

HAYMEADOW METROPOLITAN DISTRICT NOS. 1, 2, 3, 4, 5 AND 6

2025 CONSOLIDATED ANNUAL REPORT

Town of Eagle, 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

Eagle County Clerk and Recorder,
via Email

Pursuant to 32-1-207(3)(c)(I), C.R.S., Haymeadow Metropolitan District No. 1 (“**District No. 1**”), Haymeadow Metropolitan District No. 2 (“**District No. 2**”), Haymeadow Metropolitan District No. 3 (“**District No. 3**”), Haymeadow Metropolitan District No. 4 (“**District No. 4**”), Haymeadow Metropolitan District No. 5 (“**District No. 5**”) and Haymeadow Metropolitan District No. 6 (“**District No. 6**,” and along with District No. 1, District No. 2, District No. 3, District No. 4 and District No. 5, 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 Town of Eagle, Colorado (the “**Town**”), 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:**

District No. 1 held an exclusion hearing on March 10, 2025; The Order for Exclusion was recorded with the Eagle County Clerk and Recorder on March 14, 2025 at recordation number 202503282;

District No. 2 held an exclusion hearing on February 12, 2025; The Order for Exclusion was recorded with the Eagle County Clerk and Recorder on April 16, 2025 at recordation number 202504853;

District No. 3 held an exclusion hearing on April 2, 2025; the Order for Exclusion was recorded with the Eagle County Clerk and Recorder on April 16, 2025 at recordation number 202504860;

District No. 4 held an exclusion hearing on February 12, 2025; The Order for Exclusion was recorded with the Eagle County Clerk and Recorder on April 16, 2025 at recordation number 202504861;

District No. 2 held an inclusion hearing on February 12, 2025; The Order for Inclusion was recorded with the Eagle County Clerk and Recorder on April 22, 2025 at recordation number 202505066;

District No. 3 held an inclusion hearing on February 12, 2025; The Order for Inclusion was recorded with the Eagle County Clerk and Recorder on April 22, 2025 at recordation number 202505067;

District No. 4 held an inclusion hearing on February 12, 2025; The Order for Inclusion was recorded with the Eagle County Clerk and Recorder on April 22, 2025 at recordation number 202505068; and

District No. 5 held an inclusion hearing on February 12, 2025; The Order for Inclusion was recorded with the Eagle County Clerk and Recorder on April 22, 2025 at recordation number 202505069.

All of the foregoing inclusions and exclusions were to adjust boundary lines so that parcels were not split into multiple Districts and thus inadvertently subject to multiple District mill levies. At the end of the boundary changes, all properties were subject to a mill levy by only one of the Districts.

There were no changes made or proposed to the boundaries of District No. 6 during the reporting period.

Copies of the Order for Exclusion and Orders for Inclusion can be obtained upon request.

2. Intergovernmental agreements entered into or terminated:

The Districts entered into a Supplement to the Intergovernmental Agreement, effective as of February 12, 2025.

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:

During the report year, District No. 6 completed public infrastructure improvements to support continued development of the community. Haymeadow Drive was extended approximately 800 linear feet to provide access to the future childcare building pad, and approximately 2,300 linear feet of roadway was constructed for the completion of Mt. Hope Circle. These improvements included the installation of associated public water and sanitary sewer mains, storm drainage infrastructure, roadway construction, curb and gutter, and sidewalks.

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

There were no facilities or improvements constructed by the District during the report year.

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:

- a. District No. 1 was \$2,416,250
- b. District No. 2 was \$32,690
- c. District No. 3 was \$23,700
- d. District No. 4 was \$21,600
- e. District No. 5 was \$92,200 and
- f. District No. 6 was \$120.

8. Current annual budget of the Districts:

Attached as Exhibit A are copies of the respective Districts' budgets for the current fiscal year 2026.

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

Attached as Exhibit B are copies of the respective Applications for Exemption from Audit for fiscal year 2025 for District Nos. 2, 3 and 4.

Attached as Exhibit C are copies of the respective audited financial statements for fiscal year 2025 for District Nos. 1, 5 and 6.

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.

Respectfully submitted this 21st day of September, 2026.

EXHIBIT A

2026 Budgets

HAYMEADOW METROPOLITAN DISTRICT NO. 1

2026 BUDGET MESSAGE

Haymeadow Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide financing for the design, acquisition, construction, installation and operation and maintenance of public improvements including streets, water, sanitary sewer and storm drainage, park and recreation, traffic and safety protection, security services, covenant enforcement, transportation, fire protection and weed, pest and mosquito control.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2026 BUDGET STRATEGY

Haymeadow Metropolitan Districts Nos. 1 through 6 have joined together in filing a consolidated service plan. District No. 1 issued bonds in 2025 and is levying a debt service mill levy for the bond debt service and is also levying a contractual obligation mill levy to transfer to District No. 6 for services and operations pursuant to an intergovernmental agreement.

HAYMEADOW METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

DEBT SERVICE AND CONTRACTUAL OBLIGATIONS FUND (FORMERLY GENERAL FUND)					Notes
	2024 Unaudited Actual	2025 Amended Budget	2025 Forecast	2026 Adopted Budget	
Assessed Value	359,310	448,100	448,100	2,416,250	Final Nov AV
Ops Mill Levy Rate	50.000	0.000	0.000	0.000	Per Service Plan
Temporary Mill Levy Credit	(30.000)	0.000	0.000	0.000	
Debt Service Mill Levy Rate	50.000	0.000	0.000	62.360	
Contractual Obligations		70.000	70.000	15.000	Pledged Rev & Master IGA
REVENUES					
Property Taxes - Operations	7,358	0	0	0	
Property Taxes - Temp Mill Levy Cr		0	0	0	
Property Taxes - Debt Service	18,396	0	0	150,677	
Property Taxes - Contractual Obligations	0	31,367	31,557	36,244	Assessed Value x mill levy
Specific Ownership Taxes Operations	349	0	0	0	
Specific Ownership Taxes Debt Service	873	0	0	6,780	
Specific Ownership Taxes Contractual Obligations	0	1,412	1,412	1,631	4.5% of property taxes
Interest Income	749	48	271,082	234,775	
Contingent Revenue		50,000	0	50,000	
TOTAL REVENUES	27,725	82,827	304,051	480,108	
General & Administrative					
Treasurer's Fees-Operations	222	0	0	0	3% Eagle County Fee
Treasurer's Fees-Debt Service	556	0	0	4,520	3% Eagle County Fee
Treasurer's Fees-Contractual Obligations	0	941	947	1,087	3% Eagle County Fee
Contractual Obligations					
Debt Svc Pledged Revenue Paid	18,849	22,741	22,741		Feb2025 Restated Pledge Agreement released HMD
Master IGA Service Fee Paid	7,540	9,096	9,096	36,787	Pmt to No. 6
Debt Service					
Series 2025A Bond - Principal	0	0	0	0	First payment due in 2030
Series 2025A Bond - Debt Svc Interest	0	0	612,745	904,050	SeriesA \$452K Jun and Dec
Series 2025B Bond - Principal	0	0	0	0	As Cash Flow is available
Series 2025B Bond - Debt Svc Interest	0	0	0	0	SeriesB \$198K Dec payment if funds are available
Contingency/Other		50,000	0	50,000	
TOTAL EXPENDITURES	27,168	82,779	645,530	996,445	
REVENUE OVER (UNDER) EXPEND.	558	48	(341,479)	(516,337)	
OTHER FINANCING SOURCES/(USES)					
Loan or Bond Proceeds		20,000,000	17,130,000	0	
Capitalized Interest Fund		(4,000,000)	0	0	
Cost of Issuance Fund		(1,200,000)	(784,589)	0	
Surplus Fund		(2,000,000)	0	0	
Transfer to HMD6 for Project Fund Expendit		(12,800,000)	(8,179,476)	(4,123,074)	
TOTAL OTHER FINANCING SOURCES	0	0	8,165,935	(4,123,074)	
Revenue and Other Sources over Expenditures and other Uses	558	48	7,824,456	(4,639,412)	
FUND BALANCE - BEGINNING	828	1,608	1,386	7,825,842	
FUND BALANCE - ENDING	1,386	1,656	7,825,842	3,186,431	
COMPONENTS OF FUND BALANCE					
Senior Project Fund		0	4,123,074	0	
Surplus Fund		2,000,000	1,348,270	1,900,671	Build to Max \$2,618,000
Capitalized Interest Fund		4,000,000	2,099,405	1,285,760	Year end balance minus payments plus est interest
Cost of Issuance Fund		0	0		
Bond Fund		0	0		
Internal & Other Balances	1,386	(5,998,344)	255,093	0	
TOTAL ENDING FUND BALANCE	1,386	1,656	7,825,842	3,186,431	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

HAYMEADOW METROPOLITAN DISTRICT NO. 2

2026 BUDGET MESSAGE

Haymeadow Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide financing for the design, acquisition, construction, installation and operation and maintenance of public improvements including streets, water, sanitary sewer and storm drainage, park and recreation, traffic and safety protection, security services, covenant enforcement, transportation, fire protection and weed, pest and mosquito control.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2026 BUDGET STRATEGY

Haymeadow Metropolitan Districts Nos. 1 through 6 have joined together in filing a consolidated service plan. District No. 2, as a financing district, is levying a contractual obligation mill levy and budgeting for transfers to District No. 5 pursuant to a capital pledge agreement, as well as to District No. 6. for services and operations pursuant to an intergovernmental agreement.

HAYMEADOW METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

DEBT SERVICE AND CONTRACTUAL OBLIGATIONS FUND (FORMERLY GENERAL FUND)					Notes
	2024 Unaudited Actual	2025 Adopted Budget	2025 Forecast	2026 Adopted Budget	
Assessed Value	20,900	20,900	20,900	32,690	Final AV
Ops Mill Levy Rate	50.000	0.000	0.000	0.000	Per Service Plan
Temporary Mill Levy Credit	(30.000)	0.000	0.000	0.000	
Debt Service Mill Levy Rate	50.000	0.000	0.000	0.000	
Contractual Obligations		70.000	70.000	65.000	Pledged Rev & Master IGA
REVENUES					
Property Taxes - Operations	418	0	0	0	
Property Taxes - Temp Mill Levy Cr		0	0	0	
Property Taxes - Debt Service	1,045	0	0	0	
Property Taxes - Contractual Obligations	0	1,463	1,463	2,125	Assessed Value x mill levy
Specific Ownership Taxes Operations	17	0	0	0	
Specific Ownership Taxes Debt Service	42	0	0	0	
Specific Ownership Taxes Contractual Obligations	0	66	66	96	4.5% of property taxes
Interest Income	60	5	20	4	
Contingent Revenue		5,000	5,000	5,000	
TOTAL REVENUES	1,582	6,534	6,549	7,225	
General & Administrative					
Treasurer's Fees-Operations	13	0	0	0	3% Eagle County Fee
Treasurer's Fees-Debt Service	32	0	0	0	3% Eagle County Fee
Treasurer's Fees-Contractual Obligations	0	44	44	64	3% Eagle County Fee
Master IGA Service Fee Paid	430	424	424	498	Pmt to No. 6
Debt Svc Pledged Revenue Paid	1,076	1,061	1,061	1,659	Pmt to No. 5
Contingency/Other		5,000	5,000	5,000	
TOTAL EXPENDITURES	1,551	6,529	6,529	7,220	
REVENUE OVER (UNDER) EXPEND.	31	5	20	4	
Revenue and Other Sources over Expenditures and other Uses	31	5	20	4	
FUND BALANCE - BEGINNING	93	122	124	144	
FUND BALANCE - ENDING	124	127	144	148	
	=	=	=	=	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

HAYMEADOW METROPOLITAN DISTRICT NO. 3

2026 BUDGET MESSAGE

Haymeadow Metropolitan District No. 3 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide financing for the design, acquisition, construction, installation and operation and maintenance of public improvements including streets, water, sanitary sewer and storm drainage, park and recreation, traffic and safety protection, security services, covenant enforcement, transportation, fire protection and weed, pest and mosquito control.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2026 BUDGET STRATEGY

Haymeadow Metropolitan Districts Nos. 1 through 6 have joined together in filing a consolidated service plan. District No. 3, as a financing district, is levying a contractual obligation mill levy and budgeting for transfers to District No. 5 pursuant to a capital pledge agreement, as well as to District No. 6. for services and operations pursuant to an intergovernmental agreement.

HAYMEADOW METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

DEBT SERVICE AND CONTRACTUAL OBLIGATIONS FUND (FORMERLY GENERAL FUND)					Notes
	2024 Unaudited Actual	2025 Adopted Budget	2025 Forecast	2026 Adopted Budget	
Assessed Value	61,410	61,410	61,410	23,700	Final AV
Ops Mill Levy Rate	50.000	0.000	0.000	0.000	Per Service Plan
Temporary Mill Levy Credit	(30.000)	0.000	0.000	0.000	
Debt Service Mill Levy Rate	50.000	0.000	0.000	0.000	
Contractual Obligations		70.000	70.000	65.000	Pledged Rev & Master IGA
REVENUES					
Property Taxes - Operations	1,293	0	0	0	
Property Taxes - Temp Mill Levy Cr		0	0	0	
Property Taxes - Debt Service	3,232	0	0	0	
Property Taxes - Contractual Obligations	0	4,299	4,299	1,541	Assessed Value x mill levy
Specific Ownership Taxes Operations	59	0	0	0	
Specific Ownership Taxes Debt Service	147	0	0	0	
Specific Ownership Taxes Contractual Obligations	0	193	193	69	4.5% of property taxes
Interest Income	122	14	80	16	
Contingent Revenue		5,000	5,000	5,000	
TOTAL REVENUES	4,852	9,506	9,572	6,626	
General & Administrative					
Treasurer's Fees-Operations	39	0	0	0	3% Eagle County Fee
Treasurer's Fees-Debt Service	97	0	0	0	3% Eagle County Fee
Treasurer's Fees-Contractual Obligations	0	129	133	46	3% Eagle County Fee
Master IGA Service Fee Paid	1,315	1,247	1,250	361	Pmt to No. 5
Debt Svc Pledged Revenue Paid	3,289	3,117	3,120	1,203	Pmt to No. 6
Contingency/Other		5,000	5,000	5,000	
TOTAL EXPENDITURES	4,741	9,492	9,503	6,610	
REVENUE OVER (UNDER) EXPEND.	112	14	69	16	
Revenue and Other Sources over Expenditures and other Uses	112	14	69	16	
FUND BALANCE - BEGINNING	280	455	392	461	
FUND BALANCE - ENDING	392	469	461	477	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

HAYMEADOW METROPOLITAN DISTRICT NO. 4

2026 BUDGET MESSAGE

Haymeadow Metropolitan District No. 4 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide financing for the design, acquisition, construction, installation and operation and maintenance of public improvements including streets, water, sanitary sewer and storm drainage, park and recreation, traffic and safety protection, security services, covenant enforcement, transportation, fire protection and weed, pest and mosquito control.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2026 BUDGET STRATEGY

Haymeadow Metropolitan Districts Nos. 1 through 6 have joined together in filing a consolidated service plan. District No. 4, as a financing district, is levying a contractual obligation mill levy and budgeting for transfers to District No. 5 pursuant to a capital pledge agreement, as well as to District No. 6. for services and operations pursuant to an intergovernmental agreement.

