessed Value of Taxable Property within the Districts' boundaries as of December 31, 2025**:

The 2025 total assessed value of taxable property within the boundaries of District No. 1 is $1,280.

The 2025 total assessed value of taxable property within the boundaries of District No. 2 is $6,535,990.

The 2025 total assessed value of taxable property within the boundaries of District No. 3 is $6,361,560.

8. **Current annual budget of each District**:

Attached as Exhibit A-1 is a copy of District No. 1's Budget for the current fiscal year of 2026; attached as Exhibit A-2 is a copy of District No. 2's Budget for the current fiscal year of 2026; and attached as Exhibit A-3 is a copy of District No. 3's Budget for the current fiscal year of 2026.

9. **Most recently filed audited financial statements of the Districts. To the extent audited financial statements are required by state law or most recently filed audit exemption**:

Attached as Exhibit B-1 is a copy of District No 1's audit exemption application for fiscal year 2025; attached as Exhibit B-2 is a copy of District No. 2's audit exemption application for fiscal year 2025 and attached as Exhibit B-3 is a copy of District No 3's audited financial statements for 2025.

10. **Notice of any uncured defaults**:

There were no uncured events of default by the Districts during the reporting period.

11. **The Districts' inability to pay any financial obligations as they come due under any obligation which continues beyond a ninety-day period**:

There were no instances of the Districts' inability to pay its obligation during the reporting period.

EXHIBIT A-1

District No. 1 - 2026 Budget

GLENWOOD MEADOWS METROPOLITAN DISTRICT NO. 1

BUDGET MESSAGE

The modified accrual basis of accounting and governmental funds are used in the preparation of this budget. Revenue is recorded when susceptible to accrual and expenditures are recorded when the liability is incurred.

The District was organized on January 23, 2004, and is being developed at this time. The District is able to provide streets, drainage, traffic and safety control, sanitation, water, parks and recreation, television relay, and elimination and control of mosquitoes services and with the approval of City of Glenwood Springs, Colorado, other miscellaneous services, as more fully set forth in the Service Plan of the District.

The District will not collect property taxes during the 2025 fiscal year.

GLENWOOD MEADOWS METROPOLITAN
DISTRICT 1 - SERVICE
2026 BUDGET

GENERAL FUND

	Actual 2024	Estimated 2025	Budget 2026
Beginning Balance	$82,085	$92,837	$60,643
REVENUE			
Trust Distribution	0	0	0
Property Taxes	0	0	0
Transfer from District 3 Property Tax	57,811	29,904	31,172
Transfer from District 3 Op Fees in lieu	30,477	24,811	12,812
Transfer of D 3 Specific Ownership Taxes	1,819	2,037	2,545
Excess Contingency Transfer	-31,477	0	0
Transfer from District 2 Op Property Tax	40,442	32,400	31,944
Transfer from District 2 Op Fees in lieu	4,731	4,662	5,168
Transfer of D 2 Specific Ownership Taxes	2,139	2,259	2,614
Exempt Prop Fees in Lieu (Government)	23,726	22,826	27,557
Transfer from District 3 PIF Revenue	0	0	0
Bond Proceeds			
Note Proceeds	0	0	0
Developer Advances	0	0	0
Investment Income	321	300	300
TOTAL	$129,990	$119,199	$114,110
TOTAL FUNDS AVAILABLE	$212,075	$212,036	$174,754
EXPENDITURES			
Bond Interest	$0	$0	$0
Bond Principal	0	0	0
Bond Issuance/Underwriting	0	0	0
Administration	51,116	60,000	60,000
Project Construction	0	0	0
Tax Collection Fees	473	393	397
Operating Expense	68,139	**91,000**	70,000
Debris Flow Reserve			
Contingency	0	0	5,000
Transfers to District No. 3	0	0	0
TOTAL	$119,729	$151,393	$135,397
ENDING FUND BALANCE	$92,346	$60,643	$39,356
RESTRICTED FUND BALANCE (Tabor)*	3,592	4,542	3,912
UNRESTRICTED FUND BALANCE	$88,754	$56,101	$35,444

EXHIBIT A-2

District No. 2 - 2026 Budget

GLENWOOD MEADOWS METROPOLITAN DISTRICT NO. 2

BUDGET MESSAGE

The modified accrual basis of accounting and governmental funds are used in the preparation of this budget. Revenue is recorded when susceptible to accrual and expenditures are recorded when the liability is incurred.

The District was organized on January 23, 2004, and is undeveloped at this time. The District is able to provide streets, drainage, traffic and safety control, sanitation, water, parks and recreation, television relay, and elimination and control of mosquitoes services and with the approval of City of Glenwood Springs, Colorado, other miscellaneous services, as more fully set forth in the Service Plan of the District.

Property taxes will be collected in the 2026 fiscal year.

