

THREE SPRINGS METROPOLITAN DISTRICT NO. 2
CITY OF DURANGO, COLORADO
2024 ANNUAL REPORT

City of Durango,
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

La Plata County Clerk and Recorder,
via Email

The following information and documents (attached as exhibits) are provided for the above-referenced calendar year pursuant to Section XI of the Service Plan of the Three Springs Metropolitan District No. 2 (the “**District**”) approved by the City Council of the City of Durango (the “**City**”) and filed with the District Court and City Clerk:

1. Boundary changes made in 2024:

There were no changes made to the District’s boundaries during the calendar year 2024.

2. Intergovernmental Agreements entered into or terminated in 2024:

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

3. Bylaws, Rules and Regulations of the District Regarding Bidding, Conflict of Interest, Contracting and Other Government Matters.

The District’s bylaws were filed with the District’s 2007 Annual Report. The District’s amended and restated bylaws were filed with the District’s 2020 Annual Report. Attached as Exhibit A are the current conflict of interest disclosures for all directors.

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

The District has not adopted Rules and Regulations; however, the District has adopted bylaws and can be found on its public website: <https://www.threespringsdurango.com/residents-builders-businesses/metro-district/>

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

The District is not aware of any litigation involving public improvements.

6. Construction Schedules and Capital Improvement Programs for Current Fiscal Year.

None. All construction work is performed by Three Springs Metropolitan District No. 3 (“District No. 3”).

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

None. All construction work is performed by District No. 3.

8. Final Assessed Value of Taxable Property within the District’s boundaries as of December 31, 2024:

The final 2024 total assessed value of taxable property within the boundaries of the District was \$205,090.

9. Budget:

Attached as Exhibit B is a copy of the District’s 2025 Budget.

10. 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 C is the District’s 2024 Application for Exemption from Audit.

11. Total Debt Authorized and Remaining Debt Authorized and Intended to be Issued.

The District has debt authorized in the total amount of \$38,000,000. No debt has been issued by the District as of December 31, 2024. The authorization date for the debt is May 2, 2006.

12. Official Statements of Outstanding Bonded Indebtedness if not Already Received by City.

The District has not issued any bonds.

13. Notice of any uncured defaults:

The District is not in default of any debt.

14. The District’s inability to pay any financial obligations as they come due under any obligation which continues beyond a ninety-day period:

The District is able to pay its financial obligations.

15. Name and Address/Telephone Number of District's Contact Person and Names and Terms of Members of Board of Directors and Officers.

Attached as Exhibit D is the contact information requested and the terms of the members of the Board of Directors, as of the date of this report.

16. Service Plan.

The District's Service Plan was filed with the 2007 Annual Report. The Service Plan has not been amended

EXHIBIT A

Conflict of Interest Disclosures

**TIM ZINK
C/O GRVP, LLC
65 MERCADO STREET, SUITE 250
DURANGO, CO 81301**

January 3, 2024

Board of Directors
Three Springs Metropolitan District Nos. 1, 2, 3 and 4
65 Mercado Street, Suite 250
Durango, Colorado 81301

Honorable Jena Griswold
Colorado Secretary of State
1700 Broadway, Suite 270
Denver, Colorado 80290

**Re: Disclosure of Conflict of Interest
Three Springs Metropolitan District Nos. 1, 2, 3 and 4**

Dear Board Members and Honorable Secretary of State:

I, Tim Zink, am a Director and President of the Three Springs Metropolitan District Nos. 1, 2, 3 and 4 (“**Districts**” or individually, “**District No. 1, District No. 2, District No. 3 or District No. 4**” as applicable) located in the City of Durango (“**City**”), La Plata County, Colorado. I also am employed by GF Properties Group, LLC (“**GFP**”), a Colorado limited liability company, which is affiliated with GRVP, LLC (“**GRVP**”), a Colorado limited liability company. GRVP is the owner and master developer of all or a significant share of the developable real property within each of the Districts. Additionally, I am an authorized representative of Tierra Vision Homes, LLC; GFP Mercado, LLC; and GFP 3S Apartments, LLC, related entities which own or will own and improve properties within the Districts. GFP is directly owned, and GRVP is indirectly owned, by the Southern Ute Indian Tribe (the “**Tribe**”). The Tribe is the sole member of GFMC, LLC (“**GFMC**” and together with GFP and GRVP, the “**Companies**”), and GFMC is the manager of both GFP of GRVP. I am regularly authorized by GFMC to carry out various management activities of the Companies. Although I am an employee of GFP, and an officer or agent of the Companies, I am not an owner or creditor of the Companies or the Tribe, nor do I have any other substantial financial interest in the Companies or the Tribe.

There are various agreements between the Districts and one or more of the Companies. Among others, GFP acts as the construction manager for various infrastructure development activities of the Districts, which services are performed pursuant to the Management Services Agreement dated January 1, 2007 between GF Development Group, LLC and District No. 3, which has been since assigned and the current assignee is GFP. GRVP provides financing for the District’s infrastructure development activities pursuant to the Funding Agreement dated June 16, 2006 between

Board of Directors
Honorable Jena Griswold
January 3, 2024
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GRVP and District No. 3 and the Acquisition and Reimbursement Agreement dated May 1, 2007 between GRVP and District No. 3, as subsequently amended (together, the “**Agreements**”).

The Districts were created to construct and finance public improvements, as more specifically set forth in their respective Service Plans, and have been approved for such purposes by the Districts’ electors, the City and the District Court. The Districts have and/or will issue bonds or notes, and have incurred and/or will incur other financial obligations as hereinafter set forth, the proceeds of which will be used for public purposes, including the completion and/or acquisition and reimbursement of the costs of public infrastructure improvements and the reimbursement of funds advanced for such purposes to the Districts by the Companies or affiliated entities.

The Board of Directors of District No. 3 (“**Board of District No. 3**”) has previously issued the District No. 3 Limited Property Tax Supported Revenue Bonds, Series 2010 (“**Series 2010 Bonds**”) in the principal amount of \$16,900,000, the proceeds of which were used to reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements, for which appropriate disclosures were made at the time.

The Board of District No. 3 has also issued the District No. 3 Junior Revenue Note, Series 2013 (“**Series 2013 Note**”) to GRVP in a principal amount not to exceed \$7,900,000, the proceeds of which were used to reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements, for which appropriate disclosures were made at the time. The Board of District No. 3 subsequently issued the District No. 3 Second Revised Junior Revenue Note, Series 2013 (“**Second Revised Series 2013 Note**”) to GRVP increasing the principal amount of the Series 2013 Note to an amount not to exceed \$11,500,000, the proceeds of which have been used to reimburse GRVP for costs incurred in completing additional public infrastructure improvements in accordance with the Agreements, for which appropriate disclosures were made at the time. The Board of District No. 3 subsequently issued the District No. 3 Third Revised Junior Revenue Note, Series 2013 (“**Third Revised Series 2013 Note**”) to GRVP in a principal amount not to exceed \$11,500,000 for purposes of replacing the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

The Board of District No. 3 has also previously issued the District No. 3 Junior Revenue Note, Series 2020 (“**Series 2020 Note**”) to GRVP in a principal amount not to exceed \$7,600,000, the proceeds of which were or will be used to repay and/or reimburse certain money advances made for debt service and operating purposes by GRVP pursuant

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Honorable Jena Griswold
January 3, 2024
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to the Agreements and a Guaranty Agreement supporting the Series 2010 Bonds, for which appropriate disclosures were made at the time.