HAYMEADOW METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

DEBT SERVICE AND CONTRACTUAL OBLIGATIONS FUND (FORMERLY GENERAL FUND)					Notes
	2024 Unaudited Actual	2025 Adopted Budget	2025 Forecast	2026 Adopted Budget	
Assessed Value	21,970	21,970	21,970	21,600	Final AV
Ops Mill Levy Rate	50.000	0.000	0.000	0.000	Per Service Plan
Temporary Mill Levy Credit	(30.000)	0.000	0.000	0.000	
Debt Service Mill Levy Rate	50.000	0.000	0.000	0.000	
Contractual Obligations		70.000	70.000	65.000	Pledged Rev & Master IGA
REVENUES					
Property Taxes - Operations	439	0	0	0	
Property Taxes - Temp Mill Levy Cr		0	0	0	
Property Taxes - Debt Service	1,099	0	0	0	
Property Taxes - Contractual Obligations	0	1,538	1,538	1,404	Assessed Value x mill lev
Specific Ownership Taxes Operations	21	0	0	0	
Specific Ownership Taxes Debt Service	53	0	0	0	
Specific Ownership Taxes Contractual Obligations	0	69	69	63	4.5% of property taxes
Interest Income	65	6	33	6	
Contingent Revenue		5,000	5,000	5,000	
TOTAL REVENUES	1,676	6,613	6,640	6,473	
General & Administrative					
Treasurer's Fees-Operations	13	0	0	0	3% Eagle County Fee
Treasurer's Fees-Debt Service	34	0	0	0	3% Eagle County Fee
Treasurer's Fees-Contractual Obligations	0	46	47	42	3% Eagle County Fee
Master IGA Service Fee Paid	455	446	446	329	Pmt to No. 6
Debt Svc Pledged Revenue Paid	1,139	1,115	1,115	1,096	Pmt to No. 5
Contingency/Other		5,000	5,000	5,000	
TOTAL EXPENDITURES	1,642	6,607	6,608	6,467	
REVENUE OVER (UNDER) EXPEND.	34	6	32	6	
Revenue and Other Sources over Expenditures and other Uses	34	6	32	6	
FUND BALANCE - BEGINNING	129	199	164	196	
FUND BALANCE - ENDING	164	205	196	202	
	=	=	=	=	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

HAYMEADOW METROPOLITAN DISTRICT NO. 5

2026 BUDGET MESSAGE

Haymeadow Metropolitan District No. 5 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide financing for the design, acquisition, construction, installation and operation and maintenance of public improvements including streets, water, sanitary sewer and storm drainage, park and recreation, traffic and safety protection, security services, covenant enforcement, transportation, fire protection and weed, pest and mosquito control.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2026 BUDGET STRATEGY

Haymeadow Metropolitan Districts Nos. 1 through 6 have joined together in filing a consolidated service plan. District No. 5 issued bonds in 2023 and is levying a debt service mill levy for the bond debt service and is also levying a contractual obligation mill levy to transfer to District No. 6 for services and operations pursuant to an intergovernmental agreement.

HAYMEADOW METROPOLITAN DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

HMD 5 - DEBT SERVICE AND CONTRACTUAL OBLIGATIONS FUND (FORMERLY GENERAL FUND)					
	2024 Audited Actual	2025 Adopted Budget	2025 Forecast	2026 Adopted Budget	Notes
Assessed Value	51,550	51,550	51,550	92,200	Final AV
Ops Mill Levy Rate	50.000	0.000	0.000	0.000	Per Service Plan
Temporary Mill Levy Credit	(30.000)	0.000	0.000	0.000	
Debt Service Mill Levy Rate	50.000	50.000	50.000	50.000	
Contractual Obligations		20.000	20.000	15.000	Pledged Rev & Master IGA
REVENUES					
Property Taxes - Operations	1,031	0	0	0	
Property Taxes - Temp Mill Levy Cr		0	0	0	
Property Taxes - Debt Service	2,577	2,578	2,578	4,610	Assessed Value x mill levy
Property Taxes - Contractual Obligations	0	1,031	1,031	1,383	Assessed Value x mill levy
Specific Ownership Taxes Operations	46	0	0	0	
Specific Ownership Taxes Debt Service	116	116	116	207	4.5% of property taxes
Specific Ownership Taxes Contractual Oblig	0	46	46	62	4.5% of property taxes
Pledged Revenue From HMD 1-4 (In 2026 HMD1 release)	24,354	28,033	28,033	3,958	
Interest Income	507	93	650	92	
Contingent Revenue		5,000	5,000	5,000	
TOTAL REVENUES	28,631	36,898	37,454	15,312	
General & Administrative					
Audit	0	7,350	7,350	0	Capture in HMD6
Treasurer's Fees-Operations	32	0	0	0	
Treasurer's Fees-Debt Service	79	77	78	138	3% Eagle County Fee
Treasurer's Fees-Contractual Obligations	0	31	31	41	3% Eagle County Fee
Bond Debt Service Interest	25,905	19,299	19,299	5,637	Pledged Rev +DS Prop Tax - Fees
Master IGA Service Fee Paid	1,066	1,046	1,046	1,404	Payment to HMD6
Trustee Fee	3,000	4,000	3,000	3,000	Annual BOK Fee
Contingency/Other		5,000	5,000	5,000	
TOTAL EXPENDITURES	30,081	36,804	35,804	15,221	
REVENUE OVER (UNDER) EXPEND.	(1,450)	93	1,650	92	
OTHER FINANCING SOURCES/(USES)					
Bond Proceeds	0	0	0	0	
Bond Cost of Issuance	0	0	0	0	
Developer Advance for COI	0	0	0	0	
Transfer to District No. 6 Ln Repmt	0	0	0	0	
TOTAL OTHER FINANCING SOURCES	0	0	0	0	
Revenue and Other Sources over Expenditures and other Uses	(1,450)	93	1,650	92	
FUND BALANCE - BEGINNING	2,090	2,337	640	2,290	
FUND BALANCE - ENDING	640	2,430	2,290	2,381	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

HAYMEADOW METROPOLITAN DISTRICT NO. 6

2026 BUDGET MESSAGE

Haymeadow Metropolitan District No. 6 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide financing for the design, acquisition, construction, installation and operation and maintenance of public improvements including streets, water, sanitary sewer and storm drainage, park and recreation, traffic and safety protection, security services, covenant enforcement, transportation, fire protection and weed, pest and mosquito control.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2026 BUDGET STRATEGY

Haymeadow Metropolitan Districts Nos. 1 through 6 have joined together in filing a consolidated service plan with District No. 6 as the service district. Districts Nos. 1 through 5 as financing districts are levying a contractual obligation mill levy pursuant to an intergovernmental agreement to be transferred to District No. 6 to be used to pay for operations and maintenance expenses. Additionally, District No. 6 relies on developer advances to fund its operations. And the District charges water user fees for a raw water system that provides irrigation water to the subdivision.

District No. 6 is also responsible for the construction of public improvements service all Districts. These are funded through bond proceeds from the bonds issued by District No. 1 in 2025 as well as developer advances.

HAYMEADOW METROPOLITAN DISTRICT NO. 6 (SERVICE DISTRICT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

	2024 Audited Actual	2025 Amended Budget	2025 Amended Budget #2	2025 Forecast	2026 Adopted Budget	Notes
HMD 6- GENERAL FUND						
Assessed Value	130	130	130	130	120	Final AV
Ops Mill Levy Rate	0.000	0.000	0.000	0.000	0.000	Per Service Plan
REVENUES						
Interest income	1,928	256,000	256,000	6,000	2,773	Est 3.5% rate (2025 Budget was capturing t
Interest income- Escrow Account	1,737	0	0	0	800	
Service Fee from No. 1 - No. 5	10,808	12,260	12,260	12,260	43,612	Service Fees Dist 1-5
Development Fee Income	193,156	127,602	127,602	0	104,055	21 Units RMF 2 - See Fees Calc with CPI
Association Advances	0	272,053	272,053	87,202	45,600	Per Michael \$45600
Grant Income	0	0	0	0	0	None anticipated
TOTAL REVENUES	207,629	667,914	667,914	105,462	196,840	
General & Administrative						
Accounting & Administration	71,661	75,000	75,000	75,000	78,750	Based on '25 Forecast + Infl (One more aud
Elections	314	7,500	7,500	200	0	No Election
Audit	18,000	11,600	11,600	18,950	27,800	Per Eng Letter (\$7,800+\$7,800+\$12,200)
Insurance	6,192	6,945	6,945	6,742	7,753	25 Forecast +15% increase
Legal	66,664	40,000	40,000	50,000	40,000	
Dues & Memberships	830	876	876	1,238	1,275	Based on '25 Forecast + Infl
Office Supplies	2,514	1,854	1,854	1,854	1,910	Based on '25 Forecast + Infl
Bank Service Charges	25	0	0	0	0	
Website Fees	1,019	5,960	5,960	5,960	2,160	\$960 Annual website fee & \$1200 annual re
Transfer to Other Funds	35,000	60,000	60,000	60,000	66,000	
Contingency/Other		15,000	15,000	0	15,000	
Total General & Admin Expenditures	202,219	224,734	224,734	219,944	240,649	
Operational Expenditures						
Weed Mitigation & Pest Control	70,553	91,613	91,613	91,613	94,361	Old Growth - 25 Fcst + Infl
Snow Removal-Paths	1,200	6,000	6,000	6,000	6,000	2026: \$6K for 4 months
Landscaping/Irrigation Maintenance	103,592	72,600	72,600	72,600	74,778	Mountain Water Works - Maint- 25 FCST +
Utilities- Electric	2,032	0	0	0	0	No Streetlights (Only HCE related to Pump)
Trails-Path Maintenance	75,855	5,000	5,000	5,000	5,000	
Consultants & Engineering	0	15,000	15,000	20,000	20,600	Weed Mgm Reporting (Birch Ecology) - 25 f
Contingency		15,000	15,000	0	15,000	
Total Operational Expenditures	253,231	205,213	205,213	195,213	215,739	
Capital Expenditures						
Infrastructure						
Roads	299,254	295,690	0	0	0	Capital Projects Fund
Drainage	0	15,754	0	0	0	Capital Projects Fund
Water	541,454	912,873	0	0	0	Capital Projects Fund
Sewer	0	275,735	0	0	0	Capital Projects Fund
Non Potable Water	0	165,465	0	0	0	Capital Projects Fund
General Expenses	0	102,000	0	0	0	Capital Projects Fund
Landscaping	0	0	0	0	0	Capital Projects Fund
Infrastructure Construction		12,800,000	0	0	0	Capital Projects Fund
Equipment Purchases	0	0	0	0	0	Capital Projects Fund
Contingency		88,376	0	0	0	Capital Projects Fund
Total Capital Expenditures	840,708	14,655,893	0	0	0	
TOTAL EXPENDITURES	1,296,158	15,085,840	429,947	415,157	456,388	
REVENUE OVER (UNDER) EXPEND.	(1,088,529)	(14,417,925)	237,967	(309,695)	(259,548)	
OTHER FINANCING SOURCES/(USES)						
Transfer of HMD1 Bond Proceeds	0	12,800,000	0	0	0	
Developer Advances Other	1,171,500	2,158,238	0	310,000	260,000	
Transfer of HMD 5 Bond Proceeds	0			0	0	
Developer Repayments Principal	(196,344)	0	0	0	0	
Developer Repayment Interest	(534,676)	0	0	0	0	
TOTAL OTHER FINANCING SOURCES	440,480	14,958,238	0	310,000	260,000	
Revenue and Other Sources over Expenditures and other Uses	(648,049)	540,312	237,967	305	452	
FUND BALANCE - BEGINNING	726,977	77,191	77,191	78,928	79,233	
FUND BALANCE - ENDING	78,928	617,503	315,158	79,233	79,685	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

HMD 6- WATER FUND						2026 Notes
	2024 Audited Actual	2025 Amended Budget	2025 Amended Budget #2	2025 Forecast	2026 Adopted Budget	
SFE-Units at Beginning of Year	0	76	76	76	76	7 Hermits
Duplex-Units at Beginning of Year	0	0	0	0	0	
SFE-Units Added During Year	76	12	12	0	21	RMF 2 (non deed restricted)
Cumulative Units at end of Year	76	88	88	76	97	
Raw Water Irrigation Fee (per qtr billed in arrears)						
Water User Fees-Single Family (Annual Fee)	\$ 275	\$ 282	\$ 282	\$ 282	\$ 288	Link to Fees Calc File
Water User Fees-Multi Family Unit (Annual Fee)	\$ 275	\$ 282	\$ 282	\$ 282	\$ -	Per Resolution no Tap or user fee on Multi f
Tap Fee Per Unit	\$ 1,388	\$ 1,395	\$ 1,395	\$ 1,395	\$ 1,452	Link to Fees Calc File
REVENUES						
Non-Potable Water Charges	10,450	21,423	21,423	21,432	24,912	7 Hermits
Tap Fees	105,488	16,741	16,741	0	30,492	RMF 2
TOTAL REVENUES	115,938	38,164	38,164	21,432	55,404	
Operational Expenditures						
Accounting				5,000	5,000	
Electricity-Pump Station	139	900	900	6,000	12,840	Hope Circle Irrig Pump + Brush Creek Pum
Permits	0	0	0	350	350	Water Permits
Alarm System Pump Vault		0	0	0	0	
Spring Startup	5,115	5,500	5,500	5,500	5,775	25 Forecast + 5% Incr
Fall Blowout		2,500	2,500	2,500	2,625	25 Forecast + 5% Incr
Pump Station Repairs & Maintenance		1,500	1,500	1,500	1,575	25 Forecast + 5% Incr
Irr Line & Valve Maintenance/Repair	21,156	15,000	15,000	15,000	15,750	Mountain Water Works - Irrigation Repairs
Engineering/Consulting		2,000	2,000	2,000	0	No needed in 2026
Pump Maintenance		0	0	0	20,000	Expected expense in 2026
Ditch Repair & Maintenance	30,325	100,000	100,000	0	100,000	Not happening in 2025 - Moved to 2026
Contingency		15,000	15,000	15,000	15,000	
Total Operational Expenditures	56,735	142,400	142,400	52,850	178,915	
REVENUE OVER (UNDER) EXPEND.	59,203	(104,236)	(104,236)	(31,418)	(123,511)	
OTHER FINANCING SOURCES/(USES)						
Transfer from General Fund	35,000	60,000	60,000	30,000	66,000	
TOTAL OTHER FINANCING SOURCES	35,000	60,000	60,000	30,000	66,000	
Revenue and Other Sources over Expenditures and other Uses	94,203	60,000	(44,236)	(1,418)	(57,511)	
FUND BALANCE - BEGINNING	0	72,868	72,868	94,203	92,785	
FUND BALANCE - ENDING	94,203	132,868	28,632	92,785	35,274	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

HMD 6- CAPITAL PROJECTS FUND					
	2024 Audited Actual	2025 Amended Budget	2025 Amended Budget #2	2025 Forecast	2026 Adopted Budget
REVENUES					
Interest Income		0	0	0	
TOTAL REVENUES		0	0	0	0
Capital Expenditures					
Accounting				10,000	10,000
Engineering					
Infrastructure					
Roads		0	295,690	3,478,702	2,793,357
Drainage		0	15,754	15,754	348,630
Water		0	912,873	857,499	0
Sewer		0	275,735	695,954	503,342
Non Potable Water		0	165,465	486,136	1,090,310
General Expenses		0	102,000	22,000	60,000
Landscaping		0	0	5,000	0
Infrastructure Construction		0	12,800,000	0	0
Equipment Purchases				27,505	0
Contingency		0	88,376	88,376	239,782
Total Capital Expenditures		0	14,655,893	5,676,926	5,035,420
REVENUE OVER (UNDER) EXPEND.		0	(14,655,893)	(5,676,926)	(5,035,420)
OTHER FINANCING SOURCES/(USES)					
Transfer of HMD1 Bond Proceeds		0	12,800,000	8,179,476	4,123,074
Developer Advances - Capital		0	2,158,238	0	912,346
Developer Repayments Principal		0	0	(2,295,826)	
Developer Repayment Interest		0	0	(206,724)	
TOTAL OTHER FINANCING SOURCES		0	14,958,238	5,676,926	5,035,420
Revenue and Other Sources over Expenditures and other Uses		0	302,345	0	0
FUND BALANCE - BEGINNING		0	0	0	0
FUND BALANCE - ENDING		0	302,345	0	0

2026 Notes

Phase 1 & 2 in 2025 - 2026: Phase 3 and 4
Sylvan Lake Rd Ext
Onsite Improvements - Phase 1 and 2
Construction + Dakota Pump
CLT Thompson
2025: Snow Blower/Seeder 2026: nothing e.
5% of above

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

EXHIBIT B

Applications for Exemption from Audit, District Nos. 2, 3 and 4

Application for Exemption From Audit Short Form

Instructions

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

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

Exemptions from audit are NOT automatic

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

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

Read ALL instructions before completing and submitting this form

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

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

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

Important!