GLENWOOD MEADOWS METROPOLITAN
DISTRICT No. 2 - RESIDENTIAL
2026 BUDGET

GENERAL FUND

	Actual 2024	Estimated 2025	Budget 2026
Beginning Balance	$545 545.28	$559	$559
REVENUE			
Property Taxes - Operating Mill	40,442	33,138	32,680
Specific Ownership Taxes	2,139	2,259	2,614
Excluded Prop Fees in Lieu	4,731	4,662	5,168
Residential Development Fee	0	0	0
Bond Proceeds	0	0	0
Developer Advances	0	0	0
Investment Income	129	106	0
TOTAL	$47,441	$40,164	$40,462
TOTAL FUNDS AVAILABLE	$47,986	$40,723	$41,020
EXPENSES			
Bond Interest	$0	$0	$0
Bond Principal	0	0	0
Bond Issuance/Underwriting	0	0	0
Administration	0	0	0
Project Construction	11	0	0
Tax Collection Fees	57	708	706
Operating Expense	29	30	30
Transfers to District No. 1	47,330	39,426	39,726
TOTAL	$47,427	$40,164	$40,462
ENDING FUND BALANCE	$559	$559	$559

EXHIBIT A-3

District No. 3 - 2026 Budget

GLENWOOD MEADOWS METROPOLITAN DISTRICT NO. 3

BUDGET MESSAGE

The modified accrual basis of accounting and governmental funds are used in the preparation of this budget. Revenue is recorded when susceptible to accrual and expenditures are recorded when the liability is incurred.

The District was organized on January 23, 2004, and is being developed at this time. The District is able to provide streets, drainage, traffic and safety control, sanitation, water, parks and recreation, television relay, and elimination and control of mosquitoes services and with the approval of City of Glenwood Springs, Colorado, other miscellaneous services, as more fully set forth in the Service Plan of the District.

Property taxes will be collected in the 2026 fiscal year.

GLENWOOD MEADOWS METROPOLITAN
DISTRICT No. 3 - COMMERCIAL
2026 BUDGET

GENERAL FUND

	Actual 2024	Estimated 2025	Budget 2026
Beginning Balance	$1,884,208	$1,926,964	1,957,196
REVENUE			
Public Improvement Fees	**2,497,719**	**2,532,381**	
Property Taxes	30,477	30,514	31,808
Excluded Prop Fees in Lieu	57,811	57,811	57,812
Specific Ownership Taxes	1,665	2,037	2,545
Bond Proceeds/Net Change in Reserve	0	0	250,000
Note Proceeds			
Transfers from other Gov't (Glenwood)	0	0	0
Developer Advances	0	0	0
Investment Income	20,344	17,000	500
TOTAL	$2,608,016	$2,639,743	$342,664
TOTAL FUNDS AVAILABLE	$4,492,223	$4,566,707	$2,299,860
EXPENDITURES			
Senior Bond Interest			
ANB Loan Interest	$45,762	$17,738	$203
Subordinate Bond Interest			
Junior Bond Interest			
Sub Note Interest			
Junior Note Interest	$1,531,192	$1,573,038	2,109,251
Senior Bond Principal			
ANB Loan Principal	868,026	896,050	75,945
Sub/Junior Bond Principal			
Sub Note Principal			
Bond Issuance/Underwriting			
Administration	31,535	33,000	35,000
Project Construction	0	0	0
PIF Collection Agent Fees	24,919	32,324	0
Tax Collection Fees	-522	610	636
Operating Expense	0	0	0
Tabor Emergency Fund	0	0	1,069
Contingency	0	0	10,000
PIF Revenue Transfers to District No. 1	0	0	
Excess contingency to District No. 1			
Prop Tax/Fee in Lieu transfer to District No. 1	58,630	56,752	46,528
TOTAL	$2,559,541	$2,609,512	$2,278,632
ENDING FUND BALANCE	$1,932,683	$1,957,196	$21,227
RESTRICTED FUND BALANCE *	$250,000	$250,000	$0
UNRESTRICTED FUND BALANCE	$1,682,683	$1,707,196	$21,227

EXHIBIT B-1

District No. 1 - Audit Exemption Application for Fiscal Year 2025

Application for Exemption From Audit
Short Form

Instructions

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

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

Exemptions from audit are **NOT** automatic

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

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

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

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

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

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

Important!

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

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

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

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

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

Prior year forms are obsolete and will not be accepted.

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

For your reference, the Colorado Revised Statutes are available through the LexisNexis Colorado portal.

Checklist

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

Will this application be submitted electronically? ○ Yes ◉ No

- ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 10.

-- or --

☐ If yes, have you included a resolution?

- ☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?
- ☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ◉ Yes ○ No

☑ If yes, does the application include **original ink signatures** from the **majority** of the governing body?

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lg

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

Mail

Office of the State Auditor

Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000

Questions? **Email:** osa.lg@coleg.gov **Phone:** 303-869-3000

Contact Information

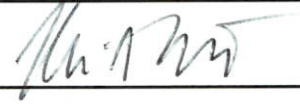
For the year ended 12/31/2025 or the fiscal year ended _____.