In addition to the District No. 3 obligations set forth above, the Board of Directors of District No. 1 (“**Board of District No. 1**”) has previously issued the District No. 1 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2020A (“**District No. 1 Series 2020A Refunding Bonds**”) in the principal amount of \$19,000,000, the proceeds of which were used to (i) refund the Series 2010 Bonds in full and (ii) repay a portion of the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

The Board of District No. 1 has also previously issued the District No. 1 Subordinate Limited Tax General Obligation Refunding Bonds, Series 2020B (“**District No. 1 Series 2020B Refunding Bonds**”) in the principal amount of \$6,750,000, the proceeds of which were used to repay a portion of the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

Further, the Board of Directors of District No. 4 (“**Board of District No. 4**”) has previously issued the District No. 4 Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A (“**District No. 4 Series 2020A Bonds**”) on a drawdown basis in the principal amount of \$3,600,000, the proceeds of which were or will be used to (i) reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements and (ii) repay a portion of the Third Revised Series 2013 Note, for which appropriate disclosures were made at the time.

I believe that significant economic benefits have, and will be, received by the Districts under the Agreements, which have previously been disclosed and are being made in accordance with the terms of the Agreements as intended. My relationships with the Districts and the Companies, and the financial benefit resulting specifically from the Districts’ reimbursements to GRVP under the Agreements and/or from proceeds of the Districts’ bonds may, however, constitute a potential conflict of interest for me under State law necessitating this disclosure, including without limitation any action which I may take with respect to the approval and authorization of the acquisition and reimbursement of the costs of completion of such additional public infrastructure improvements and the repayment to GRVP and the Companies of funding advances made pursuant to the Agreements.

This disclosure is being made in accordance with the conflict of interest statutes, particularly Article 18 of Title 24, C.R.S. and §§32-1-902(3) and 18-8-308, C.R.S., and is intended to constitute both (i) a general disclosure of any potential conflict of interest and

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January 3, 2024
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(ii) a specific disclosure of any potential conflict of interest on my part with respect to the pending actions in full compliance with the requirements of State law. The foregoing disclosure shall be effective and continuing for all purposes until I advise the Boards of Directors of the Districts and the Colorado Secretary of State in writing of any changes in my status as disclosed herein.

Respectfully submitted,

By  
9A41F8E9CFC944A...
Tim Zink

**KIM MORRIS
C/O GRVP, LLC
65 MERCADO STREET, SUITE 250
DURANGO, CO 81301**

January 3, 2024

Board of Directors
Three Springs Metropolitan District Nos. 2, 3 and 4
65 Mercado Street, Suite 250
Durango, Colorado 81301

Honorable Jena Griswold
Colorado Secretary of State
1700 Broadway, Suite 270
Denver, Colorado 80290

**Re: Disclosure of Conflict of Interest
Three Springs Metropolitan District Nos. 2, 3 and 4**

Dear Board Members and Honorable Secretary of State:

I, Kim Morris, am a Director and Secretary of the Three Springs Metropolitan District Nos. 2, 3 and 4 (“**Districts**”) located in the City of Durango (“**City**”), La Plata County, Colorado. I also am employed by GF Properties Group, LLC (“**GFP**”), a Colorado limited liability company, which is affiliated with GRVP, LLC (“**GRVP**”), a Colorado limited liability company. GRVP is the owner and master developer of all or a significant share of the developable real property within each of the Districts. GFP is directly owned, and GRVP is indirectly owned, by the Southern Ute Indian Tribe (the “**Tribe**”). The Tribe is the sole member of GFMC, LLC (“**GFMC**” and together with GFP and GRVP, the “**Companies**”), and GFMC is the manager of both GFP and GRVP. I am regularly authorized by GFMC to carry out various management activities of the Companies. Although I am an employee of GFP, and an agent of the Companies, I am not an owner or creditor of the Companies or the Tribe, nor do I have any other substantial financial interest in the Companies or the Tribe.