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

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

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

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

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

Prior year forms are obsolete and will not be accepted.

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

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

Checklist

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

Will this application be submitted electronically? ☒ Yes ☐ No

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

-- or --

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

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

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

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lq

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

Mail

Office of the State Auditor

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

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

Contact Information

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

Name of government	Haymeadow Metropolitan District No.2
Street address	28 2nd St., Unit 213
City, State, Zip	Edwards, CO 81632
Contact person	Jon Erickson
Phone	970-926-6060
Email	Jon@mwcpaa.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	Jon Erickson	
Title	District Accountant	
Firm name (if applicable)	Marchetti & Weaver, LLC	
Address	28 2nd St., Unit 213, Edwards, CO 81632	
Phone	970-926-6060	
Preparer signature	Date prepared	
	03/09/2026	

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

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

Part 1: Revenues

Part 1A: Revenues Table

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

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	\$ 1,463
1-2	Specific ownership	\$ 61
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	\$ 18
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21		
1-22		
1-23		
1-24		
1-25	TOTAL REVENUES (add lines 1-1 through 1-24)	\$ 1,542

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	\$ 44
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	Master IGA Service Fee	\$ 423
2-25	Debt Service Pledged Revenue Payment	\$ 1,057
2-26		
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 1,524

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

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

Part 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.		
	Debt is a general obligation pledge to levy up to 50 mills to pay a portion of the Financing Costs of Haymeadow Metro District No. 5 Bonds. It is a cash flow obligation with no specific repayment schedule.		
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	Capital Obligation Owed to HMD5	\$ 2,650,000	\$ 1,300,913		\$ 3,950,913
3-12	TOTAL (Add lines 3-6 through 3-11)	\$ 2,650,000	\$ 1,300,913	\$ 0	\$ 3,950,913

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

This is a capital service obligation due to another governmental entity, Haymeadow Metropolitan District #5. Payments are only due when cash flow is available and no funds are provided to Haymeadow Metropolitan District #2.

This obligation was incorrectly reported as General Obligation Bonds in 2024 Application for Audit Exemption.

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?	\$ 1,044,000,000	
3-15	Date the debt was authorized	5/2/2023	
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?	\$ 87,000,000	
3-18	Date of the most recent Service Plan	11/8/2022	
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):

The debt limitation of the Service Plan is \$87,000,000 in aggregate debt amongst Haymeadow Metropolitan Districts #1-6. Haymeadow Metropolitan District #1 has issued debt in the amount of \$17,130,000 and Haymeadow Metropolitan District #5 has issued debt in the amount of \$13,250,000, leaving an aggregate debt limit of \$56,620,000 remaining.

Part 4: Cash and Investments

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

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	
4-2	Certificates of deposit	
4-3	TOTAL CASH DEPOSITS (Add lines 4-1 and 4-2)	\$ 0
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4	Colotrust	\$ 141
4-5		
4-6		
4-7		
4-8		
4-9	Total Investments (Add lines 4-4 through 4-8)	\$ 141
4-10	TOTAL CASH AND INVESTMENTS (Add lines 4-3 and 4-9)	\$ 141

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).

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Part 5: Capital and Right-to-Use Assets

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

Capital and Right-to-Use Assets Table

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

*Must agree to prior year-end balance

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

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

Part 6: Pension Information

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

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

Part 7: Budget Information

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

Appropriation Amount by Fund Table

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

Line	Governmental/Proprietary Fund Name	Total
7-5	General Fund	\$ 6,529
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).

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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. Parks/Rec, Drainage, streets, (non) & potable water; Sewer, Transportation Impr. Traffic & Safety		
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. Affiliated Haymeadow Metropolitan District No. 6 will manage construction and operations of public improvements on behalf of this District		
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	70.000	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	70.000	
9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	☐ N/A	☒ Yes ☐ No
9-17	If no, please explain below.		

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

--

Part 10: Governing Body Approval

10-1

If you plan to submit this form electronically, have you read the Electronic Signature Policy?

☒ Yes

☐ No

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

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

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

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

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

Governing Body Signatures

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

Board Member 1		
Board member's name	Jens Werner	
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
	<u>Jens Werner</u> Jens Werner (Mar 30, 2026 09:35:43 MDT)	Mar 30, 2026
Board Member 2		
Board member's name	Scott Schlosser	
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
	<u>Scott Schlosser</u> Scott Schlosser (Mar 18, 2026 16:54:26 MDT)	Mar 18, 2026
Board Member 3		
Board member's name	Michael Hood	
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
	<u>michael hood</u> michael hood (Mar 25, 2026 11:05:08 MDT)	Mar 25, 2026
Board Member 4		
Board member's name	Mark Tompkins	
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
	<u>Mark Tompkins</u> Mark Tompkins (Mar 18, 2026 17:54:56 MDT)	Mar 18, 2026
Board Member 5		
Board member's name	Bruce O'Donnell	
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
	<u>BODonnell</u> Bruce O'Donnell (Mar 18, 2026 16:12:00 MDT)	Mar 18, 2026
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

2025 Audit Exemption HMD2 (Unexecuted)

Final Audit Report

2026-03-30

Created:	2026-03-18
By:	Maria Galardo (maria@mwcpaa.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAswl_T631-hsA3yx_TI510zcdGGnQB2AL

"2025 Audit Exemption HMD2 (Unexecuted)" History

-  Document created by Maria Galardo (maria@mwcpaa.com)
2026-03-18 - 9:47:43 PM GMT
-  Document emailed to Jens Werner (jens.werner@coldwellbankersv.com) for signature
2026-03-18 - 9:51:07 PM GMT
-  Document emailed to scottschlosser66@gmail.com for signature
2026-03-18 - 9:51:07 PM GMT
-  Document emailed to michael@rangeconsultingllc.com for signature
2026-03-18 - 9:51:07 PM GMT
-  Document emailed to mark@straeadvisoryservices.com for signature
2026-03-18 - 9:51:07 PM GMT
-  Document emailed to Bruce O'Donnell (bodonnell@starboardrealtygroup.com) for signature
2026-03-18 - 9:51:08 PM GMT
-  Email viewed by Bruce O'Donnell (bodonnell@starboardrealtygroup.com)
2026-03-18 - 10:11:43 PM GMT
-  Document e-signed by Bruce O'Donnell (bodonnell@starboardrealtygroup.com)
Signature Date: 2026-03-18 - 10:12:00 PM GMT - Time Source: server
-  Email viewed by scottschlosser66@gmail.com
2026-03-18 - 10:53:33 PM GMT
-  Signer scottschlosser66@gmail.com entered name at signing as Scott Schlosser
2026-03-18 - 10:54:24 PM GMT
-  Document e-signed by Scott Schlosser (scottschlosser66@gmail.com)
Signature Date: 2026-03-18 - 10:54:26 PM GMT - Time Source: server

 Email viewed by mark@straeadvisoryservices.com

2026-03-18 - 10:54:31 PM GMT

 Signer mark@straeadvisoryservices.com entered name at signing as Mark Tompkins

2026-03-18 - 10:54:54 PM GMT

 Document e-signed by Mark Tompkins (mark@straeadvisoryservices.com)

Signature Date: 2026-03-18 - 10:54:56 PM GMT - Time Source: server

 Email viewed by michael@rangeconsultingllc.com

2026-03-25 - 5:04:36 PM GMT

 Signer michael@rangeconsultingllc.com entered name at signing as michael hood

2026-03-25 - 5:05:06 PM GMT

 Document e-signed by michael hood (michael@rangeconsultingllc.com)

Signature Date: 2026-03-25 - 5:05:08 PM GMT - Time Source: server

 Email viewed by Jens Werner (jens.werner@coldwellbankersv.com)

2026-03-30 - 3:32:47 PM GMT

 Document e-signed by Jens Werner (jens.werner@coldwellbankersv.com)

Signature Date: 2026-03-30 - 3:35:43 PM GMT - Time Source: server

 Agreement completed.

2026-03-30 - 3:35:43 PM GMT

Application for Exemption From Audit Short Form

Instructions

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

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

Exemptions from audit are NOT automatic

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

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

Read ALL instructions before completing and submitting this form

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

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

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

Important!

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

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

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

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

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

Prior year forms are obsolete and will not be accepted.

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

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

Checklist

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

Will this application be submitted electronically? ☒ Yes ☐ No

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

-- or --

☐ If yes, have you included a resolution?

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

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

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

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

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lq

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

Mail

Office of the State Auditor

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

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

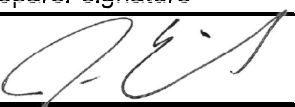
Contact Information

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

Name of government	Haymeadow Metropolitan District No.3
Street address	28 2nd St., Unit 213
City, State, Zip	Edwards, CO 81632
Contact person	Jon Erickson
Phone	970-926-6060
Email	Jon@mwcpaa.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	Jon Erickson	
Title	District Accountant	
Firm name (if applicable)	Marchetti & Weaver, LLC	
Address	28 2nd St., Unit 213, Edwards, CO 81632	
Phone	970-926-6060	
Preparer signature	Date prepared	
		03/09/2026

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

☒ Governmental (modified accrual basis)

☐ Proprietary (cash or budgetary basis)

Part 1: Revenues

Part 1A: Revenues Table

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

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	\$ 4,299
1-2	Specific ownership	\$ 199
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	\$ 69
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21		
1-22		
1-23		
1-24		
1-25	TOTAL REVENUES (add lines 1-1 through 1-24)	\$ 4,567

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	\$ 130
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	Master IGA Service Fee	\$ 1,256
2-25	Debt Service Pledged Revenue Payment	\$ 3,140
2-26		
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 4,526

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. Debt is a general obligation pledge to levy up to 50 mills to pay a portion of the Financing Costs of Haymeadow Metro District No. 5 Bonds. It is a cash flow obligation with no specific repayment schedule.		
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	Capital Obligation Owed to HMD5	\$ 2,650,000	\$ 1,300,913		\$ 3,950,913
3-12	TOTAL (Add lines 3-6 through 3-11)	\$ 2,650,000	\$ 1,300,913	\$ 0	\$ 3,950,913

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

This is a capital service obligation due to another governmental entity, Haymeadow Metropolitan District #5. Payments are only due when cash flow is available and no funds are provided to Haymeadow Metropolitan District #3.

This obligation was incorrectly reported as General Obligation Bonds in 2024 Application for Audit Exemption.

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?	\$ 1,044,000,000	
3-15	Date the debt was authorized	5/2/2023	
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?	\$ 87,000,000	
3-18	Date of the most recent Service Plan	11/8/2022	
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):

The debt limitation of the Service Plan is \$87,000,000 in aggregate debt amongst Haymeadow Metropolitan Districts #1-6. Haymeadow Metropolitan District #1 has issued debt in the amount of \$17,130,000 and Haymeadow Metropolitan District #5 has issued debt in the amount of \$13,250,000, leaving an aggregate debt limit of \$56,620,000 remaining.

Part 4: Cash and Investments

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

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	
4-2	Certificates of deposit	
4-3	TOTAL CASH DEPOSITS (Add lines 4-1 and 4-2)	\$ 0
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4	Colotrust	\$ 433
4-5		
4-6		
4-7		
4-8		
4-9	Total Investments (Add lines 4-4 through 4-8)	\$ 433
4-10	TOTAL CASH AND INVESTMENTS (Add lines 4-3 and 4-9)	\$ 433

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

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

Part 5: Capital and Right-to-Use Assets

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

Capital and Right-to-Use Assets Table

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

*Must agree to prior year-end balance

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

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

Part 6: Pension Information

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

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

--

Part 7: Budget Information

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

Appropriation Amount by Fund Table

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

Line	Governmental/Proprietary Fund Name	Total
7-5	General Fund	\$ 9,492
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.		
	Parks/Rec, Drainage, streets, (non) & potable water; Sewer, Transportation Impr. Traffic & Safety		
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.		
	Affiliated Haymeadow Metropolitan District No. 6 will manage construction and operations of public improvements on behalf of this District		
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	70.000	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	70.000	
9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	☐ N/A	☒ Yes ☐ No
9-17	If no, please explain below.		

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

--

Part 10: Governing Body Approval

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

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- 1) Submit the application in hard copy via U.S. Mail, including original signatures.
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 - a. include a copy of an adopted resolution that documents formal approval by the board; or
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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	Jens Werner	
My term expires on	May, 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 2		
Board member's name	Scott Schlosser	
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
	<u>Scott Schlosser</u> Scott Schlosser (Mar 23, 2026 16:36:43 MDT)	Mar 23, 2026
Board Member 3		
Board member's name	Michael Hood	
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
	<u>michael hood</u> michael hood (Mar 25, 2026 10:59:37 MDT)	Mar 25, 2026
Board Member 4		
Board member's name	Mark Tompkins	
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
	<u>Mark Tompkins</u> Mark Tompkins (Mar 18, 2026 17:53:51 MDT)	Mar 18, 2026
Board Member 5		
Board member's name	Bruce O'Donnell	
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
	<u>BO'Donnell</u> Bruce O'Donnell (Mar 19, 2026 08:28:00 MDT)	Mar 19, 2026
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

2025 Audit Exemption HMD3 (Unexecuted)

Interim Agreement Report

2026-03-31

Created:	2026-03-18
By:	Maria Galardo (maria@mwcpaa.com)
Status:	Out for Signature
Transaction ID:	CBJCHBCAABAAiuEMKPiO_VvVhkvh0nLoPwC2SHV7PUkr

Agreement History

Agreement history is the list of the events that have impacted the status of the agreement prior to the final signature. A final audit report will be generated when the agreement is complete.

"2025 Audit Exemption HMD3 (Unexecuted)" History

-  Document created by Maria Galardo (maria@mwcpaa.com)
2026-03-18 - 10:47:25 PM GMT
-  Document emailed to Jens Werner (jens.werner@coldwellbankersv.com) for signature
2026-03-18 - 10:49:51 PM GMT
-  Document emailed to scottschlosser66@gmail.com for signature
2026-03-18 - 10:49:52 PM GMT
-  Document emailed to michael@rangeconsultingllc.com for signature
2026-03-18 - 10:49:52 PM GMT
-  Document emailed to mark@straeadvisoryservices.com for signature
2026-03-18 - 10:49:52 PM GMT
-  Document emailed to Bruce O'Donnell (bodonnell@starboardrealtygroup.com) for signature
2026-03-18 - 10:49:53 PM GMT
-  Email viewed by mark@straeadvisoryservices.com
2026-03-18 - 10:53:16 PM GMT
-  Signer mark@straeadvisoryservices.com entered name at signing as Mark Tompkins
2026-03-18 - 10:53:49 PM GMT
-  Document e-signed by Mark Tompkins (mark@straeadvisoryservices.com)
Signature Date: 2026-03-18 - 10:53:51 PM GMT - Time Source: server

 Email viewed by Bruce O'Donnell (bodonnell@starboardrealtygroup.com)

2026-03-19 - 2:26:49 PM GMT

 Document e-signed by Bruce O'Donnell (bodonnell@starboardrealtygroup.com)

Signature Date: 2026-03-19 - 2:28:00 PM GMT - Time Source: server

 Email viewed by scottschlosser66@gmail.com

2026-03-23 - 10:35:59 PM GMT

 Signer scottschlosser66@gmail.com entered name at signing as Scott Schlosser

2026-03-23 - 10:36:41 PM GMT

 Document e-signed by Scott Schlosser (scottschlosser66@gmail.com)

Signature Date: 2026-03-23 - 10:36:43 PM GMT - Time Source: server

 Email viewed by michael@rangeconsultingllc.com

2026-03-25 - 4:58:51 PM GMT

 Signer michael@rangeconsultingllc.com entered name at signing as michael hood

2026-03-25 - 4:59:35 PM GMT

 Document e-signed by michael hood (michael@rangeconsultingllc.com)

Signature Date: 2026-03-25 - 4:59:37 PM GMT - Time Source: server

Application for Exemption From Audit Short Form

Instructions

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

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

Exemptions from audit are NOT automatic

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

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

Read ALL instructions before completing and submitting this form

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

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

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

Important!

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

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

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

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

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

Prior year forms are obsolete and will not be accepted.