Name of government	Glenwood Meadows Metropolitan District No. 1
Street address	c/o Dunrene Management, 600 E. Hopkins Avenue, Suite 303
City, State, Zip	Aspen, CO 81611
Contact person	Michael C. Maple
Phone	970-925-9046
Email	mmaple@dunrene.com

Certification of Preparer

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

Name	Michael S. Marolt
Title	Controller - Independent/Separate from Entity
Firm name (if applicable)	Michael S. Marolt CPA PC
Address	PO Box 8705, Aspen CO 81612
Phone	970-925-1144

Preparer signature	Date prepared
	3.11.26

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

☑ Governmental (modified accrual basis)

☐ Proprietary (cash or budgetary basis)

Part 1: Revenues

Part 1A: Revenues Table

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

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	
1-2	Specific ownership	
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4	Fee in Lieu Exempt Property	$ 22,826
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	$ 346
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21	Transfers from other Governments District 2	$ 40,042
1-22	Transfers from other Governments District 3	$ 60,886
1-23		
1-24		
1-25	**TOTAL REVENUES** (add lines 1-1 through 1-24)	$ 124,100

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

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

Part 1B: Comments or Additional Information

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

Part 2: Expenditures/Expenses

Part 2A: Expenditures/Expenses Table

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

Line	Description	Total (round to nearest dollar)
2-1	Administrative	$ 58,788
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	
2-7	Accounting and legal fees	
2-8	Repair and maintenance	
2-9	Supplies	
2-10	Utilities and telephone	
2-11	Fire/Police	
2-12	Streets and highways	
2-13	Public health	
2-14	Capital outlay	
2-15	Utility operations	
2-16	Culture and recreation	
2-17	Debt service principal (should agree to Part 3, Debt Schedule Table 'Retired during year')	
2-18	Debt service interest	
2-19	Repayment of Developer Advances Principal (should agree to Part 3, Debt Schedule Table, column 'Retired during year')	
2-20	Repayment of Developer Advances Interest	
2-21	Contribution to pension plan	
2-22	Contribution to Fire & Police Pension Association	
2-23	Other (specify in lines 2-24 through 2-27)	
2-24	Tax Collection and Bank Fees	
2-25	Contributions to Other Governments	
2-26	Operations/Debris Flow Mitigation Structures	$ 91,498
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 150,286

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

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

Part 2B: Comments or Additional Information

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

Part 3: Debt Outstanding, Issued, and Retired

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

Debt Schedule Table

Please complete the following debt schedule, if applicable.
Please only include principal amounts. Enter all amounts as positive numbers.

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

*Must agree to prior year-end balance
**Subscription-Based Information Technology Arrangements

Comments (optional)

3-13	Does the entity have any authorized but unissued debt as of its fiscal year-end?	◉ Yes	○ No
3-14	If yes, how much?	$ 24,000,000	
3-15	Date the debt was authorized	11/03/2003	
3-16	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	○ Yes	◉ No
3-17	If yes, how much?		
3-18	Date of the most recent Service Plan		
3-19	Does the entity intend to issue debt within the next calendar year?	○ Yes	◉ No
3-20	If yes, how much?		
3-21	Does the entity have debt that has been refinanced that it is still responsible for?	○ Yes	◉ No
3-22	If yes, what is the amount outstanding?		
3-23	Does the entity have any lease agreements?	○ Yes	◉ No
3-24	If yes, what is being leased?		
3-25	What is the original date of the lease?		
3-26	Number of years of lease?		
3-27	Is the lease subject to annual appropriation?	○ Yes	○ No
3-28	What are the annual lease payments?		

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

Part 4: Cash and Investments

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

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	$ 67,606
4-2	Certificates of deposit	
4-3	**TOTAL CASH DEPOSITS** (Add lines 4-1 and 4-2)	$ 67,606
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 67,606

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

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

Part 5: Capital and Right-to-Use Assets

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

Capital and Right-to-Use Assets Table

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

*Must agree to prior year-end balance

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

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

Part 6: Pension Information

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

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

Part 7: Budget Information

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

Appropriation Amount by Fund Table

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

Line	Governmental/Proprietary Fund Name	Total
7-5	2025 Budget	$ 135,443
7-6		
7-7		
7-8		
7-9		

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

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

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

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

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

Part 9: General Information

9-1	Is this application for a newly formed governmental entity?	○ Yes	◉ No
9-2	If yes, what was the date of formation		
9-3	Has the entity changed its name in the past or current year?	○ Yes	◉ No
9-4	If yes, please list the NEW name below.		
9-5	If yes, please list the PRIOR name below.		
9-6	Is the entity a metropolitan district?	◉ Yes	○ No
9-7	Please indicate what services the entity provides below.		
9-8	Does the entity have an agreement with another government to provide services?	◉ Yes	○ No
9-9	If yes, list the name of the other governmental entity and the services provided below.		
	Administration & Debris Flow Mitigation Structure Operations - Districts 2 & 3		
9-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	○ Yes	◉ No
9-11	If yes, what was the date filed		
9-12	Does the entity have a certified mill levy?	○ Yes	◉ No
	If yes, please provide the following mills levied for the year reported in lines 9-13 through 9-14. (Do not report $ amounts.)		
9-13	Bond redemption mills		
9-14	General/other mills		
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)		0.000

9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	○ N/A	◉ Yes	○ No
9-17	If no, please explain below.			