There are various agreements between the Districts and one or more of the Companies. Among others, GFP acts as the construction manager for various infrastructure development activities of the Districts, which services are performed pursuant to the Management Services Agreement dated January 1, 2007 between GF Development Group, LLC and District No. 3, which has been since assigned and the current assignee is GFP. GRVP provides financing for the District’s infrastructure development activities pursuant to the Funding Agreement dated June 16, 2006 between GRVP and District No. 3 and the Acquisition and Reimbursement Agreement dated May 1, 2007 between GRVP and District No. 3, as subsequently amended (together, the “**Agreements**”).

The Districts were created to construct and finance public improvements, as more specifically set forth in their respective Service Plans, and have been approved for such purposes by the Districts' electors, the City and the District Court. The Districts have and/or will issue bonds or notes, and have incurred and/or will incur other financial obligations as hereinafter set forth, the proceeds of which will be used for public purposes, including the completion and/or acquisition and reimbursement of the costs of public infrastructure improvements and the reimbursement of funds advanced for such purposes to the Districts by the Companies or affiliated entities.

The Board of Directors of District No. 1 ("**Board of District No. 1**") has previously issued the District No. 1 Limited Property General Obligation Refunding Bonds, Series 2020A ("**Series 2020A Bonds**"), the proceeds of which were used in part to (i) refund the District No. 3 Limited Property Tax Supported Revenue Bonds, Series 2010 originally issued to reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements and (ii) pay a portion of the principal balance and accrued interest on the Third Revised Series 2013 Note (as defined below), for which appropriate disclosures were made at the time.

In addition to the Series 2020A Bonds, the Board of District No. 1 ("**Board of District No. 1**") has previously issued the District No. 1 Subordinate Limited Tax General Obligation Refunding Bonds, Series 2020B ("**Series 2020B Refunding Bonds**"), the proceeds of which were used to (i) repay a portion of the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

The Board of Directors of District No. 3 (the "Board of District No. 3") has issued the District No. 3 Junior Revenue Note, Series 2013 ("**Series 2013 Note**") to GRVP, the proceeds of which were used to reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements, for which appropriate disclosures were made at the time. The Board of District No. 3 subsequently issued the District No. 3 Second Revised Junior Revenue Note, Series 2013 ("**Second Revised Series 2013 Note**") to GRVP increasing the principal amount of the Series 2013 Note to an amount not to exceed \$11,500,000, the proceeds of which have been used to reimburse GRVP for costs incurred in completing additional public infrastructure improvements in accordance with the Agreements, for which appropriate disclosures were made at the time. The Board of District No. 3 subsequently issued the District No. 3 Third Revised Junior Revenue Note, Series 2013 ("**Third Revised Series 2013 Note**") to GRVP in a principal amount not to exceed \$11,500,000 for purposes of replacing the Second Revised Series 2013 Note, for which appropriate disclosures were made at the time.

The Board of District No. 3 has also previously issued the District No. 3 Junior Revenue Note, Series 2020 (“**Series 2020 Note**”) to GRVP in a principal amount not to exceed \$7,600,000, the proceeds of which were or will be used to repay and/or reimburse certain money advances made for debt service and operating purposes by GRVP pursuant to the Agreements and a Guaranty Agreement supporting the Series 2010 Bonds, for which appropriate disclosures were made at the time.

Further, the Board of Directors of District No. 4 (“Board of **District No. 4**”) has previously issued the District No. 4 Limited Tax General Obligation Bonds, Series 2020A (“**District No. 4 Series 2020A Bonds**”) on a drawdown basis in the principal amount of \$3,600,000, the proceeds of which were or will be used to (i) reimburse money advances made, or the costs of completion of certain public infrastructure improvements funded by GRVP pursuant to the Agreements and (ii) repay a portion of the Third Revised Series 2013 Note, for which appropriate disclosures were made at the time.