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

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

Checklist

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

Will this application be submitted electronically? ☒ Yes ☐ No

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

-- or --

☐ If yes, have you included a resolution?

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

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

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

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

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lq

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

Mail

Office of the State Auditor

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

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

Contact Information

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

Name of government	Haymeadow Metropolitan District No.4
Street address	28 2nd St., Unit 213
City, State, Zip	Edwards, CO 81632
Contact person	Jon Erickson
Phone	970-926-6060
Email	Jon@mwcpaa.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	Jon Erickson	
Title	District Accountant	
Firm name (if applicable)	Marchetti & Weaver, LLC	
Address	28 2nd St., Unit 213, Edwards, CO 81632	
Phone	970-926-6060	
Preparer signature	Date prepared	
		03/09/2026

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

☒ Governmental (modified accrual basis)

☐ Proprietary (cash or budgetary basis)

Part 1: Revenues

Part 1A: Revenues Table

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

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	\$ 1,538
1-2	Specific ownership	\$ 61
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	\$ 29
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21		
1-22		
1-23		
1-24		
1-25	TOTAL REVENUES (add lines 1-1 through 1-24)	\$ 1,628

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	\$ 47
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	Master IGA Service Fee	\$ 448
2-25	Debt Service Pledged Revenue Payment	\$ 1,120
2-26		
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 1,615

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. Debt is a general obligation pledge to levy up to 50 mills to pay a portion of the Financing Costs of Haymeadow Metro District No. 5 Bonds. It is a cash flow obligation with no specific repayment schedule.		
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	Capital Obligation Owed to HMD5	\$ 2,650,000	\$ 1,300,913		\$ 3,950,913
3-12	TOTAL (Add lines 3-6 through 3-11)	\$ 2,650,000	\$ 1,300,913	\$ 0	\$ 3,950,913

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

This is a capital service obligation due to another governmental entity, Haymeadow Metropolitan District #5. Payments are only due when cash flow is available and no funds are provided to Haymeadow Metropolitan District #4.

This obligation was incorrectly reported as General Obligation Bonds in 2024 Application for Audit Exemption.

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?	\$ 1,044,000,000	
3-15	Date the debt was authorized	5/2/2023	
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?	\$ 87,000,000	
3-18	Date of the most recent Service Plan	11/8/2022	
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):

The debt limitation of the Service Plan is \$87,000,000 in aggregate debt amongst Haymeadow Metropolitan Districts #1-6. Haymeadow Metropolitan District #1 has issued debt in the amount of \$17,130,000 and Haymeadow Metropolitan District #5 has issued debt in the amount of \$13,250,000, leaving an aggregate debt limit of \$56,620,000 remaining.

Part 4: Cash and Investments

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

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	
4-2	Certificates of deposit	
4-3	TOTAL CASH DEPOSITS (Add lines 4-1 and 4-2)	\$ 0
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4	Colostrust	\$ 177
4-5		
4-6		
4-7		
4-8		
4-9	Total Investments (Add lines 4-4 through 4-8)	\$ 177
4-10	TOTAL CASH AND INVESTMENTS (Add lines 4-3 and 4-9)	\$ 177

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

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

--

Part 5: Capital and Right-to-Use Assets

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

Capital and Right-to-Use Assets Table

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

*Must agree to prior year-end balance

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

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

Part 6: Pension Information

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

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

--

Part 7: Budget Information

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

Appropriation Amount by Fund Table

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

Line	Governmental/Proprietary Fund Name	Total
7-5	General Fund	\$ 6,607
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. Parks/Rec, Drainage, streets, (non) & potable water; Sewer, Transportation Impr. Traffic & Safety		
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. Affiliated Haymeadow Metropolitan District No. 6 will manage construction and operations of public improvements on behalf of this District		
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	70.000	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	70.000	
9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	☐ N/A	☒ Yes ☐ No
9-17	If no, please explain below.		

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

--

Part 10: Governing Body Approval

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

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

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

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

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

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

Governing Body Signatures

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

Board Member 1		
Board member's name	Jens Werner	
My term expires on	May, 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 2		
Board member's name	Scott Schlosser	
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
	<u>Scott Schlosser</u> Scott Schlosser (Mar 18, 2026 16:58:39 MDT)	Mar 18, 2026
Board Member 3		
Board member's name	Michael Hood	
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
	<u>michael hood</u> michael hood (Mar 25, 2026 11:01:04 MDT)	Mar 25, 2026
Board Member 4		
Board member's name	Mark Tompkins	
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
	<u>Mark Tompkins</u> Mark Tompkins (Mar 18, 2026 17:55:28 MDT)	Mar 18, 2026
Board Member 5		
Board member's name	Bruce O'Donnell	
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
	<u>BO'Donnell</u> Bruce O'Donnell (Mar 18, 2026 16:15:42 MDT)	Mar 18, 2026
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

2025 Audit Exemption HMD4 (Unexecuted)

Interim Agreement Report

2026-03-31

Created:	2026-03-18
By:	Maria Galardo (maria@mwcpaa.com)
Status:	Out for Signature
Transaction ID:	CBJCHBCAABAA0m6wPboRZZZuKtsBQ3_W7wHorYDiR62J

Agreement History

Agreement history is the list of the events that have impacted the status of the agreement prior to the final signature. A final audit report will be generated when the agreement is complete.

"2025 Audit Exemption HMD4 (Unexecuted)" History

-  Document created by Maria Galardo (maria@mwcpaa.com)
2026-03-18 - 9:56:47 PM GMT
-  Document emailed to Jens Werner (jens.werner@coldwellbankersv.com) for signature
2026-03-18 - 10:01:27 PM GMT
-  Document emailed to scottschlosser66@gmail.com for signature
2026-03-18 - 10:01:27 PM GMT
-  Document emailed to michael@rangeconsultingllc.com for signature
2026-03-18 - 10:01:27 PM GMT
-  Document emailed to mark@straeadvisoryservices.com for signature
2026-03-18 - 10:01:28 PM GMT
-  Document emailed to Bruce O'Donnell (bodonnell@starboardrealtygroup.com) for signature
2026-03-18 - 10:01:28 PM GMT
-  Email viewed by Bruce O'Donnell (bodonnell@starboardrealtygroup.com)
2026-03-18 - 10:15:26 PM GMT
-  Document e-signed by Bruce O'Donnell (bodonnell@starboardrealtygroup.com)
Signature Date: 2026-03-18 - 10:15:42 PM GMT - Time Source: server
-  Email viewed by mark@straeadvisoryservices.com
2026-03-18 - 10:55:07 PM GMT



Signer mark@straeadvisoryservices.com entered name at signing as Mark Tompkins

2026-03-18 - 10:55:26 PM GMT



Document e-signed by Mark Tompkins (mark@straeadvisoryservices.com)

Signature Date: 2026-03-18 - 10:55:28 PM GMT - Time Source: server



Email viewed by scottschlosser66@gmail.com

2026-03-18 - 10:58:00 PM GMT



Signer scottschlosser66@gmail.com entered name at signing as Scott Schlosser

2026-03-18 - 10:58:37 PM GMT



Document e-signed by Scott Schlosser (scottschlosser66@gmail.com)

Signature Date: 2026-03-18 - 10:58:39 PM GMT - Time Source: server



Email viewed by michael@rangeconsultingllc.com

2026-03-25 - 4:59:56 PM GMT



Signer michael@rangeconsultingllc.com entered name at signing as michael hood

2026-03-25 - 5:01:02 PM GMT



Document e-signed by michael hood (michael@rangeconsultingllc.com)

Signature Date: 2026-03-25 - 5:01:04 PM GMT - Time Source: server



Email viewed by Jens Werner (jens.werner@coldwellbankersv.com)

2026-03-26 - 3:48:20 PM GMT



Adobe Acrobat Sign

EXHIBIT C

2025 Audited Financial Statements, District Nos. 1, 5 and 6

Haymeadow Metropolitan District No. 1

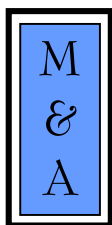
**Financial Statements
December 31, 2025**



**Haymeadow Metropolitan District No. 1
Financial Statements
December 31, 2025**

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Notes to the Financial Statements	C1 – C15
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	D1



McMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Haymeadow Metropolitan District No. 1
Eagle, Colorado**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Haymeadow Metropolitan District No. 1
Eagle, Colorado

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

In performing an audit in accordance with U.S. GAAS, we:

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

Required Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Haymeadow Metropolitan District No. 1
Eagle, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund budgetary comparison information listed in the accompanying table of contents in Section D are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C." in a cursive script.

McMahan and Associates, L.L.C.
Avon, Colorado
May 8, 2026

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Haymeadow Metropolitan District No. 1
Balance Sheet/
Statement of Net Position
December 31, 2025

	<u>Debt Service Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:			
Cash and investments	8,292,571	-	8,292,571
Property tax receivable	186,921	-	186,921
Accounts receivable	22,091	-	22,091
Due from treasurer	143	-	143
Total Assets	<u>8,501,726</u>	<u>-</u>	<u>8,501,726</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	143	-	143
Due to other governments	1,029,245	-	1,029,245
Accrued interest payable	-	225,858	225,858
Non-current Liabilities:			
Bonds payable - due in more than one year	-	17,130,000	17,130,000
Total Liabilities	<u>1,029,388</u>	<u>17,355,858</u>	<u>18,385,246</u>
Deferred Inflows of Resources:			
Unavailable property tax	186,921	-	186,921
Total Deferred Inflows of Resources	<u>186,921</u>	<u>-</u>	<u>186,921</u>
Fund Balance / Net Position:			
Fund Balance:			
Restricted for debt service	2,497,175	(2,497,175)	-
Restricted for public improvements	4,788,242	(4,788,242)	-
Total Fund Balance	<u>7,285,417</u>	<u>(7,285,417)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>8,501,726</u>		
Net Position:			
Restricted for debt service		2,497,175	2,497,175
Restricted for public improvements		4,788,242	4,788,242
Unrestricted		(17,355,858)	(17,355,858)
Total Net Position		<u>(10,070,441)</u>	<u>(10,070,441)</u>

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

Haymeadow Metropolitan District No. 1
Statement of Revenues, Expenditures and changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2025

	<u>Debt Service Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property taxes	31,557	-	31,557
Specific ownership tax	1,548	-	1,548
Investment income	315,561	-	315,561
Total Revenues	<u>348,666</u>	<u>-</u>	<u>348,666</u>
Expenditures/Expenses:			
General government:			
Service fees paid to other districts	32,171	-	32,171
Capital fees paid to Haymeadow Metropolitan District No. 6	8,764,183	-	8,764,183
Treasurer fees	947	-	947
Debt service:			
Interest and fiscal charges	612,745	225,858	838,603
Cost of issuance	784,589	-	784,589
Total Expenditures/Expenses	<u>10,194,635</u>	<u>225,858</u>	<u>10,420,493</u>
Other Financing Sources and Uses:			
Proceeds from bond issuance	17,130,000	(17,130,000)	-
Total Other Financing Sources and Uses	<u>17,130,000</u>	<u>(17,130,000)</u>	<u>-</u>
Net Change in Fund Balance / Change Net Position	7,284,031	(17,355,858)	(10,071,827)
Fund Balance / Net Position (Deficit)			
Beginning	1,386		1,386
Ending	<u>7,285,417</u>		<u>(10,070,441)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

Haymeadow Metropolitan District No. 1 (the "District") was organized on November 17, 2014 as a quasi-municipal corporation and political subdivision of the State of Colorado. The District was formed primarily to finance construction, operations, and maintenance of the basic public infrastructure held by Haymeadow Metropolitan District No. 6 in an area of approximately 660 acres of land within Eagle, Colorado.

The District's financial statements are prepared in accordance with 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). 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). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Currently, the District performs only governmental activities.

1. 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 is reported in two parts – 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.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. 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/expenses. The fund focus is on current available resources and budget compliance.

The District reports only a *Debt Service Fund*. The Fund is used to accumulate resources to repay long-term debt and other contractual obligations.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund 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.

2. 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 (60 days) 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

1. Cash, Cash Equivalents, and Investments

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.

Investments are stated at net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District's investment policy is detailed in note IV.A.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance for uncollectible accounts has been established, as the District considers all accounts to be collectible.

3. Long-term Debt

In the government-wide financial statements, long-term obligations are reported as a liability in the applicable governmental activities statement of net position.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligation of the funds. Long-term obligations are recognized as a liability on the governmental fund financial statements when due. Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Issuance costs are expensed as incurred.

4. Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

The District doesn't have any items that qualify for reporting in deferred outflows at December 31, 2025.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Fund Balance

The District classifies governmental fund balances as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve position and management reports the targeted amount annually to Board of Directors.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

II. 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 and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Bonds payable	(17,130,000)
Accrued interest on bonds payable	<u>(225,858)</u>
Total adjustments	<u>(17,355,858)</u>

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

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Proceeds from bonds payable	(17,130,000)
Interest accrued on long-term debt	<u>(225,858)</u>
Total adjustments	<u>(17,355,858)</u>

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

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

As required by Colorado Statutes, the District followed this timetable in approving and enacting a budget for the ensuing year.

- (1) For the 2025 budget, prior to August 25, 2024, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2024, only once by a single notification to the District.
- (2) On or before October 15, 2024, the Budget Director submitted to the District's Board of Directors a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) Prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimate in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year-end.

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. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% or more of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$0 which is the approximate required reserve at December 31, 2025.

On November 4, 2014, the District's voters approved the following TABOR related ballot questions:

- (1) To increase taxes \$50,000 annually and by such other amounts collected in each year thereafter from a mill levy imposed at a rate not to exceed 50.000 mills (the actual mill levy rate for any fiscal year to be adjusted downwards or upwards by the Board of Directors in its discretion) to pay the District's administration, operations, maintenance, capital improvement and other expenses without limitation.
- (2) To increase debt \$35,000,000 with a total repayment cost of \$287,000,000 and to increase taxes \$41,300,000 annually, or by such lesser annual amount as may be necessary to pay the District's debt; such debt issued or incurred for the purpose of paying, reimbursing, or financing all or any part of the costs of designing, acquiring, construction, installing, completing, equipping and otherwise providing improvements and programs for the following (each approved separately for debt of \$35,000,000):
 - Parks and recreation
 - Stormwater management system
 - Streets, roadways and related landscaping
 - Potable water system
 - Wastewater system
 - Transportation system
 - Traffic and safety controls
 - Mosquito control
 - Fire protection
 - Refunding, paying, or defeasing, in whole or in part, bonds, notes, or other financial obligations of the District
 - Obligations under one or more Intergovernmental Agreements with the State or any political subdivisions of the State

And all extensions of and improvements to such facilities within and without the boundaries of the District; such debt to bear interest at a net effective interest rate not in excess of 18% per annum.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

- (3) To authorize collection, retention and spending of any and all amounts annually from any revenue sources whatsoever (including without limitation any revenues from ad valorem property taxes, tax, specific ownership taxes, fees, rates, toll, penalties, or charges, state, federal and private grants and gifts, or any other source).

On May 2, 2023, the District's voters approved the following TABOR related ballot questions:

- (1) To increase taxes \$50,000 annually and by such other amounts collected in each year thereafter from a mill levy imposed at a rate not to exceed 50.000 mills (the actual mill levy rate for any fiscal year to be adjusted downwards or upwards by the Board of Directors in its discretion) to pay amounts due under intergovernmental agreements with District's No. 2 – 6 for the purposes of jointly financing the costs of public improvements, facilities, programs, or projects.
- (2) To increase debt \$87,000,000 with a total repayment cost of \$713,400,000 and to increase taxes \$102,660,000 annually, or by such lesser annual amount as may be necessary to pay the District's debt; such debt issued or incurred for the purpose of paying, reimbursing, or financing all or any part of the costs of designing, acquiring, construction, installing, completing, equipping and otherwise providing improvements and programs for the following (each approved separately for debt of \$87,000,000):
- Parks and recreation
 - Stormwater management system
 - Streets, roadways and related landscaping
 - Potable water system
 - Wastewater system
 - Transportation system
 - Traffic and safety controls
 - Mosquito control
 - Fire protection
 - Refunding, paying, or defeasing, in whole or in part, bonds, notes, or other financial obligations of the District
 - Obligations under one or more Intergovernmental Agreements with the State or any political subdivisions of the State

And all extensions of and improvements to such facilities within and without the boundaries of the District; such debt to bear interest at a net effective interest rate not in excess of 18% per annum.