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

Part 10: Governing Body Approval

10-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	O Yes	O No

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

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

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

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

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

Governing Body Signatures

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

Board Member 1		
Board member's name	Michael C. Maple	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/26
Board Member 2		
Board member's name	Julie Maple	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/26
Board Member 3		
Board member's name	Lawrence Marx III	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 4		
Board member's name	Suzanne Macgregor	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/26
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

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

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

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

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

[Choose 1 or 2 below, whichever is applicable]

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

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

OR

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

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

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

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

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

SAMPLE

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

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

SAMPLE

EXHIBIT B-2

District No. 2 - Audit Exemption Application for Fiscal Year 2025

Application for Exemption From Audit
Short Form

Instructions

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

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

Exemptions from audit are **NOT** automatic

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

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

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

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

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

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

Important!

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

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

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

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

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

Prior year forms are obsolete and will not be accepted.

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

For your reference, the Colorado Revised Statutes are available through the LexisNexis Colorado portal.

Checklist

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

Will this application be submitted electronically? ○ Yes ◉ No

☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 10.

-- or --

☐ If yes, have you included a resolution?

☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?

☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ◉ Yes ○ No

☑ If yes, does the application include **original ink signatures** from the **majority** of the governing body?

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lg

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

Mail

Office of the State Auditor

Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000

Questions? **Email:** osa.lg@coleg.gov **Phone:** 303-869-3000

Contact Information

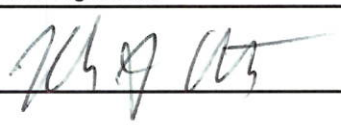
For the year ended 12/31/2025 or the fiscal year ended _____.

Name of government	Glenwood Meadows Metropolitan District No. 2
Street address	c/o Dunrene Management, 600 E. Hopkins Avenue, Suite 303
City, State, Zip	Aspen, CO 81611
Contact person	Michael C. Maple
Phone	970-925-9046
Email	mmaple@dunrene.com

Certification of Preparer

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

Name	Michael S. Marolt
Title	Controller - Independent/Separate from Entity
Firm name (if applicable)	Michael S. Marolt CPA PC
Address	PO Box 8705, Aspen CO 81612
Phone	970-925-1144

Preparer signature	Date prepared
	3-11-26

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

☑ Governmental (modified accrual basis)

☐ Proprietary (cash or budgetary basis)

Part 1: Revenues

Part 1A: Revenues Table

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

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	$ 33,138
1-2	Specific ownership	$ 2,240
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4	Fee in Lieu Exempt Property	$ 4,662
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	$ 103
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21	Treasurers Fees	-$ 663
1-22		
1-23		
1-24		
1-25	**TOTAL REVENUES** (add lines 1-1 through 1-24)	$ 39,480

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

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

Part 1B: Comments or Additional Information

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

Part 2: Expenditures/Expenses

Part 2A: Expenditures/Expenses Table

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

Line	Description	Total (round to nearest dollar)
2-1	Administrative	
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	
2-7	Accounting and legal fees	
2-8	Repair and maintenance	
2-9	Supplies	
2-10	Utilities and telephone	
2-11	Fire/Police	
2-12	Streets and highways	
2-13	Public health	
2-14	Capital outlay	
2-15	Utility operations	
2-16	Culture and recreation	
2-17	Debt service principal (should agree to Part 3, Debt Schedule Table 'Retired during year')	
2-18	Debt service interest	
2-19	Repayment of Developer Advances Principal (should agree to Part 3, Debt Schedule Table, column 'Retired during year')	
2-20	Repayment of Developer Advances Interest	
2-21	Contribution to pension plan	
2-22	Contribution to Fire & Police Pension Association	
2-23	Other (specify in lines 2-24 through 2-27)	
2-24	Tax Collection and Bank Fees	$ 28
2-25	Contributions to Other Governments	$ 39,442
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 39,470

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

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

Part 2B: Comments or Additional Information

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

Part 3: Debt Outstanding, Issued, and Retired

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

Debt Schedule Table

Please complete the following debt schedule, if applicable.
Please only include principal amounts. Enter all amounts as positive numbers.

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

*Must agree to prior year-end balance
**Subscription-Based Information Technology Arrangements

Comments (optional)

3-13	Does the entity have any authorized but unissued debt as of its fiscal year-end?	◉ Yes	○ No
3-14	If yes, how much?	$ 24,000,000	
3-15	Date the debt was authorized	11/04/2003	
3-16	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	○ Yes	◉ No
3-17	If yes, how much?		
3-18	Date of the most recent Service Plan		
3-19	Does the entity intend to issue debt within the next calendar year?	○ Yes	◉ No
3-20	If yes, how much?		
3-21	Does the entity have debt that has been refinanced that it is still responsible for?	○ Yes	◉ No
3-22	If yes, what is the amount outstanding?		
3-23	Does the entity have any lease agreements?	○ Yes	◉ No
3-24	If yes, what is being leased?		
3-25	What is the original date of the lease?		
3-26	Number of years of lease?		
3-27	Is the lease subject to annual appropriation?	○ Yes	○ No
3-28	What are the annual lease payments?		