I believe that significant economic benefits have, and will be, received by the Districts under the Agreements, which have previously been disclosed and are being made in accordance with the terms of the Agreements as intended. My relationships with the Districts and the Companies, and the financial benefit resulting specifically from the Districts’ reimbursements to GRVP under the Agreements and/or from proceeds of the Districts’ bonds may, however, constitute a potential conflict of interest for me under State law necessitating this disclosure, including without limitation any action which I may take with respect to the approval and authorization of the acquisition and reimbursement of the costs of completion of such additional public infrastructure improvements and the repayment to GRVP and the Companies of funding advances made pursuant to the Agreements.

This disclosure is being made in accordance with the conflict of interest statutes, particularly Article 18 of Title 24, C.R.S. and §§32-1-902(3) and 18-8-308, C.R.S., and is intended to constitute both (i) a general disclosure of any potential conflict of interest and (ii) a specific disclosure of any potential conflict of interest on my part with respect to the pending actions in full compliance with the requirements of State law. The foregoing disclosure shall be effective and continuing for all purposes until I advise the Boards of Directors of the Districts and the Colorado Secretary of State in writing of any changes in my status as disclosed herein.

Respectfully submitted,

By 

Kim Morris

EXHIBIT B

2025 Budget

THREE SPRINGS METROPOLITAN DISTRICT NO. 2
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
For the nine months ended September 30, 2024
GENERAL FUND

				2023				Budget 2025
	Unaudited 2021	Unaudited 2022	Unaudited 2023	Budget	September YTD	Over (Under) Budget	Estimated Totals for 2024	
Beginning Fund Balance	\$ 11	\$ 11	\$ 11	\$ 3,600	3,302	\$ (298)	\$ 3,302	\$ 3,600
Revenues and Other Sources								
Property taxes								
Operations	6,988	5,718	8,066	14,119	14,297	178	14,297	10,355
Specific ownership taxes	791	647	815	1,412	936	(476)	1,836	1,036
Total Revenues and Other Sources	7,790	6,376	8,892	19,131	18,535	(596)	19,435	14,991
Expenditures and Other Uses								
Transfers to District No. 3								
Operations	7,569	6,193	5,305	15,107	14,803	(304)	15,406	11,030
Bank fees	-	-	43	-	-	-	-	50
Treasurer fees	210	172	242	424	429	5	429	311
	7,779	6,365	5,590	15,531	15,232	(299)	15,835	11,391
Ending Fund Balance	\$ 11	\$ 11	\$ 3,302	\$ 3,600	\$ 3,303	\$ (297)	\$ 3,600	\$ 3,600

EXHIBIT C

2024 Application for Exemption from Audit

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Three Springs Metropolitan District No. 2
65 Mercado Street, Suite 250
Durango, CO. 81301

For the Year Ended
12/31/24
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

Tim Zink
970-764-6458
tzink@sugf.com

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:

Joy Tatton

TITLE

Independent Accountant

FIRM NAME (if applicable)

Tatton and Company, LLC

ADDRESS

PO Box 157, Cedaredge, CO 81413

PHONE

(970) 236-2580

PREPARER (SIGNATURE REQUIRED)

DATE PREPARED

(No exemption shall be granted prior to the close
of said fiscal year)

Joy Tatton

3/24/25

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 2 - REVENUES

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

Line #	Description	Round to the nearest dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in question 10-7)	\$ 14,297	
2-2	Specific ownership	\$ 1,256	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree to table 4-4, column 'Issued during year')	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree to table 4-4, column 'Issued during year')	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24		\$ -	
2-25		\$ -	
2-26	(add lines 2-1 through 2-25) TOTAL REVENUES	\$ 15,553	

PART 3 - EXPENDITURES/EXPENSES

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

Line #	Description	Round to the nearest dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 30	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree to table 4-4, column 'Retired during year')	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance (should agree to table 4-4, column 'Retired during year')	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan	\$ -	
3-22	Contribution to Fire & Police Pension Assoc.	\$ -	
3-23	Other (specify):	\$ -	
3-24	Treasurer's Fees	\$ 429	
3-25	Transfers to Three Springs MD #3	\$ 15,124	
3-26		\$ -	
3-27		\$ -	
3-28	(add lines 3-1 through 3-27) TOTAL EXPENDITURES/EXPENSES	\$ 15,583	