All debt and tax increases constitute voter-approved revenue changes and the proceeds of such and investment income thereon 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 or any other law, and without limiting in any year the amount of other revenues that may be collected and spent by the District.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

At December 31, 2025, the District had authorized but unissued debt totaling \$1,324,870,000, however, the Service Plan limits the aggregate debt of Haymeadow Metropolitan Districts No. 1 – 6 to \$87,000,000. District No. 5 had issued \$13,250,000 and the District had issued \$17,130,000 of bonds, leaving \$56,620,000 of debt authorization remaining.

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.

IV. Detailed Notes on all Funds

A. Deposits and Investments

The deposits are entirely covered by federal depository insurance ("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 \$0 at year end.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

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

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District has invested primarily in COLOTRUST. Funds in COLOTRUST can be withdrawn without notice or penalty.

Credit Risk. The District's investment policy limits investments to those authorized by State statutes. 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.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2025, the District had no unrealized gains or losses. The District had the following cash and investments with the following maturities:

Type	Rating	Carrying Amount	Maturities	
			Less Than One Year	Less Than Five Years
Investments				
Colotrust	AAAm	1,573	1,573	-
Invesco Treasury money market	AAAm	8,290,998	8,290,998	-
		8,292,571	8,292,571	-

At December 31, 2025, the District had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Amount</u>
Colotrust	1,573
Invesco Treasury money market	<u>8,290,998</u>
Total	<u><u>8,292,571</u></u>

The District's Investment Pool represents investments in COLOTTRUST. The net asset value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

The District had invested \$1,573 in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The District had invested \$8,290,998 in the Invesco Treasury Portfolio (the "Fund"). The Fund is a money market mutual fund established for investors seeking current income consistent with preservation of capital and liquidity. The Fund is managed by Invesco and operates as a government money market fund with a constant net asset value, measured at net asset value, where each share seeks to maintain a value of \$1.00. Investments consist primarily of short-term, high-credit-quality money market instruments that are direct obligations of the U.S. Treasury and repurchase agreements backed by U.S. Treasury obligations. A designated custodian provides safekeeping and depository services in connection with the Fund's investments. Substantially all securities owned are held in custody in accordance with applicable regulatory requirements for money market funds.

At December 31, 2025, the District's investments in Invesco were 99.98% of the District's investment portfolio.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

B. Long-term Obligations

1. General Obligation Bonds, Series 2025A & B

The District issued \$14,760,000 of Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2025A (the "Senior Bonds") and \$2,370,000 of Subordinate Limited Tax General Obligation Bonds, Series 2025B (the "Subordinate Bonds") on March 27, 2025.

The Senior Bonds bear interest at a rate of approximately 6.125% per annum, payable semiannually on June 1 and December 1, beginning June 1, 2025. The Senior Bonds mature on December 1, 2054, subject to mandatory sinking fund redemptions and optional redemption provisions. The Subordinate Bonds bear interest at approximately 8.375% per annum, payable annually on December 15, beginning December 15, 2025, and mature on December 15, 2049.

The proceeds of the Bonds were used to (i) finance the costs of public improvements benefiting the District and related districts, (ii) fund capitalized interest on the Senior Bonds, (iii) fund an initial deposit to the Senior Surplus Fund, and (iv) pay costs of issuance.

The Bonds constitute limited tax general obligations of the District and are payable solely from pledged revenues and certain funds and accounts established under the respective Indentures of Trust. The Senior Bonds are secured by Senior Pledged Revenue, which consists primarily of property tax revenues derived from a required mill levy (not to exceed 50 mills, subject to adjustment) and certain other revenues. The Subordinate Bonds are secured by Subordinate Pledged Revenue, consisting primarily of property tax revenues remaining after application of the Senior Bonds' mill levy requirement and subject to a total mill levy cap of 50 mills.

The Senior Bonds may convert to unlimited tax general obligations upon the satisfaction of certain conditions set forth in the Indenture; however, such conversion is not assured.

The Indenture of Trust (Senior), details the flow of funds as follows:

- i. To the Trustee for fees and expenses
- ii. To payment of administrative and audit costs
- iii. To the Senior Bond Fund for payment of principal and interest on the Senior Bonds
- iv. To the Senior Surplus Fund (up to the required balance)
- v. To payment of principal and interest on subordinate obligations
- vi. To payment of principal and interest on junior obligations
- vii. To any remaining amounts as permitted under the Indenture, including transfers to the service district

Subordinate Pledged Revenue is applied in accordance with the Subordinate Indenture to pay debt service on the Subordinate Bonds after satisfaction of Senior obligations.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

B. Long-term Obligations (continued)

2. Annual Debt Service Requirements

The District had the following annual debt service requirements for the general obligations bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	-	904,050	904,050
2027	-	904,050	904,050
2028	-	904,050	904,050
2029	-	904,050	904,050
2030	145,000	904,050	1,049,050
2031 - 2035	1,010,000	4,365,900	5,375,900
2036 - 2040	1,680,000	3,980,025	5,660,025
2041 - 2045	2,565,000	3,363,238	5,928,238
2046 - 2050	3,815,000	2,434,994	6,249,994
2051 - 2054	5,545,000	993,475	6,538,475
	<u>14,760,000</u>	<u>19,657,882</u>	<u>34,417,882</u>

The Subordinate Bonds are structured as "cash flow" bonds, with no scheduled principal payments prior to maturity; instead, principal is payable from available Subordinate Pledged Revenue through mandatory redemption provisions. Both the Senior Bonds and Subordinate Bonds are subject to final maturity or deemed repayment dates extending to December 2065, regardless of the amount of principal and interest paid prior to such date.

3. Changes in Long-Term Debt

The District had the following changes in debt for the year ended December 31, 2025.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable, series 2025A	-	14,760,000	-	14,760,000	-
Bonds payable, series 2025B	-	2,370,000	-	2,370,000	-
Total	<u>-</u>	<u>17,130,000</u>	<u>-</u>	<u>17,130,000</u>	<u>-</u>

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

V. Other Information

A. Intergovernmental Agreement

On December 5, 2018 the District entered into an intergovernmental agreement with Haymeadow Metropolitan District Nos. 2 - 5 (each individually referred to as a "Neighborhood District" and with the District collectively referred to as the "Districts") and Haymeadow Metropolitan District No. 6 (the "Service District"). The public improvements are described within and all terms of this agreement are subject to provisions in the Consolidated Service Plan, as amended, and the Annexation and Development Agreement (the "ADA"), both approved by the Town of Eagle in 2014. The Town approved the amended Service Plan in 2022.

Under the agreement, the Districts shall work diligently to implement the Service Plan and ADA. The Service District will develop a financing plan and the Neighborhood Districts will work cooperatively to implement the financing plan in such a way as to enable the District to construct, operate and maintain the public improvements.

The Service District is responsible for the design, acquisition, installation, construction, operation and maintenance of certain infrastructure for streets, potable and non-potable water, sewer and storm drainage, recreation trails and associated parking within the Neighborhood Districts. Development within the Neighborhood Districts is anticipated to proceed in phases subject to Town review and approval, and construction of the public improvements will be completed in phases as development and need for service necessitates.

The Neighborhood Districts shall issue limited tax general obligation debt to finance the construction and installation of the public improvements, through bonds or other instruments, at the direction of the Service District. The Neighborhood Districts shall not incur any debt of any type or kind whatsoever without the consent of the Service District, and all debt incurred by the Neighborhood Districts shall be used for the purpose of financing the installation of the public improvements at the direction of the Service District.

The Neighborhood Districts shall impose an ad valorem tax on property within each Neighborhood District in such amount as determined by the Service District sufficient to cover ongoing operations and maintenance costs of the public improvements. Each Neighborhood District shall pay to the Service District all revenue raised from any and all operational mill levies assessed by the Neighborhood Districts in order to offset the operating expenses incurred by the Service District for the provision of services to property within the Service Area. The Neighborhood Districts shall not encumber any of the operational revenues without the prior consent of the Service District.

Except for revenue pledged to debt, the Neighborhood Districts shall assign all revenue raised from all sources to the Service District in order to offset the expenses of operating and maintaining the public improvements. The Neighborhood Districts shall not retain, appropriate, expend, pledge or otherwise encumber any portion of such revenues for any other purpose, and all of such revenues and monies shall be immediately transferred and paid to the Service District.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

V. Other Information (continued)

A. Intergovernmental Agreement (continued)

The public improvements constructed hereunder shall be conveyed to the Town, the Service District or a homeowner's association upon Bill of Sale. The Service District shall provide the operations and maintenance services and maintain necessary insurance for the public improvements in a manner deemed appropriate by the Neighborhood Districts. The Neighborhood Districts shall have no direct responsibility for operations or maintenance of such public improvements.

On February 12, 2025, the Districts entered into a Supplement to the Intergovernmental Agreement which details the provision of Operations and Maintenance Services and the payment of associated expenses, including management costs, accounting costs, attorneys' fees, and other consultant fees. The Supplement establishes formal procedures for the determination, levy, and remittance of the Contractual Operating Mill Levy, under which each Neighborhood District imposes a uniform ad valorem tax in an amount determined by the Service District sufficient to cover ongoing operations and maintenance expenses, with all resulting revenue to be remitted to the Service District.

During 2025, the District paid \$32,171 and \$8,764,183 to the Service District as service fees and capital fees, respectively.

B. Senior Pledge Agreement

On June 1, 2023, the District entered into a Senior Capital Pledge Agreement with Haymeadow Metropolitan District No. 5 (the "Issuing District"), Haymeadow Metropolitan District No. 2 - 4 (the other "Taxing Districts"). The Senior Capital Pledge Revenue agreement calls for each district to impose an annual mill levy sufficient to fund the Series 2023 Bonds, up to 50 mills.

On February 12, 2025, the District entered into the Amended and Restated Senior Pledge Agreement with the Issuing District and other Taxing District. The amendment releases the District from its obligation to pledge ad valorem property tax revenues to the Issuing District for the repayment of the 2023 Senior Bonds and any future Additional Senior Obligations.

C. Subordinate Pledge Agreement

On June 1, 2023, the District entered into a Subordinate Capital Pledge Agreement with Haymeadow Metropolitan District No. 5 (the "Issuing District"), Haymeadow Metropolitan District No. 2 - 4 (the other "Taxing Districts"). The Subordinate Capital Pledge Revenue agreement calls for each district to impose an annual mill levy sufficient to fund subordinate debt, on top of the Senior Capital Pledge, not to exceed 50 mills in total.

On February 12, 2025, the District entered into the Amended and Restated Subordinate Pledge Agreement with the Issuing District and other Taxing District. The amendment releases the District from its obligation to pledge ad valorem property tax revenues to the Issuing District for the repayment of subordinate debt.

D. Junior Lien Pledge Agreement

On June 1, 2023, the District entered into a Junior Capital Pledge Agreement with Haymeadow Metropolitan District No. 5 (the "Issuing District"), Haymeadow Metropolitan District No. 2 - 4 (the other "Taxing Districts"). The Junior Capital Pledge Revenue agreement calls for each district to impose an annual mill levy sufficient to fund junior debt, on top of the Subordinate and Senior Capital Pledge, not to exceed 50 mills in total.

Haymeadow Metropolitan District No. 1
Notes to the Financial Statements
December 31, 2025
(continued)

V. Other Information (continued)

D. Junior Lien Pledge Agreement (continued)

On February 12, 2025, the District entered into the Amended and Restated Junior Lien Capital Pledge Agreement with the Issuing District and other Taxing Districts. Under the Amended and Restated Junior Lien Agreement, the District agreed to impose a Junior Lien Required Mill Levy and pledge the resulting revenues solely to pay the Issuing District's Limited Tax General Obligation Bonds, Series 2023. This pledge is subordinate to the mill levies securing the District's Series 2025A Senior Bonds and Series 2025B Subordinate Bonds.

The District's obligation terminates upon full repayment of the District No. 1 Junior Lien Obligation or on the Termination Date as defined in the agreement, whichever occurs first. This intergovernmental agreement does not constitute a direct liability of the District.

E. Risk Management

Colorado Special Districts Property and Liability Pool

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 ("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.

A summary of audited statutory basis financial information for the Pool (the latest audited information available) is at: <https://csdpool.org/financials>

F. Related Parties

The Developer's representatives make up all the members of the board of Directors. As of December 31, 2025 the District did not have any amounts owed to or from the Developer.

REQUIRED SUPPLEMENTARY INFORMATION

Haymeadow Metropolitan District No. 1
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Property taxes	31,367	31,367	31,557	190
Specific ownership tax	1,412	1,412	1,548	136
Investment income	55	48	315,561	315,513
Other revenues	50,000	50,000	-	(50,000)
Total Revenues	<u>82,834</u>	<u>82,827</u>	<u>348,666</u>	<u>265,839</u>
Expenditures:				
General government:				
Service fees paid to other districts	31,837	31,837	32,171	(334)
Capital fees paid to Haymeadow Metropolitan District No. 6	-	18,800,000	8,764,183	10,035,817
Treasurer fees	942	942	947	(5)
Contingency	50,000	50,000	-	50,000
Debt service:				
Interest and fiscal charges	-	-	612,745	(612,745)
Cost of issuance	-	1,200,000	784,589	415,411
Total Expenditures	<u>82,779</u>	<u>20,082,779</u>	<u>10,194,635</u>	<u>9,888,144</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>55</u>	<u>(19,999,952)</u>	<u>(9,845,969)</u>	<u>10,153,983</u>
Other Financing Sources and Uses:				
Proceeds from bond issuance	-	20,000,000	17,130,000	(2,870,000)
Total Other Financing Sources and Uses	<u>-</u>	<u>20,000,000</u>	<u>17,130,000</u>	<u>(2,870,000)</u>
Net Change in Fund Balance	55	48	7,284,031	7,283,983
Fund Balance - Beginning	<u>1,852</u>	<u>1,608</u>	<u>1,386</u>	<u>(222)</u>
Fund Balance - Ending	<u><u>1,907</u></u>	<u><u>1,656</u></u>	<u><u>7,285,417</u></u>	<u><u>7,283,761</u></u>

Haymeadow Metropolitan District No. 5

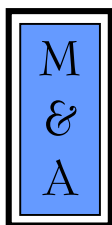
**Financial Statements
December 31, 2025**



**Haymeadow Metropolitan District No. 5
Financial Statements
December 31, 2025**

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McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Haymeadow Metropolitan District No. 5
Eagle, Colorado**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Haymeadow Metropolitan District No. 5
Eagle, Colorado

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

In performing an audit in accordance with U.S. GAAS, we:

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

Required Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Haymeadow Metropolitan District No. 5
Eagle, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund budgetary comparison information listed in the accompanying table of contents in Section D are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C." in a cursive script.