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

Part 4: Cash and Investments

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

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	$ 569
4-2	Certificates of deposit	
4-3	**TOTAL CASH DEPOSITS** (Add lines 4-1 and 4-2)	$ 569
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4		
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 0
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 569

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

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

Part 5: Capital and Right-to-Use Assets

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

Capital and Right-to-Use Assets Table

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

*Must agree to prior year-end balance

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

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

Part 6: Pension Information

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

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

Part 7: Budget Information

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

Appropriation Amount by Fund Table

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

Line	Governmental/Proprietary Fund Name	Total
7-5	2025 Budget	$ 40,432
7-6		
7-7		
7-8		
7-9		

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

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

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

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

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

Part 9: General Information

9-1	Is this application for a newly formed governmental entity?	○ Yes	◉ No
9-2	If yes, what was the date of formation		
9-3	Has the entity changed its name in the past or current year?	○ Yes	◉ No
9-4	If yes, please list the NEW name below.		
9-5	If yes, please list the PRIOR name below.		
9-6	Is the entity a metropolitan district?	◉ Yes	○ No
9-7	Please indicate what services the entity provides below.		
9-8	Does the entity have an agreement with another government to provide services?	○ Yes	◉ No
9-9	If yes, list the name of the other governmental entity and the services provided below.		
9-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	○ Yes	◉ No
9-11	If yes, what was the date filed		
9-12	Does the entity have a certified mill levy?	◉ Yes	○ No
	If yes, please provide the following mills levied for the year reported in lines 9-13 through 9-14. (Do not report $ amounts.)		
9-13	Bond redemption mills		
9-14	General/other mills		5.000
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)		5.000

9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	○ N/A	◉ Yes	○ No
9-17	If no, please explain below.			

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

Part 10: Governing Body Approval

10-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	O Yes	O No

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

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

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

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

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

Governing Body Signatures

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

Board Member 1		
Board member's name	Michael C. Maple	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/26
Board Member 2		
Board member's name	Julie Maple	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/26
Board Member 3		
Board member's name	Lawrence Marx III	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 4		
Board member's name	Suzanne Macgregor	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/26
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

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

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

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

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

[Choose 1 or 2 below, whichever is applicable]

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

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

OR

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

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

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

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

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

EXAMPLE ONLY — DO NOT COMPLETE THIS PAGE

_____

Mayor/President/Chairman, etc.

ATTEST:

_____

Town Clerk, Secretary, etc.

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

EXHIBIT B-3

District No. 3 - Audited Financial Statements for 2025

Glenwood Meadows Metropolitan District No. 3
Glenwood Springs, Colorado

Financial Statements
December 31, 2025

Glenwood Meadows Metropolitan District No. 3
Financial Statements
December 31, 2025

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REESE HENRY
& COMPANY, INC.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Glenwood Meadows Metropolitan District No. 3
Glenwood Springs, Colorado

Opinion

We have audited the accompanying financial statements of the governmental activities and the general fund of Glenwood Meadows Metropolitan District No. 3 (the "District"), as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Glenwood Meadows Metropolitan District No. 3's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards and Government Auditing Standards 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, including omissions, 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 generally accepted auditing standards and Government Auditing Standards, we:

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

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

Other Matters

Required Supplementary Information
The District's Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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 opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 20 be presented to supplement the basic financial statements. Such 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Glenwood Meadows Metropolitan District No. 3's basic financial statements as a whole. The Schedule of Debt Service Requirements to Maturity on page 22 is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
May 11, 2026

Glenwood Meadows Metropolitan District No. 3
Governmental Fund Balance Sheet and Statement of Net Position
December 31, 2025

	General Fund Balance Sheet	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 34,843	$ -	$ 34,843
Restricted cash and investments	1,955,906	-	1,955,906
Public improvement fees receivable	281,374	-	281,374
Property and ownership tax receivable	33,717	-	33,717
Fees in lieu of tax receivable	59,280	-	59,280
Bond issue costs, net	-	1,703	1,703
Capital assets, net	-	359,785	359,785
TOTAL ASSETS	**$ 2,365,120**	**$ 361,488**	**$ 2,726,608**
LIABILITIES			
Accounts payable	8,516	$ -	$ 8,516
Accrued interest payable	-	14,946,887	14,946,887
Long-term debt payable:			
Due within one year	-	3,633,773	3,633,773
TOTAL LIABILITIES	**8,516**	**18,580,660**	**18,589,176**
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - taxes	**92,997**	**-**	**92,997**
FUND BALANCE			
Restricted:			
Contingency - TABOR 3% Reserve	5,992	(5,992)	-
Debt service - bond indenture reserve	1,955,906	(1,955,906)	-
Unassigned	301,709	(301,709)	-
TOTAL FUND BALANCE	**2,263,607**	**(2,263,607)**	**-**
TOTAL LIABILITIES AND FUND BALANCE	**$ 2,365,120**		
NET POSITION			
Restricted for TABOR		5,992	5,992
Restricted for bond indenture		1,955,906	1,955,906
Unrestricted		(17,917,463)	(17,917,463)
TOTAL NET POSITION		**$ (15,955,565)**	**$ (15,955,565)**

The accompanying notes to the financial statements are an integral part of this statement.