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

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-1 Does the entity have outstanding debt? (If 'No' is checked, skip to question 4-5) (If 'Yes' is checked, please attach a copy of the entity's debt repayment schedule)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2 Is the debt repayment schedule attached? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; min-height: 20px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3 Is the entity current in its debt service payments? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; min-height: 20px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts) (enter all amounts as positive numbers)		
General obligation bonds	\$ -	\$ -
Revenue bonds	\$ -	\$ -
Notes/Loans	\$ -	\$ -
Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -
Developer Advances	\$ -	\$ -
Other (specify):	\$ -	\$ -
TOTAL	\$ -	\$ -

**Subscription-Based Information Technology Arrangements

*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized but unissued debt as of its fiscal year-end? How much? <div style="border: 1px solid black; width: 150px; text-align: right;">\$ 1,080,705.00</div> Date the debt was authorized: <div style="border: 1px solid black; width: 150px; text-align: right;">5/2/06</div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NEW 4-6 Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes: How much? <div style="border: 1px solid black; width: 150px; text-align: right;">\$ 1,080,705.00</div> Date of the most recent Service Plan: <div style="border: 1px solid black; width: 150px; text-align: right;">1/1/06</div>		
4-7 Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: How much? <div style="border: 1px solid black; width: 150px; text-align: right;">\$ -</div>		
4-8 Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: What is the amount outstanding? <div style="border: 1px solid black; width: 150px; text-align: right;">\$ -</div>		
4-9 Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: What is being leased? <div style="border: 1px solid black; height: 20px;"></div>		
What is the original date of the lease? <div style="border: 1px solid black; height: 20px;"></div>		
Number of years of lease? <div style="border: 1px solid black; height: 20px;"></div>		
Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
What are the annual lease payments? <div style="border: 1px solid black; width: 150px; text-align: right;">\$ -</div>		

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

PART 5 - CASH AND INVESTMENTS

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

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ 3,493	
5-2 Certificates of deposit	\$ -	
TOTAL CASH DEPOSITS		\$ 3,493
5-3 Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
TOTAL INVESTMENTS		\$ -
TOTAL CASH AND INVESTMENTS		\$ 3,493

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

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

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

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

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

Yes

No

6-1 Does the entity have capital assets?

☐
☒

(If 'No' is checked, skip the rest of Part 6)

6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, **MUST** explain:

☐
☒

N/A

6-3

Complete the following capital & right-to-use assets table:

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

*Must agree to prior year-end balance

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

Please explain any discrepancy

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

PART 7 - PENSION INFORMATION

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

Yes

No

7-1 Does the entity have an "old hire" firefighters' pension plan?

☐
☒

7-2 Does the entity have a volunteer firefighters' pension plan?

☐
☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):

\$ -

State contribution amount:

\$ -

Other (gifts, donations, etc.):

\$ -

TOTAL

\$ -

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

\$ -

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

PART 8 - BUDGET INFORMATION

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

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?

☒
☐
☐

If no, **MUST** explain:

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain:

☒
☐
☐

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$15,531.00

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

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

Yes

No

- 9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

☒
☐

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.

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

PART 10 - GENERAL INFORMATION

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

Yes

No

- 10-1 Is this application for a newly formed governmental entity?

☐
☒

If yes: Date of formation:

- 10-2 Has the entity changed its name in the past or current year?

☐
☒

If yes: Please list the NEW name:

Please list the PRIOR name:

- 10-3 Is the entity a metropolitan district?

☒
☐

- 10-4 Please indicate what services the entity provides:

Parks, recreation & drainage improvements

- 10-5 Does the entity have an agreement with another government to provide services?

☒
☐

If yes: List the name of the other governmental entity and the services provided:

Three Springs MD No. 3 provides all administrative, operational & capital services

- 10-6 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

☐
☒

If yes: Date filed:

- 10-7 Does the entity have a certified mill levy?