McMahan and Associates, L.L.C.
Avon, Colorado
May 8, 2026

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Haymeadow Metropolitan District No. 5
Balance Sheet/
Statement of Net Position
December 31, 2025

	<u>Debt Service Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:			
Cash and investments	494	-	494
Restricted cash - BOK	421	-	421
Property tax receivable	5,993	-	5,993
Accounts receivable	124	-	124
Due from treasurer	16	-	16
Capital obligations from Haymeadow No. 2 - 4	-	11,852,739	11,852,739
Total Assets	<u>7,048</u>	<u>11,852,739</u>	<u>11,859,787</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	4	-	4
Accrued interest payable	-	2,554,701	2,554,701
Non-current Liabilities:			
Bonds payable - due in more than one year	-	13,250,000	13,250,000
Total Liabilities	<u>4</u>	<u>15,804,701</u>	<u>15,804,705</u>
Deferred Inflows of Resources:			
Unavailable property tax	5,993	-	5,993
Total Deferred Inflows of Resources	<u>5,993</u>	<u>-</u>	<u>5,993</u>
Fund Balance / Net Position:			
Fund Balance:			
Restricted for debt service	1,051	(1,051)	-
Total Fund Balance	<u>1,051</u>	<u>(1,051)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>7,048</u>		
Net Position:			
Restricted for debt service		1,051	1,051
Unrestricted		(3,951,962)	(3,951,962)
Total Net Position		<u>(3,950,911)</u>	<u>(3,950,911)</u>

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

Haymeadow Metropolitan District No. 5
Statement of Revenues, Expenditures and changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2025

	<u>Debt Service Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property taxes	3,609	-	3,609
Specific ownership tax	168	-	168
Investment income	676	-	676
Service fees from other districts	28,297	-	28,297
Capital fees from other districts	-	1,252,739	1,252,739
Total Revenues	<u>32,750</u>	<u>1,252,739</u>	<u>1,285,489</u>
Expenditures/Expenses:			
General government:			
Accounting and administration	3,000	-	3,000
Service fees paid to Haymeadow Metropolitan District No. 6	1,058	-	1,058
Treasurer fees	109	-	109
Debt service:			
Interest and fiscal charges	28,172	1,031,828	1,060,000
Total Expenditures/Expenses	<u>32,339</u>	<u>1,031,828</u>	<u>1,064,167</u>
Net Change in Fund Balance / Change Net Position	411	220,911	221,322
Fund Balance / Net Position (Deficit)			
Beginning (restated)	640		(4,172,233)
Ending	<u>1,051</u>		<u>(3,950,911)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

Haymeadow Metropolitan District No. 5 (the "District") was organized on November 17, 2014 as a quasi-municipal corporation and political subdivision of the State of Colorado. The District was formed primarily to finance construction, operations, and maintenance of the basic public infrastructure held by Haymeadow Metropolitan District No. 6 in an area of approximately 660 acres of land within Eagle, Colorado.

The District's financial statements are prepared in accordance with 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). 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). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Currently, the District performs only governmental activities.

1. 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 is reported in two parts – 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.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. 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/expenses. The fund focus is on current available resources and budget compliance.

The District reports only a *Debt Service Fund*. The Debt Service Fund is used to accumulate resources to repay long-term debt and other contractual obligations.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund 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.

2. 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 (60 days) 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

1. Cash, Cash Equivalents, and Investments

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.

Investments are stated at net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District's investment policy is detailed in note IV.A.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables and Long-term Capital Obligations

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance for uncollectible accounts has been established, as the District considers all accounts to be collectible. Haymeadow Metropolitan Districts No. 1 - 5 are obligated under the Master Intergovernmental Agreement between the Districts to provide funding for public improvements (capital obligations). These obligations primarily flow from the Senior, Subordinate, and Junior Lien Capital Pledge Agreement.

3. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as a liability in the applicable governmental activities statement of net position.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligation of the funds. Long-term obligations are recognized as a liability on the governmental fund financial statements when due. Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Issuance costs are expensed as incurred.

4. Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

The District doesn't have any items that qualify for reporting in deferred outflows at December 31, 2025.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Fund Balance

The District classifies governmental fund balances as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve position and management reports the targeted amount annually to Board of Directors.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

II. 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 and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital and service obligations receivable	<u>11,852,739</u>
Total adjustments	<u><u>11,852,739</u></u>

Amounts owed to the District for costs incurred to construct, operate, and maintain infrastructure are not collectible in the current period and, therefore, are not on governmental funds.

Bonds payable	(13,250,000)
Accrued interest on bonds payable	<u>(2,554,701)</u>
Total adjustments	<u><u>(15,804,701)</u></u>

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

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital and service fee revenue	<u>1,252,739</u>
Total adjustments	<u><u>1,252,739</u></u>

Increases or decreases in capital and service obligations owed to the District do not produce or use current financial resources and, therefore, are not reported in governmental funds.

Interest accrued on long-term debt	<u>(1,031,828)</u>
Total adjustments	<u><u>(1,031,828)</u></u>

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

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

As required by Colorado Statutes, the District followed this timetable in approving and enacting a budget for the ensuing year.

- (1) For the 2025 budget, prior to August 25, 2024, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2024, only once by a single notification to the District.
- (2) On or before October 15, 2024, the Budget Director submitted to the District's Board of Directors a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) Prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimate in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year-end.

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. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% or more of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$0 which is the approximate required reserve at December 31, 2025.

On November 4, 2014, the District's voters approved the following TABOR related ballot questions:

- (1) To increase taxes \$50,000 annually and by such other amounts collected in each year thereafter from a mill levy imposed at a rate not to exceed 50.000 mills (the actual mill levy rate for any fiscal year to be adjusted downwards or upwards by the Board of Directors in its discretion) to pay the District's administration, operations, maintenance, capital improvement and other expenses without limitation.
- (2) To increase debt \$35,000,000 with a total repayment cost of \$287,000,000 and to increase taxes \$41,300,000 annually, or by such lesser annual amount as may be necessary to pay the District's debt; such debt issued or incurred for the purpose of paying, reimbursing, or financing all or any part of the costs of designing, acquiring, construction, installing, completing, equipping and otherwise providing improvements and programs for the following (each approved separately for debt of \$35,000,000):
 - Parks and recreation
 - Stormwater management system
 - Streets, roadways and related landscaping
 - Potable water system
 - Wastewater system
 - Transportation system
 - Traffic and safety controls
 - Mosquito control
 - Fire protection
 - Refunding, paying, or defeasing, in whole or in part, bonds, notes, or other financial obligations of the District
 - Obligations under one or more Intergovernmental Agreements with the State or any political subdivisions of the State

And all extensions of and improvements to such facilities within and without the boundaries of the District; such debt to bear interest at a net effective interest rate not in excess of 18% per annum.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

- (3) To authorize collection, retention and spending of any and all amounts annually from any revenue sources whatsoever (including without limitation any revenues from ad valorem property taxes, tax, specific ownership taxes, fees, rates, toll, penalties, or charges, state, federal and private grants and gifts, or any other source).

On May 2, 2023, the District's voters approved the following TABOR related ballot questions:

- (1) To increase taxes \$50,000 annually and by such other amounts collected in each year thereafter from a mill levy imposed at a rate not to exceed 50.000 mills (the actual mill levy rate for any fiscal year to be adjusted downwards or upwards by the Board of Directors in its discretion) to pay amounts due under intergovernmental agreements with District's No. 2 – 6 for the purposes of jointly financing the costs of public improvements, facilities, programs, or projects.
- (2) To increase debt \$87,000,000 with a total repayment cost of \$713,400,000 and to increase taxes \$102,660,000 annually, or by such lesser annual amount as may be necessary to pay the District's debt; such debt issued or incurred for the purpose of paying, reimbursing, or financing all or any part of the costs of designing, acquiring, construction, installing, completing, equipping and otherwise providing improvements and programs for the following (each approved separately for debt of \$87,000,000):
- Parks and recreation
 - Stormwater management system
 - Streets, roadways and related landscaping
 - Potable water system
 - Wastewater system
 - Transportation system
 - Traffic and safety controls
 - Mosquito control
 - Fire protection
 - Refunding, paying, or defeasing, in whole or in part, bonds, notes, or other financial obligations of the District
 - Obligations under one or more Intergovernmental Agreements with the State or any political subdivisions of the State

And all extensions of and improvements to such facilities within and without the boundaries of the District; such debt to bear interest at a net effective interest rate not in excess of 18% per annum.

All debt and tax increases constitute voter-approved revenue changes and the proceeds of such and investment income thereon 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 or any other law, and without limiting in any year the amount of other revenues that may be collected and spent by the District.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

At December 31, 2025, the District had authorized but unissued debt totaling \$1,328,750,000, however, the Service Plan limits the aggregate debt of Haymeadow Metropolitan Districts No. 1 – 6 to \$87,000,000. The District had issued \$13,250,000 and District No. 1 had issued \$17,130,000 of bonds, leaving \$56,620,000 of debt authorization remaining.

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.

IV. Detailed Notes on all Funds

A. Deposits and Investments

The deposits are entirely covered by federal depository insurance ("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 \$0 at year end.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

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

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District has invested primarily in COLOTRUST. Funds in COLOTRUST can be withdrawn without notice or penalty.

Credit Risk. The District's investment policy limits investments to those authorized by State statutes. 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.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2025, the District had no unrealized gains or losses. The District had the following cash and investments with the following maturities:

Type	Rating	Carrying Amount	Maturities	
			Less Than One Year	Less Than Five Years
<i>Investments</i>				
Colotrust	AAAm	494	494	-
Invesco Treasury money market	AAAm	421	421	-
		<u>915</u>	<u>915</u>	<u>-</u>

At December 31, 2025, the District had the following recurring fair value measurements:

Investments Measured at Net Asset Value	Amount
Colotrust	494
Invesco Treasury money market	<u>421</u>
Total	<u>915</u>

The District's Investment Pool represents investments in COLOTRUST. The net asset value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2025, the District's investments in COLOTRUST were 54% of the District's investment portfolio.

The District had invested \$494 in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The District had invested \$421 the Invesco Treasury Portfolio (the "Fund"). The Fund is a money market mutual fund established for investors seeking current income consistent with preservation of capital and liquidity. The Fund is managed by Invesco and operates as a government money market fund with a constant net asset value, measured at net asset value, where each share seeks to maintain a value of \$1.00. Investments consist primarily of short-term, high-credit-quality money market instruments that are direct obligations of the U.S. Treasury and repurchase agreements backed by U.S. Treasury obligations. A designated custodian provides safekeeping and depository services in connection with the Fund's investments. Substantially all securities owned are held in custody in accordance with applicable regulatory requirements for money market funds.

At December 31, 2025, the District's investments in Invesco were 46% of the District's investment portfolio.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

B. Long-term Obligations

1. General Obligation Bonds, Series 2023

The District issued \$13,250,000 of limited tax general obligation bonds on June 15, 2023, with annual interest rates of 8.00%. Interest is payable December 1, 2023 through 2039. The principal is payable on December 1 beginning in 2034 and matures in various increments through 2039. The proceeds of these bonds were used to finance public improvements through Haymeadow Metropolitan District No. 6 (see note V.A.) The Bonds constitute limited tax obligations of the District. The bonds are to be paid solely from the Pledged Revenue.

Senior Capital Pledge Agreement: As part of the issuance, the District entered into a Senior Capital Pledge Agreement, dated June 1, 2023, with the Haymeadow Metropolitan District's Nos. 1 - 4 (the "Districts"). The Senior Capital Pledge Revenue agreement calls for each district to impose an annual mill levy sufficient to fund the Series 2023 Bonds, up to 50 mills. This agreement was amended and restated on February 12, 2025. The amendments release Haymeadow Metropolitan District No. 1 ("District No. 1") from its obligation to pledge ad valorem property tax revenues to the Issuing District for the repayment of the 2023 Senior Bonds and any future Additional Senior Obligations. As a result, the "Taxing Districts" responsible for pledging revenue are now limited to the District and District Nos. 2, 3, and 4. The agreement terminates once the bonds have been fully repaid, or in December 2061, whichever is earlier.

Subordinate Capital Pledge Agreement: As part of the issuance, the District entered into a Subordinate Capital Pledge Agreement, dated June 1, 2023, with the Neighborhood Districts. The Subordinate Capital Pledge Revenue agreement calls for each district to impose an annual mill levy sufficient to fund subordinate debt, on top of the Senior Capital Pledge, not to exceed 50 mills in total. This agreement was amended and restated on February 12, 2025. The amendments release District No. 1 from its obligation to pledge ad valorem property tax revenues to the Issuing District for the repayment of any subordinate debt. As a result, the "Taxing Districts" responsible for pledging revenue are now limited to the Issuing District and District Nos. 2, 3, and 4. This agreement terminates once (i) the subordinate debt has been fully repaid, or (ii) December 31 of the year forty years from the date of issuance of the subordinate obligations.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

B. Long-term Obligations (continued)

1. General Obligation Bonds, Series 2023 (continued)

Junior Capital Pledge Agreement: As part of the issuance, on June 1, 2023, the District entered into a Junior Capital Pledge Agreement with Haymeadow Metropolitan Districts Nos. 1, 2, 3 and 4 (the "Taxing Districts"). The Junior Capital Pledge Revenue agreement calls for each Taxing District to impose an annual mill levy sufficient to fund junior debt, on top of the Subordinate and Senior Capital Pledge, not to exceed 50 mills in total.

On February 12, 2025, the District entered into the Amended and Restated Junior Lien Capital Pledge Agreement with the Taxing Districts. Under the Amended and Restated Junior Lien Agreement, District No. 1 agreed to impose a Junior Lien Required Mill Levy and pledge the resulting revenues solely to pay the District's Limited Tax General Obligation Bonds, Series 2023. This pledge is subordinate to the mill levies securing the District No. 1's Series 2025A Senior Bonds and Series 2025B Subordinate Bonds.

District No. 1's obligation terminates upon full repayment of the District Junior Lien Obligation or on the Termination Date as defined in the agreement, whichever occurs first. This intergovernmental agreement does not constitute a direct liability of the District.

The Indenture of Trust details the flow of funds as follows:

- i. To the Trustee in an amount sufficient to pay Trustee Fees
- ii. To the auditors in an amount sufficient to pay for the annual audit
- iii. To the Bond Fund to pay for mandatory redemptions of principal and interest
- iv. To the reserve fund
- v. To fund principal and interest payments on subordinate debt
- vi. To fund principal and interest payments on junior debt
- vii. To the service district

2. Annual Debt Service Requirements

The District had the following annual debt service requirements for the general obligations bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	-	1,060,000	1,060,000
2027	-	1,060,000	1,060,000
2028	-	1,060,000	1,060,000
2029	-	1,060,000	1,060,000
2030	-	1,060,000	1,060,000
2031 - 2035	3,943,000	5,170,880	9,113,880
2036 - 2039	9,307,000	1,667,040	10,974,040
	<u>13,250,000</u>	<u>12,137,920</u>	<u>25,387,920</u>

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

B. Long-term Obligations (continued)

3. Changes in Long-Term Debt

The District had the following changes in debt for the year ended December 31, 2025.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable, series 2023	13,250,000	-	-	13,250,000	-
Total	<u>13,250,000</u>	<u>-</u>	<u>-</u>	<u>13,250,000</u>	<u>-</u>

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

V. Other Information

A. Intergovernmental Agreement

On December 5, 2018 the District entered into an intergovernmental agreement with Haymeadow Metropolitan District Nos. 1 - 4 (each individually referred to as a "Neighborhood District" and with the District collectively referred to as the "Neighborhood Districts") and Haymeadow Metropolitan District No. 6 (the "Service District"). The public improvements are described within and all terms of this agreement are subject to provisions in the Consolidated Service Plan, as amended, and the Annexation and Development Agreement (the "ADA"), both approved by the Town of Eagle in 2014. The Town approved the amended Service Plan in 2022.

Under the agreement, the Districts shall work diligently to implement the Service Plan and ADA. The Service District will develop a financing plan and the Neighborhood Districts will work cooperatively to implement the financing plan in such a way as to enable the District to construct, operate and maintain the public improvements.

The Service District is responsible for the design, acquisition, installation, construction, operation and maintenance of certain infrastructure for streets, potable and non-potable water, sewer and storm drainage, recreation trails and associated parking within the Neighborhood Districts. Development within the Neighborhood Districts is anticipated to proceed in phases subject to Town review and approval, and construction of the public improvements will be completed in phases as development and need for service necessitates.

The Neighborhood Districts shall issue limited tax general obligation debt to finance the construction and installation of the public improvements, through bonds or other instruments, at the direction of the Service District. The Neighborhood Districts shall not incur any debt of any type or kind whatsoever without the consent of the Service District, and all debt incurred by the Neighborhood Districts shall be used for the purpose of financing the installation of the public improvements at the direction of the Service District.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

V. Other Information

A. Intergovernmental Agreement (continued)

The Neighborhood Districts shall impose an ad valorem tax on property within each Neighborhood District in such amount as determined by the Service District sufficient to cover ongoing operations and maintenance costs of the public improvements. Each Neighborhood District shall pay to the Service District all revenue raised from any and all operational mill levies assessed by the Neighborhood Districts in order to offset the operating expenses incurred by the Service District for the provision of services to property within the Service Area. The Neighborhood Districts shall not encumber any of the operational revenues without the prior consent of the Service District.