Glenwood Meadows Metropolitan District No. 3
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance and Statement of Activities
December 31, 2025

	Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance General Fund	Adjustments	Statement of Activities
REVENUES			
Public improvement fees	$ 2,579,457	$ -	$ 2,579,457
Taxes and fees in lieu of taxes	90,354	-	90,354
Interest	16,762	-	16,762
TOTAL REVENUES	**2,686,573**	**-**	**2,686,573**
EXPENDITURES/EXPENSES			
Administration	28,467	-	28,467
Collection fees	32,728		32,728
Intergovernmental agreement costs	60,885	-	60,885
Interest expense	1,590,759	416,350	2,007,109
Debt principal	896,066	(896,066)	-
Depreciation	-	17,132	17,132
Amortization	-	20,484	20,484
TOTAL EXPENDITURES/EXPENSES	**2,608,905**	**(442,100)**	**2,166,805**
EXCESS OF REVENUES OVER EXPENDITURES/EXPENSES	**77,668**	**442,100**	**519,768**
FUND BALANCE/NET POSITION			
Beginning of the year	**2,185,939**		**(16,475,333)**
End of the year	**$ 2,263,607**		**$ (15,955,565)**

The accompanying notes to the financial statements are an integral part of this statement.

Glenwood Meadows Metropolitan District No. 3
Notes to Financial Statements
December 31, 2025

1. Summary of Significant Accounting Policies

Glenwood Meadows Metropolitan District No. 3 (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado created pursuant to the Special District Act for the purpose of financing and constructing public improvements and for dedicating, when appropriate, such public improvements to the City of Glenwood Springs, or to such other entity as may be appropriate for the use and benefit of the District's property owners. The creation of the District was ordered on January 23, 2004 by the Garfield County District Court after approval by the proposed District's electors at an election held for that purpose. The District is located in its entirety within the City of Glenwood Springs and Garfield County, Colorado.

The District's financial statements are prepared in accordance with United States generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the GASB Statement 62. The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act. The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

i. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts: invested in capital assets, net of related debt; restricted and unrestricted net position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

ii. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures or expenses. The fund focus is on current available resources and budget compliance.

The District reports all its activities and accounts for all financial resources through its General Fund which is the District's primary operating fund. The General Fund is the District's only fund.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

i. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

ii. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

i. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

ii. Restricted Assets

Certain proceeds of the District's general obligation limited tax bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants to use in debt service.

iii. Capital Assets

Capital assets, which include land, buildings, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The District's capital assets are comprised entirely of infrastructure assets and are depreciated on a straight line basis over a period of 40 years.

iv. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position column. Also, bond issuance costs are deferred and amortized on a straight-line basis over the life of the bonds.

v. *Fund Equity*

Fund Balance – The District presents its fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions where fund balances are categorized in one of five categories*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications and by clarifying the definitions of existing governmental fund types.

As a result fund balances are classified based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. In accordance with the Statement, fund balances are now classified in one of the five categories (not all categories were used to present the District's fund balance):

- *Nonspendable Fund Balance* – are amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid insurance.
- *Restricted Fund Balance* – are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Directors, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – are amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Directors or by an official or body to which governing body delegates the authority.
- *Unassigned Fund Balance* – are amounts that are available for any purpose; these amounts are reported only in the General Fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

Net Position – Net Position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted where there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The Governmental Fund Balance Sheet/Statement of Net Position includes an adjustment column. Explanations of adjustments included in this column are as follows:

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. Additionally, bond issue costs are not financial resources and are therefore not reported in the funds. The details of these adjustments are accrued interest and bonds payable of $14,946,887 and $3,633,773, respectively, and related 2014 note issue costs of $242,390, less accumulated amortization of $240,687.

Capital assets are not reported in the funds. However, the costs of those assets are capitalized in the Statement of Net Position and subject to depreciation over their estimated useful lives. The details of these adjustments are capitalized infrastructure of $668,161, net of related accumulated depreciation of $308,376.

B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities include an adjustment column. Explanations of the adjustments included in this column are as follows:

Bond principal payments are expenses in the governmental funds, but result in a decrease in long-term liabilities in the Statement of Net Position. An adjustment of $896,066 was made to eliminate these payments.

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation expense of $17,132 was reported related to infrastructure assets retained by the District at December 31, 2025.

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and are therefore not recorded as expenditures in governmental funds. An adjustment was made to record the change in accrued interest at December 31, 2025 of $416,350.

Governmental funds report bond issue costs as expenditures when paid. However, in the Statement of Activities, the cost of those assets is allocated over the term of the underlying bonds as amortization expense. An adjustment was made to record related amortization costs of $20,484 on the new note.

3. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, special districts typically formally adopt a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end. Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue 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.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service. As such, the District has no reserve at December 31, 2025 on amounts expended on non debt service items.