☒
☐

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond redemption mills

General/other mills

Total mills

Yes

No

N/A

- 10-8 If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If **NO**, please explain.

☒
☐
☐

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

The District is over budget in the General Fund, which may be a violation of State Budget Law.

PART 11 - GOVERNING BODY APPROVAL

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

Yes

No

11-1 If you plan to submit this form electronically, have you read the Electronic Signature Policy?

☒☐

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

Policy - Requirements



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

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

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

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or EchoSign in accordance with the requirements noted above.

**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:	Tim Zink
	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 <u></u> <small>Tim Zink (Mar 31, 2025 11:20 MDT)</small>
	My term expires: May 2027	Date <u>03/31/2025</u>
Board Member 2	Board Member's Name:	Kim Morris
	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 <u></u> <small>Kim Morris (Mar 24, 2025 15:52 MDT)</small>
	My term expires: May 2025	Date <u>03/24/2025</u>
Board Member 3	Board Member's Name:	_____
	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 _____
	My term expires: _____	Date _____
Board Member 4	Board Member's Name:	_____
	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 _____
	My term expires: _____	Date _____
Board Member 5	Board Member's Name:	_____
	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 _____
	My term expires: _____	Date _____
Board Member 6	Board Member's Name:	_____
	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 _____
	My term expires: _____	Date _____
Board Member 7	Board Member's Name:	_____
	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 _____
	My term expires: _____	Date _____












Three Springs. #2 2024 Audit Exemption

Final Audit Report

2025-03-31

Created:	2025-03-24
By:	Joy Tatton (joy@tattoncompany.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAcP8SzL2PGEw-VnXVbKjjhgO6riypcPln

"Three Springs. #2 2024 Audit Exemption" History

-  Document created by Joy Tatton (joy@tattoncompany.com)
2025-03-24 - 9:48:02 PM GMT
-  Document emailed to Joy Tatton (joy@tattoncompany.com) for signature
2025-03-24 - 9:48:07 PM GMT
-  Document emailed to kmorris@sugf.com for signature
2025-03-24 - 9:48:07 PM GMT
-  Document emailed to tzink@sugf.com for signature
2025-03-24 - 9:48:08 PM GMT
-  Document e-signed by Joy Tatton (joy@tattoncompany.com)
Signature Date: 2025-03-24 - 9:48:20 PM GMT - Time Source: server
-  Email viewed by kmorris@sugf.com
2025-03-24 - 9:51:47 PM GMT
-  Signer kmorris@sugf.com entered name at signing as Kim Morris
2025-03-24 - 9:52:16 PM GMT
-  Document e-signed by Kim Morris (kmorris@sugf.com)
Signature Date: 2025-03-24 - 9:52:18 PM GMT - Time Source: server
-  Email viewed by tzink@sugf.com
2025-03-31 - 5:17:56 PM GMT
-  Signer tzink@sugf.com entered name at signing as Tim Zink
2025-03-31 - 5:20:11 PM GMT
-  Document e-signed by Tim Zink (tzink@sugf.com)
Signature Date: 2025-03-31 - 5:20:13 PM GMT - Time Source: server

✔ Agreement completed.

2025-03-31 - 5:20:13 PM GMT

EXHIBIT D

Contact Information

Contact Person

Tim Zink
c/o GF Properties Group, LLC
65 Mercado Street, Suite 250
Durango, CO 81301
(970) 385-7770

Board of Directors

Tim Zink, President/Chairman
Term Expires May 2027
tzink@sugf.com

Kim Morris, Secretary
Term Expires May 2029
kmorris@sugf.com

Joseph LeMay, Treasurer
Term Expires May 2027*
bmeyer@sugf.com

Vacancy
Term Expires May 2027

Vacancy
Term Expires May 2027*

**This seat will be a 2-year term at the May 2027 Election*