Except for revenue pledged to debt, the Neighborhood Districts shall assign all revenue raised from all sources to the Service District in order to offset the expenses of operating and maintaining the public improvements. The Neighborhood Districts shall not retain, appropriate, expend, pledge or otherwise encumber any portion of such revenues for any other purpose, and all of such revenues and monies shall be immediately transferred and paid to the Service District.

The public improvements constructed hereunder shall be conveyed to the Town, the Service District or a homeowner's association upon Bill of Sale. The Service District shall provide the operations and maintenance services and maintain necessary insurance for the public improvements in a manner deemed appropriate by the Neighborhood Districts. The Neighborhood Districts shall have no direct responsibility for operations or maintenance of such public improvements.

On February 12, 2025, the Districts entered into a Supplement to the Intergovernmental Agreement which details the provision of Operations and Maintenance Services and the payment of associated expenses, including management costs, accounting costs, attorneys' fees, and other consultant fees. The Supplement establishes formal procedures for the determination, levy, and remittance of the Contractual Operating Mill Levy, under which each Neighborhood District imposes a uniform ad valorem tax in an amount determined by the Service District sufficient to cover ongoing operations and maintenance expenses, with all resulting revenue to be remitted to the Service District.

During 2025, the District paid \$1,058 to the Service District as service fees. The District is owed Capital Obligations from the other Neighborhood District's of \$11,852,739 as of December 31, 2025.

Haymeadow Metropolitan District No. 5
Notes to the Financial Statements
December 31, 2025
(continued)

V. Other Information (continued)

B. Risk Management

Colorado Special Districts Property and Liability Pool

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 ("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.

A summary of audited statutory basis financial information for the Pool (the latest audited information available) is at: <https://csdpool.org/financials>

C. Related Parties

The Developer's representatives make up all the members of the board of Directors. As of December 31, 2025 the District did not have any amounts owed to or from the Developer.

D. Restatements of Net Position

During 2025, the District determined that a payable to the developer recorded under the District for the year ending December 31, 2024, in the amount of \$296,500, along with accrued interest on bonds of \$36,718, should have been recognized under Haymeadow Metropolitan District No. 6. Accordingly, the District's net position has been restated, resulting in an increase of \$333,218 to the District and a decrease of \$333,218 to Haymeadow Metropolitan District No. 6.

These restatements resulted in the following changes to correct the District net position:

	12/31/2024		12/31/2025
	As Previously	Error	As Restated
	Reported	Correction	
Government-Wide			
Governmental Activities	(4,505,451)	333,218	(4,172,233)
Total Primary Government	(4,505,451)	333,218	(4,172,233)

SUPPLEMENTARY INFORMATION

Haymeadow Metropolitan District No. 5
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2025
With Comparative Amounts for the Year Ended December 31, 2024

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Property taxes	3,609	3,609	-	3,608
Specific ownership tax	162	168	6	162
Investment income	93	676	583	507
Service fees from other districts	28,033	28,297	264	24,354
Other revenues	5,000	-	(5,000)	-
Total Revenues	36,897	32,750	(4,147)	28,631
Expenditures:				
General government:				
Accounting and administration	11,350	3,000	8,350	3,000
Service fees paid to Haymeadow Metropolitan District No. 6	1,046	1,058	(12)	1,066
Treasurer fees	109	109	-	111
Contingency	5,000	-	5,000	-
Debt service:				
Interest and fiscal charges	19,299	28,172	(8,873)	25,905
Total Expenditures	36,804	32,339	4,465	30,082
Excess (Deficiency) of Revenues Over Expenditures	93	411	318	(1,451)
Net Change in Fund Balance	93	411	318	(1,451)
Fund Balance - Beginning	2,337	640	(1,697)	2,091
Fund Balance - Ending	2,430	1,051	(1,379)	640

Haymeadow Metropolitan District No. 6

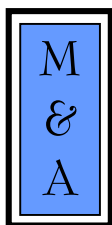
**Financial Statements
December 31, 2025**



**Haymeadow Metropolitan District No. 6
Financial Statements
December 31, 2025**

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McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Haymeadow Metropolitan District No. 6
Eagle, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Haymeadow Metropolitan District No. 6 (the "District"), as of and for the year ended December 31, 2025, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Haymeadow Metropolitan District No. 6
Eagle, Colorado

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

In performing an audit in accordance with U.S. GAAS, we:

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

Required Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Haymeadow Metropolitan District No. 6
Eagle, Colorado

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison 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 U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund budgetary comparison information listed in the accompanying table of contents in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C." in a cursive, flowing script.

McMahan and Associates, L.L.C.
Avon, Colorado
May 8, 2026

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Haymeadow Metropolitan District No. 6
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and equivalents	-	18,199	18,199
Restricted cash - TOE	80,656	-	80,656
Internal balances	(64,103)	64,103	-
Due from other governments	1,029,299	-	1,029,299
Prepaid expenses	79,192	-	79,192
Capital assets, net of accumulated depreciation, where applicable	8,600,246	-	8,600,246
Total Assets	9,725,290	82,302	9,807,592
Liabilities:			
Accounts payable	763,233	-	763,233
Retainage payable	311,479	-	311,479
Accrued interest payable	65,933	-	65,933
Developer advances - Due in more than one year	1,259,833	-	1,259,833
Total Liabilities	2,400,478	-	2,400,478
Net Position:			
Invested in capital assets, net of related debt	7,028,934	-	7,028,934
Restricted for emergencies	10,800	-	10,800
Restricted for public improvements	80,656	-	80,656
Unrestricted	204,422	82,302	286,724
Total Net Position	7,324,812	82,302	7,407,114

The accompanying notes are an integral part of these financial statements.

Haymeadow Metropolitan District No. 6
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:	Expenses						
Governmental Activities:							
General government	192,651	12,377	-	8,851,386	8,671,112	-	8,671,112
Public works	243,650	-	-	-	(243,650)	-	(243,650)
Interest on long-term debt	126,278	-	-	-	(126,278)	-	(126,278)
Total Governmental Activities	562,579	12,377	-	8,851,386	8,301,184	-	8,301,184
Business-type Activities:							
Water	33,333	21,432	-	-	-	(11,901)	(11,901)
Total Business-type Activities	33,333	21,432	-	-	-	(11,901)	(11,901)
Total	595,912	33,809	-	8,851,386	8,301,184	(11,901)	8,289,283
General Revenues:							
Interest					6,519	-	6,519
Total General Revenues					6,519	-	6,519
Change in Net Position					8,307,703	(11,901)	8,295,802
Net Position (Deficit) - Beginning (Restated)					(982,891)	94,203	(888,688)
Net Position (Deficit) - Ending					7,324,812	82,302	7,407,114

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Haymeadow Metropolitan District No. 6
Balance Sheet
December 31, 2025

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>
Assets:			
Cash and equivalents	-	-	-
Restricted cash - TOE	80,656	-	80,656
Due from other governments	54	1,029,245	1,029,299
Prepaid expenditures	79,192	-	79,192
Total Assets	<u>159,902</u>	<u>1,029,245</u>	<u>1,189,147</u>
Liabilities:			
Accounts payable and accrued liabilities	45,467	717,766	763,233
Due to other funds	64,103	-	64,103
Retainage payable	-	311,479	311,479
Total Liabilities	<u>109,570</u>	<u>1,029,245</u>	<u>1,138,815</u>
Fund Balance			
Nonspendable	79,192	-	79,192
Restricted for emergencies	10,800	-	10,800
Restricted for public improvements	80,656	-	80,656
Unassigned	(120,316)	-	(120,316)
Total Fund Balance	<u>50,332</u>	<u>-</u>	<u>50,332</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>159,902</u>	<u>1,029,245</u>	<u>1,189,147</u>

The accompanying notes are an integral part of these financial statements.

Haymeadow Metropolitan District No. 6
Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities
December 31, 2025

Total Governmental Fund Balances	50,332
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	8,899,675	
Less accumulated depreciation	<u>(299,429)</u>	
Total		8,600,246

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

Developer advances	(1,259,833)	
Accrued interest on developer advances	<u>(65,933)</u>	
Total		<u>(1,325,766)</u>

Net Position of Governmental Activities	<u><u>7,324,812</u></u>
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The accompanying notes are an integral part of these financial statements.

Haymeadow Metropolitan District No. 6
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2025

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>
Revenues:			
Investment income	6,519	-	6,519
Service fees from other districts	12,377	-	12,377
Capital fees from other districts	-	8,764,183	8,764,183
Other revenues	87,202	-	87,202
Total Revenues	<u>106,098</u>	<u>8,764,183</u>	<u>8,870,281</u>
Expenditures:			
General government:			
Accounting and administration	84,542	6,300	90,842
Elections	193	-	193
Audit fees	18,950	-	18,950
Insurance	6,742	-	6,742
Legal	46,021	-	46,021
Office overhead	6,395	-	6,395
Public works:			
Landscape and irrigation maintenance	193,650	-	193,650
Trail and path maintenance	1,312	-	1,312
Debt service:			
Reimbursements on developer advances	-	2,253,649	2,253,649
Interest on developer advances	-	248,901	248,901
Capital outlay	-	6,308,753	6,308,753
Total Expenditures	<u>357,805</u>	<u>8,817,603</u>	<u>9,175,408</u>
Excess (Deficiency) of Revenues Over Expenditures	(251,707)	(53,420)	(305,127)
Other Financing Sources (Uses):			
Proceeds from developer advances	223,110	53,420	276,530
Transfers from (to) other funds	-	-	-
Total Other Financing Sources (Uses)	<u>223,110</u>	<u>53,420</u>	<u>276,530</u>
Net Change in Fund Balance	(28,597)	-	(28,597)
Fund Balances - Beginning	<u>78,929</u>	-	<u>78,929</u>
Fund Balances - Ending	<u><u>50,332</u></u>	<u><u>-</u></u>	<u><u>50,332</u></u>

The accompanying notes are an integral part of these financial statements.

Haymeadow Metropolitan District No. 6
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balances of Governmental Funds	(28,597)
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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 as depreciation expense:

Capital additions	6,308,752	
Depreciation expense	<u>(72,194)</u>	
Total		6,236,558

The issuance of long-term debt (e.g., bonds, notes, and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds reflect the effects of other items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities:

Proceeds from developer advances	(276,530)	
Reimbursements on developer advances	2,253,649	
Interest accrued on developer advances	122,623	
Total		<u>2,099,742</u>

Change in Net Position of Governmental Activities	<u><u>8,307,703</u></u>
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Haymeadow Metropolitan District No. 6
Statement of Net Position
Proprietary Funds
December 31, 2025

	Water Fund
Assets:	
Current Assets:	
Cash and equivalents	18,199
Due from (to) other funds	64,103
Total Current Assets	<u>82,302</u>
Total Assets	<u>82,302</u>
Liabilities:	
Current Liabilities:	
Accounts payable	-
Total Current Liabilities	<u>-</u>
Net Position:	
Unrestricted	82,302
Total Net Position	<u><u>82,302</u></u>

The accompanying notes are an integral part of these financial statements.

Haymeadow Metropolitan District No. 6
Statement of Revenues, Expenses and Changes
in Net Position - Proprietary Funds
For the Year Ended December 31, 2025

	Water Fund
Operating Revenues:	
Charges for fees and services	21,432
Total Operating Revenues	<u>21,432</u>
Operating Expenses:	
Repairs and maintenance	25,309
Utilities	5,999
Accounting and administration	1,500
Permits	525
Total Operating Expenses	<u>33,333</u>
Operating Income (Loss):	(11,901)
Change in Net Position	(11,901)
Total Net Position - Beginning	<u>94,203</u>
Total Net Position - Ending	<u><u>82,302</u></u>

The accompanying notes are an integral part of these financial statements.

Haymeadow Metropolitan District No. 6
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Water Fund
Cash Flows from Operating Activities:	
Cash received from customers and others	31,882
Cash payments for goods and services	(33,333)
Net Cash (Used) by Operating Activities	<u>(1,451)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash transfers with other funds	5,897
Net Cash Provided by Non-Capital Financing Activities	<u>5,897</u>
Net Change in Cash	4,446
Cash and Investments - Beginning	13,753
Cash and Investments - Ending	<u><u>18,199</u></u>
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities:	
Operating (loss)	(11,901)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	
(Increase) in accounts receivable	10,450
Total Adjustments	<u>10,450</u>
Net Cash (Used) by Operating Activities	<u><u>(1,451)</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

Haymeadow Metropolitan District No. 6 (the "District") was organized on November 17, 2014 as a quasi-municipal corporation and political subdivision of the State of Colorado. The District was formed primarily to finance, construct, operate, and maintain the basic public infrastructure for Haymeadow Metropolitan District Nos. 1 - 5 (each individually referred to as a "Districts") in an area of approximately 660 acres of land within Eagle, Colorado.

The District's financial statements are prepared in accordance with 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). 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). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

1. Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

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

2. 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/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Capital Fund* accounts for capital expenditures and related resources that are restricted for those expenditures.

The District reports the following proprietary funds:

The *Water Fund* accounts for the activities of the water operations.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund 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.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. 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 (60 days) 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

1. Cash, Cash Equivalents, and Investments

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.

Investments are stated at net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District's investment policy is detailed in note III.A.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance for uncollectible accounts has been established, as the District considers all accounts to be collectible.

3. Capital Assets

Capital assets, which includes design and initial construction of public infrastructure are reported in the government-wide financial statements. The District defines capital assets 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.

Capital expenditures for projects are capitalized as projects are constructed. Depreciation is computed using the straight-line method over the following useful lives:

Asset	Life
Water infrastructure	20 - 40
Sewer infrastructure	40
Streets	20
Equipment	10
Parks and recreation	15 - 40

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as a liability in the applicable governmental activities statement of net position.

5. Deferred Outflows and Inflows of Resources

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

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

The District doesn't have any items that qualify for reporting in deferred outflows or inflows at December 31, 2025.

6. Fund Balance

The District classifies governmental fund balances as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Fund Balance (continued)

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve position and management reports the targeted amount annually to Board of Directors.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

As required by Colorado Statutes, the District followed this timetable in approving and enacting a budget for the ensuing year.

- (1) For the 2025 budget, prior to August 25, 2024, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2024, only once by a single notification to the District.
- (2) On or before October 15, 2024, the Budget Director submitted to the District's Board of Directors a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) Prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimate in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year-end.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

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. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% or more of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$10,800 which is the approximate required reserve at December 31, 2025.

On November 4, 2014, the District's voters approved the following TABOR related ballot questions:

- (1) To increase taxes \$50,000 annually and by such other amounts collected in each year thereafter from a mill levy imposed at a rate not to exceed 50.000 mills (the actual mill levy rate for any fiscal year to be adjusted downwards or upwards by the Board of Directors in its discretion) to pay the District's administration, operations, maintenance, capital improvement and other expenses without limitation.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

- (2) To increase debt \$35,000,000 with a total repayment cost of \$287,000,000 and to increase taxes \$41,300,000 annually, or by such lesser annual amount as may be necessary to pay the District's debt; such debt issued or incurred for the purpose of paying, reimbursing, or financing all or any part of the costs of designing, acquiring, construction, installing, completing, equipping and otherwise providing improvements and programs for the following (each approved separately for debt of \$35,000,000):

- Parks and recreation
- Stormwater management system
- Streets, roadways and related landscaping
- Potable water system
- Wastewater system
- Transportation system
- Traffic and safety controls
- Mosquito control
- Fire protection
- Refunding, paying, or defeasing, in whole or in part, bonds, notes, or other financial obligations of the District
- Obligations under one or more Intergovernmental Agreements with the State or any political subdivisions of the State

And all extensions of and improvements to such facilities within and without the boundaries of the District; such debt to bear interest at a net effective interest rate not in excess of 18% per annum.

- (3) To authorize collection, retention and spending of any and all amounts annually from any revenue sources whatsoever (including without limitation any revenues from ad valorem property taxes, tax, specific ownership taxes, fees, rates, toll, penalties, or charges, state, federal and private grants and gifts, or any other source).