On November 4, 2003, the Glenwood Meadows Metropolitan District's voters approved an increase in the District's combined debt limit up to $24,000,000 and the related increase in taxes up to an amount necessary to pay the District's debt. The debt is to be incurred for the acquisition, construction, or otherwise providing infrastructure, facilities, and other improvements, and mosquito control and for the provision of the operation services. All debt and tax increases constitute voter-approved revenue changes and are to be collected and spent by the District without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected and spent by the District.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

4. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance coverage ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the District's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was zero at year end. At year end, the District had the following deposits and investments with the following maturities:

Type	Standard & Poors Rating	Carrying Amount	Maturities: Less than one year	Maturities: Less than five years
Cash and investments held by trustee	Not rated	$ 1,955,906	$ 1,955,906	$ -

Financial Statement Line Item	
Restricted cash and investments	1,955,906
	$ 1,955,906

The District follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

The District's management of restricted cash and investments (through the loan agreement with lender), is handled by the lender. The Custodian agreement allows the lender to make any and all investments permitted by the provisions of the agreement through its own investment department or that of its affiliates.

The District generally limits its concentration of investments to those investments which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk.

As a means of limiting its exposure on interest rate risk, the District coordinates its investment maturities to closely match cash flow needs in meeting the required bond covenants even though the maturity of the investment is over twenty years.

Colorado statutes specify instruments in which local governments may invest, including the following:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The District places no limit on the amount that it may invest in any one issuer.

Concentration of Credit Risk: The District places no limit on the amount that it may invest in any one issuer. There was $1,740,749 in uninsured funds at December 31, 2025.

B. Capital assets

Capital asset activity for the year ended December 31, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets:				
Infrastructure	$ 668,161	$ -	$ -	$ 668,161
Total capital assets being depreciated	**668,161**	**-**	**-**	**668,161**
Less accumulated depreciation:				
Infrastructure	(291,244)	(17,132)	-	(308,376)
Total accumulated depreciation	**(291,244)**	**(17,132)**	**-**	**(308,376)**
Total capital assets, net	**$ 376,917**	**$ (17,132)**	**$ -**	**$ 359,785**

C. Long-term Debt

i. Revenue Note Series 2014

The District borrowed $9,025,000 on March 13, 2014, with interest at 3.15% and monthly payments of principal and interest of $76,149. The Revenue Note Series 2014 (the "Revenue Note") was issued by the District for the purposes of refinancing the District's Series 2004 Bonds. The Revenue Note is a limited tax general obligations of the District, payable from Public Improvement Fees ("PIF Revenue") pledged toward debt service on the Revenue Note. Additionally, ad valorem taxes will be imposed, at a rate not to exceed an amount necessary to meet any shortfall between PIF Revenue collected by the District and amounts required to meet the annual debt service of the Revenue Note.

ii. Taxable Junior Reimbursement Revenue Note, Series 2005

The Junior Reimbursement Revenue Note (the "Junior Note") is made up of $3,557,365 of developer advances since September 30, 2005 (increased from time to time as additional advances and performance of services were received). The Junior Note is subordinate to the Bonds held by District No. 3. The District is required to make payments of interest on an annual basis. Interest on the note compounds annually on January 15 of each year, commencing as of January 15, 2006 at the annual rate of 12%. This Note is payable solely from the Pledged Revenues available to the District. Upon maturity of this note on March 1, 2026, $3,557,365 of unpaid principal and $13,314,644 of unpaid interest was cancelled and discharged.

Changes to long-term debt during the year ended December 31, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount to be Paid in 2026
Senior Lien ANB Note Payable	$ 972,474	$ -	$ (896,066)	$ 76,408	$ 76,408
Taxable Junior Reimbursement Revenue Note, Series 2005	3,557,365	-	-	3,557,365	3,557,365
	$ 4,529,839	$ -	$ (896,066)	$ 3,633,773	$ 3,633,773

Annual debt service requirement to maturity for the Revenue Note and the Tax Junior Reimbursement Revenue Note are as follows:

Year	Principal	Interest	Total
2026	$ 3,633,773	$ 14,512,799	$ 18,146,572
	$ 3,633,773	$ 14,512,799	$ 18,146,572

5. Other Information

A. Risk Management

Except as provided within the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The District is insured for such risks as 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 and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to $1,000,000.

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 and public official's 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.

B. Related Party Transactions

All members of the District's Board of Directors have a financial interest in Glenwood Meadows, LLC (the "Owner"), a Colorado limited liability company that owns the majority of WMG Meadows, LLC ("WMG") through another entity Glenwood Meadows WMG, LLC. WMG owns a significant portion of real property (shopping center) within the District. The Owner also owns other significant lodging and commercial real properties through other entities that are within the District or other related Districts (GMMD No. 1 and GMMD No. 2).

Glenwood Meadows Metropolitan District No. 1 ("GMMD No.1" or the "Service District") and Glenwood Meadows Metropolitan District No. 2 ("GMMD No.2") has the same Board of Directors as the District.

The District's Board of Directors had previously filed a conflict of interest disclosure to the Colorado Secretary of State. The last recorded filing in March 2014 updated the previously filed disclosures covering the nature of the aforementioned related party transactions. The District's Board of Directors periodically confirm and update the conflict of interest disclosure.

C. Public Improvement Fee Agreement

The District entered into the Public Improvement Fee Agreement (the "PIF Agreement") in 2004 which generally provides that the developer of the commercial retail space within the District will obligate retailers within the development to impose, collect and remit a Public Improvement Fee ("PIF") on all eligible sales. Furthermore, the PIF Agreement assigns to the District any and all interests the developer may have in PIF revenue. The District is obligated under the PIF Agreement to pledge, use and apply all PIF revenue collected for the payment of (i) bonded debt service as required, (ii) certain reimbursable expenses, (iii) certain public improvements and organization costs, and (iv) other expenses related to the provision of any public improvement and services necessary for commercial development within the District. The PIF Agreement shall terminate upon the later of (i) the date on which the debt has been fully paid or (ii) December 31 of the twentieth year following the opening of 300,000 square feet of retail space within the District.

The agreement also calls for PIF collected (net of collection fees) in excess of required debt service to retire the District's debt to be payable directly to service the related public improvements costs obligations incurred by the Service District for the remaining term of the Bond Indenture. GMMD No. 1's debt was transferred to the District during March 2014. As of December 31, 2025, the District has combined principal and accrued interest obligations of $18,580,660 outstanding.

D. Intergovernmental Agreement – City Improvements

In July 2004, the District entered into an Intergovernmental Agreement (the "City IGA") with the City of Glenwood Springs, Colorado (the "City"). Under the City IGA, the City agreed to construct or cause to be constructed certain infrastructure improvements. The District agreed to pay for these improvements with proceeds from the issuance of the Bonds remitted to the City totaling $2,350,000. Additionally, the District has agreed to construct or cause to be constructed certain other infrastructure improvements to be paid for in their entirety by the District. The District conveyed $15,786,676 of improvements to the City of Glenwood Springs in 2008, and all improvements constructed under this agreement have been conveyed as of December 31, 2008 resulting in the significant negative net position on the District's financial statements.

E. Intergovernmental Agreement – District Facilities and Services

In July 2004, the District entered into an Intergovernmental Agreement (the "District IGA") with the Service District for the provision of District construction and operation services. The District IGA generally provides that the District will pay to the Service District over a period of years the costs of the provision of certain services. The District IGA states that the obligation to pay the amounts required there under is a general obligation debt of the District subject to certain limitations, and as such the question of whether the District should enter into and perform the Agreement was submitted at an election called for such purpose and held on November 4, 2003. The question was approved by the electorate. The District IGA also obligates the District to levy,

certify, and collect an operating mill levy of five mills unless otherwise authorized by the Service District. All property taxes, specific ownership taxes and other operating revenue collected by the District are to be remitted to the Service District under the District IGA.

In return for the payment of the monies required to be paid under the Agreement, the Service District agrees to (i) acquire or construct certain public improvements, and (ii) thereafter provide for their operation and maintenance until such time as the improvements are transferred to the City or other entity. Any monies received in excess of expenses by the Service District shall be retained and used by the Service District to repay any advances received from the developers or other sources. For the year ended December 31, 2025, the District remitted $60,885 to the Service District representing taxes collected in 2025 for 2024 taxes.

F. Date of Management's Review

The District's management has evaluated subsequent events through May 11, 2026, the date which the District's financial statements were available to be issued, and has incorporated into these financial statements the effect of all subsequent events that required recognition or disclosure through that date.

REQUIRED SUPPLEMENTARY INFORMATION

Glenwood Meadows Metropolitan District No. 3
Schedule of Revenues and Expenditures - Budget and Actual – General Fund
For the Year Ended December 31, 2025

	Final Approved Budget	Actual	Variance Over (Under) Budget
Revenues and Other Financing Sources:			
Public improvement fees	$ 2,513,917	$ 2,579,457	$ 65,540
Interest	10,000	16,762	6,762
Taxes:			
Property	30,514	30,512	(2)
Specific ownership	2,441	2,031	(410)
Fees in lieu of taxes	57,811	57,811	-
Total Revenues and Other Financing Sources	**2,614,683**	**2,686,573**	**71,890**
Expenditures and Other Financing Uses:			
Administration	33,000	28,467	(4,533)
Intergovernmental agreement costs	72,156	60,885	(11,271)
Collection Fees	25,749	32,728	6,979
Bond interest:			
Revenue note, Series 2014	17,738	17,721	(17)
Junior reimbursement note, Series 2005	1,566,821	1,573,038	6,217
Principal payment:			
Revenue note, Series 2014	896,050	896,066	16
Reserve for contingency	10,000	-	(10,000)
Tabor emergency fund	1,762	-	(1,762)
Total Expenditures and Other Financing Uses	**$ 2,623,276**	**$ 2,608,905**	**$ (14,371)**

See independent auditor's report and accompanying notes to financial statements.

SUPPLEMETARY INFORMATION

Glenwood Meadows Metropolitan District No. 3
Schedule of Debt Service Requirements to Maturity
December 31, 2025

Debt and Interest Maturing in the Year Ending December 31,	$9,025,000 Revenue Note, Series 2014 Interest Rate of 3.15%		$3,963,954 Taxable Junior Reimbursement Revenue Note Series 2005 Interest Rate of 12%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 76,408	$ 203	$ 3,557,365	$ 14,512,596	$ 3,633,773	$ 14,512,799
Total	**$ 76,408**	**$ 203**	**$ 3,557,365**	**$ 14,512,596**	**$ 3,633,773**	**$ 14,512,799**

See independent auditor's report and accompanying notes to financial statements.