On May 2, 2023, the District's voters approved the following TABOR related ballot questions:

- (1) To increase taxes \$50,000 annually and by such other amounts collected in each year thereafter from a mill levy imposed at a rate not to exceed 50.000 mills (the actual mill levy rate for any fiscal year to be adjusted downwards or upwards by the Board of Directors in its discretion) to pay amounts due under intergovernmental agreements with District's No. 2 – 6 for the purposes of jointly financing the costs of public improvements, facilities, programs, or projects.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

(2) To increase debt \$87,000,000 with a total repayment cost of \$713,400,000 and to increase taxes \$102,660,000 annually, or by such lesser annual amount as may be necessary to pay the District's debt; such debt issued or incurred for the purpose of paying, reimbursing, or financing all or any part of the costs of designing, acquiring, construction, installing, completing, equipping and otherwise providing improvements and programs for the following (each approved separately for debt of \$87,000,000):

- Parks and recreation
- Stormwater management system
- Streets, roadways and related landscaping
- Potable water system
- Wastewater system
- Transportation system
- Traffic and safety controls
- Mosquito control
- Fire protection
- Refunding, paying, or defeasing, in whole or in part, bonds, notes, or other financial obligations of the District
- Obligations under one or more Intergovernmental Agreements with the State or any political subdivisions of the State

And all extensions of and improvements to such facilities within and without the boundaries of the District; such debt to bear interest at a net effective interest rate not in excess of 18% per annum.

All debt and tax increases constitute voter-approved revenue changes and the proceeds of such and investment income thereon 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 or any other law, and without limiting in any year the amount of other revenues that may be collected and spent by the District.

At December 31, 2025, the District had authorized but unissued debt totaling \$1,342,000,000, however, the Service Plan limits the aggregate debt of Haymeadow Metropolitan Districts No. 1 – 6 to \$87,000,000. District No. 5 had issued \$13,250,000 and District No. 1 had issued \$17,130,000 of bonds, leaving \$56,620,000 of debt authorization remaining.

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.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on all Funds

A. Deposits and Investments

The deposits are entirely covered by federal depository insurance ("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 \$10,846 at year end.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

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

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District has invested primarily in COLOTRUST. Funds in COLOTRUST can be withdrawn without notice or penalty.

Credit Risk. The District's investment policy limits investments to those authorized by State statutes. 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.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

At December 31, 2025, the District had no unrealized gains or losses. The District had the following cash and investments with the following maturities:

Type	Rating	Carrying Amount	Maturities	
			Less Than One Year	Less Than Five Years
Deposits:				
Checking		10,846	10,846	-
Investment Pool:				
Colotrust	AAAm	7,353	7,353	-
Colotrust - Escrow	AAAm	80,656	80,656	-
		98,855	98,855	-

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2025, the District had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Amount</u>
Colotrust	7,353
Colotrust - Escrow	<u>80,656</u>
Total	<u><u>88,009</u></u>

The District's Investment Pool represents investments in COLOTRUST. The net asset value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2025, the District's investments in COLOTRUST were 100% of the District's investment portfolio.

The District had invested \$88,009 in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

B. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets:				
Capital assets, not being depreciated:				
Construction in progress	1,200,711	6,285,366	-	7,486,077
Total capital assets, not being depreciated	<u>1,200,711</u>	<u>6,285,366</u>	<u>-</u>	<u>7,486,077</u>
Capital assets, being depreciated:				
Infrastructure	882,510	-	-	882,510
Equipment	66,750	23,386	-	90,136
Non-potable water infrastructure	440,952	-	-	440,952
Total capital assets, being depreciated	<u>1,390,212</u>	<u>23,386</u>	<u>-</u>	<u>1,413,598</u>
Less accumulated depreciation for:				
Infrastructure	(177,926)	(58,589)	-	(236,515)
Non-potable water infrastructure	(49,309)	(13,605)	-	(62,914)
Total accumulated depreciation	<u>(227,235)</u>	<u>(72,194)</u>	<u>-</u>	<u>(299,429)</u>
Total Capital Assets	<u><u>2,363,688</u></u>	<u><u>6,236,558</u></u>	<u><u>-</u></u>	<u><u>8,600,246</u></u>

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on all Funds (continued)

C. Long-term Obligations

1. Developer Advances

On December 4, 2018, the District entered into two agreements with Abrika Properties, LLC (the "Developer"). Per the agreements, the Developer, in its sole discretion, may but shall not be obligated to in any manner, advance sums as requested from time to time by the District within 45 days after end of each fiscal year during the term of the agreements. If the District receives bond proceeds or has other legally available revenue, then the District may reimburse the Developer from such available sources for all amounts actually advanced, together with interest at 8.0% per annum, subject to appropriation by the Board. The agreements' term shall end on the earlier date that all reimbursable advances and any interest thereon have been paid in full or 40 years. Advances under the individual agreements are for the following:

Advance, Acquisition and Reimbursement Agreement – for Capital Advances to pay the costs of public improvements.

Operating Reimbursement Agreement – for Operating Advances, together with advances prior the agreement for organizational and operating expenses, to pay any future operating, maintenance, and/or administrative expenses.

The District had the following changes in debt for the year ended December 31, 2025.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Developer advances	3,236,952	276,530	(2,253,649)	1,259,833	-
Interest payable on developer advances	188,554	126,280	(248,901)	65,933	-
Total	3,425,506	402,810	(2,502,550)	1,325,766	-

IV. Other Information

A. Intergovernmental Agreement

On December 5, 2018 the District entered into an intergovernmental agreement with Haymeadow Metropolitan District Nos. 1 - 5 (each individually referred to as a "Neighborhood District" and with the District collectively referred to as the "Neighborhood Districts"). The public improvements are described within and all terms of this agreement are subject to provisions in the Consolidated Service Plan, as amended, and the Annexation and Development Agreement (the "ADA"), both approved by the Town of Eagle in 2014. The Town approved the amended Service Plan in 2022.

Under the agreement, the Districts shall work diligently to implement the Service Plan and ADA. The District will develop a financing plan and the Neighborhood Districts will work cooperatively to implement the financing plan in such a way as to enable the District to construct, operate and maintain the public improvements.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information (continued)

A. Intergovernmental Agreement (continued)

The District is responsible for the design, acquisition, installation, construction, operation and maintenance of certain infrastructure for streets, potable and non-potable water, sewer and storm drainage, recreation trails and associated parking within the Neighborhood Districts. Development within the Neighborhood Districts is anticipated to proceed in phases subject to Town review and approval, and construction of the public improvements will be completed in phases as development and need for service necessitates.

The Neighborhood Districts shall issue limited tax general obligation debt to finance the construction and installation of the public improvements, through bonds or other instruments, at the direction of the District. The Neighborhood Districts shall not incur any debt of any type or kind whatsoever without the consent of the District, and all debt incurred by the Neighborhood Districts shall be used for the purpose of financing the installation of the public improvements at the direction of the District.

The Neighborhood Districts shall impose an ad valorem tax on property within each Neighborhood District in such amount as determined by the District sufficient to cover ongoing operations and maintenance costs of the public improvements. Each Neighborhood District shall pay to the District all revenue raised from any and all operational mill levies assessed by the Neighborhood Districts in order to offset the operating expenses incurred by the District for the provision of services to property within the Service Area. The Neighborhood Districts shall not encumber any of the operational revenues without the prior consent of the District.

Except for revenue pledged to debt, the Neighborhood Districts shall assign all revenue raised from all sources to the District in order to offset the expenses of operating and maintaining the public improvements. The Neighborhood Districts shall not retain, appropriate, expend, pledge or otherwise encumber any portion of such revenues for any other purpose, and all of such revenues and monies shall be immediately transferred and paid to the District.

The public improvements constructed hereunder shall be conveyed to the Town, the District or a homeowner's association upon Bill of Sale. The District shall provide the operations and maintenance services and maintain necessary insurance for the public improvements in a manner deemed appropriate by the Neighborhood Districts. The Neighborhood Districts shall have no direct responsibility for operations or maintenance of such public improvements.

On February 12, 2025, the Districts entered into a Supplement to the Intergovernmental Agreement which details the provision of Operations and Maintenance Services and the payment of associated expenses, including management costs, accounting costs, attorneys' fees, and other consultant fees. The Supplement establishes formal procedures for the determination, levy, and remittance of the Contractual Operating Mill Levy, under which each Neighborhood District imposes a uniform ad valorem tax in an amount determined by the Service District sufficient to cover ongoing operations and maintenance expenses, with all resulting revenue to be remitted to the Service District.

During 2025, the Neighborhood Districts provided \$12,377 to the District as service fees. During 2025, the Neighborhood District provided \$0 to the District as Capital Fees.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information (continued)

B. Risk Management

Colorado Special Districts Property and Liability Pool

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 ("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.

A summary of audited statutory basis financial information for the Pool (the latest audited information available) is at: <https://csdpool.org/financials>

C. Related Parties

The Developer's representatives make up all the members of the board of Directors. As of December 31, 2025 the District owes the developer \$1,259,833 in developer advances plus \$65,933 of accrued interest on developer advances.

Haymeadow Metropolitan District No. 6
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information (continued)

D. Restatement of Net Position

During 2025, the District determined that a payable to the developer recorded under Haymeadow Metropolitan District No. 5 for the year ending December 31, 2024, in the amount of \$296,500, along with accrued interest of \$36,718, should have been recognized under the District. Accordingly, the District's net position has been restated, resulting in a decrease of \$333,218 to the District.

These restatements resulted in the following change to correct the District net position:

	12/31/2024		12/31/2025
	As Previously	Error	As Restated
	Reported	Correction	
Government-Wide			
Governmental Activities	(649,673)	333,218	(982,891)
Total Primary Government	(649,673)	333,218	(982,891)

E. Operating Funding Agreement

On February 14, 2024, the District entered into an Operating Funding Agreement (the "Agreement") with Haymeadow Association (the "Association"). The District is responsible for the ongoing maintenance, upkeep, and repair of common areas, open space, and other improvements, as described in the ADA and Consolidated Service Plan for Haymeadow Metropolitan District Nos. 1-6, as amended.

Under the Agreement, the Association, at its sole discretion, may provide Operating Funds to the District to cover operating, maintenance, and administrative expenses when the District anticipates a funding shortfall for the subsequent fiscal year. The District is required to submit written requests for such funds, classified by nature of use, and the Association may authorize payments following verification and its budget approval process. Any unspent Operating Funds at fiscal year-end may either reduce the subsequent year's shortfall or, upon the Association's request, be refunded within 90 days, provided the District has legally available revenue not otherwise appropriated or pledged.

The Agreement has a term of 40 years, expiring on February 14, 2064, unless terminated earlier by mutual agreement, for material breach (with 30 days' notice), or at the Association's discretion (with 60 days' notice). Any District obligation to refund excess funds is subject to annual appropriation by the District's Board of Directors and does not constitute a multiple-fiscal-year financial obligation under Article X, Section 20 of the Colorado Constitution. For the year ended December 31, 2025 there were no transactions under this agreement.

REQUIRED SUPPLEMENTARY INFORMATION

Haymeadow Metropolitan District No. 6
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2025
With Comparative Amounts for the Year Ended December 31, 2024

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Investment income	233	256,000	6,519	(249,481)	3,665
Service fees from other districts	12,260	12,260	12,377	117	10,808
Development fees	127,601	127,601	-	(127,601)	193,156
Other revenues	272,053	272,053	87,202	(184,851)	-
Total Revenues	<u>412,147</u>	<u>667,914</u>	<u>106,098</u>	<u>(561,816)</u>	<u>207,629</u>
Expenditures:					
General government:					
Accounting and administration	57,200	75,000	84,542	(9,542)	71,661
Elections	7,500	7,500	193	7,307	314
Audit fees	11,600	11,600	18,950	(7,350)	18,000
Insurance	6,945	6,945	6,742	203	6,192
Legal	40,000	40,000	46,021	(6,021)	66,664
Office overhead	8,689	8,689	6,395	2,294	4,388
Contingency	15,000	15,000	-	15,000	-
Public works:					
Landscape and irrigation maintenance	185,213	185,213	193,650	(8,437)	177,376
Trail and path maintenance	5,000	5,000	1,312	3,688	9,105
Debt service:					
Reimbursements for developer advances	-	-	-	-	196,344
Developer advance interest	-	-	-	-	534,676
Capital outlay	1,870,893	15,000	-	15,000	907,458
Total Expenditures	<u>2,208,040</u>	<u>369,947</u>	<u>357,805</u>	<u>12,142</u>	<u>1,992,178</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,795,893)</u>	<u>297,967</u>	<u>(251,707)</u>	<u>(549,674)</u>	<u>(1,784,549)</u>
Other Financing Sources (Uses):					
Proceeds from developer advances	2,140,438	-	223,110	223,110	1,171,500
Transfers from (to) other funds	(60,000)	(60,000)	-	60,000	(35,000)
Total Other Financing Sources (Uses)	<u>2,080,438</u>	<u>(60,000)</u>	<u>223,110</u>	<u>283,110</u>	<u>1,136,500</u>
Net Change in Fund Balance	<u>284,545</u>	<u>237,967</u>	<u>(28,597)</u>	<u>(266,564)</u>	<u>(648,049)</u>
Fund Balance - Beginning	<u>7,751</u>	<u>77,191</u>	<u>78,929</u>	<u>1,738</u>	<u>726,978</u>
Fund Balance - Ending	<u>292,296</u>	<u>315,158</u>	<u>50,332</u>	<u>(264,826)</u>	<u>78,929</u>

SUPPLEMENTARY INFORMATION

Haymeadow Metropolitan District No. 6
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Fund
For the Year Ended December 31, 2025
With Comparative Amounts for the Year Ended December 31, 2024

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Capital fees from Haymeadow Metropolitan District No. 1	-	12,800,000	8,764,183	(4,035,817)	-
Total Revenues	-	12,800,000	8,764,183	(4,035,817)	-
Expenditures:					
Capital government:					
Accounting and administration	-	-	6,300	(6,300)	-
Debt service:					
Reimbursements for developer advances	-	-	2,253,649	(2,253,649)	-
Developer advance interest	-	-	248,901	(248,901)	-
Capital outlay	-	14,655,893	6,308,753	8,347,140	-
Total Expenditures	-	14,655,893	8,817,603	5,838,290	-
Excess (Deficiency) of Revenues Over Expenditures	-	(1,855,893)	(53,420)	1,802,473	-
Other Financing Sources (Uses):					
Proceeds from developer advances	-	2,158,238	53,420	(2,104,818)	-
Total Other Financing Sources (Uses)	-	2,158,238	53,420	(2,104,818)	-
Net Change in Fund Balance	-	302,345	-	(302,345)	-
Fund Balance - Beginning	-	-	-	-	-
Fund Balance - Ending	-	302,345	-	(302,345)	-

Haymeadow Metropolitan District No. 6
Statement of Revenues, Expenses and Changes
in Net Position Budget and Actual - Water Fund
For the Year Ended December 31, 2025
(With Comparative Totals For the Year Ended 2024)

	2025			2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Operating Revenues:				
Charges for fees and services	21,423	21,423	21,432	9
Total Operating Revenues	<u>21,423</u>	<u>21,423</u>	<u>21,432</u>	<u>9</u>
Operating Expenses:				
Operation:				
Plant operator	8,000	8,000	-	8,000
Accounting and administration	-	-	1,500	(1,500)
Permits	-	-	525	(525)
Repairs and maintenance	116,500	116,500	25,309	91,191
Engineering	2,000	2,000	-	2,000
Utilities	900	900	5,999	(5,099)
Contingency	15,000	15,000	-	15,000
Total Operations Expenses	<u>142,400</u>	<u>142,400</u>	<u>33,333</u>	<u>109,067</u>
Total Operating Expenses	<u>142,400</u>	<u>142,400</u>	<u>33,333</u>	<u>109,067</u>
Operating Income (Loss):	(120,977)	(120,977)	(11,901)	(46,285)
Contributions and Transfers:				
Tap fees	16,656	16,741	-	(16,741)
Transfer in	60,000	60,000	-	(60,000)
Total Contributions and Transfers	<u>76,656</u>	<u>76,741</u>	<u>-</u>	<u>(76,741)</u>
Change in Net Position	(44,321)	(44,236)	(11,901)	(76,741)
Total Net Position - Beginning			94,203	-
Total Net Position - Ending			<u>82,302</u>	<u>94,203</u>