GREENSPIRE METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

Financial Statements
and
Independent Auditor's Report
December 31, 2025

GREENSPIRE METROPOLITAN DISTRICT NO. 1

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COLORADO CPA COMPANY

Independent Auditor's Report

Board of Directors
Greenspire Metropolitan District No. 1
Weld County, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our 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 Supplemental 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 opinions on the basic financial statements are not affected by this missing information.

Supplemental 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 supplemental information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Colorado CPA Company PC

Highlands Ranch, Colorado
September 29, 2026

GREENSPIRE METROPOLITAN DISTRICT NO. 1

Statement of Net Deficit
December 31, 2025

	Governmental Activities
Assets	
Cash	$ 599,573
Cash and cash equivalents - restricted	427,443
Accounts receivable non-potable water	15,700
Property tax receivable	73,745
Prepaids	13,741
Capital assets, not being depreciated	1,117,939
Capital assets, net of accumulated depreciation	582,049
Total assets	2,830,190
Liabilities	
Accounts payable	32,732
Due to developer, including accrued interest of $900,446	960,271
Tax-supported revenue bonds	
Unpaid interest	23,556
Due after one year	5,785,000
Total liabilities	6,801,559
Deferred inflows of resources	
Deferred tap fees	1,602,228
Property taxes	73,745
Total liabilities and deferred inflows of resources	8,477,532
Net deficit	
Net investment in capital assets	-
Restricted for	
Emergency reserve	25,000
Debt service	403,887
Unrestricted	(6,076,229)
Total net deficit	$ (5,647,342)

See notes to financial statements.

GREENSPIRE METROPOLITAN DISTRICT NO. 1

Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government					
Government activities					
General government	$ 920,664	$ -	$ -	$ -	$ (920,664)
Interest and related costs on long-term debt	1,781	-	-	-	(1,781)
Capital projects	42,294	-	-	-	(42,294)
	$ 964,739	$ -	$ -	$ -	(964,739)
General revenues					
Property taxes					917
Specific ownership tax					915
Interest					23,270
Tap fees					74,948
Non-potable water fees					160,000
Other					114
Transfers from other governments					564,708
Total general revenues					824,872
Change in net deficit					(139,867)
Net deficit beginning of year					(5,507,475)
Net deficit end of year					$ (5,647,342)

See notes to financial statements.

GREENSPIRE METROPOLITAN DISTRICT NO. 1

Balance Sheet - Governmental Funds
December 31, 2025

	General	Debt Service	Total Government Funds
Assets			
Assets			
Cash	$ 599,573	$ -	$ 599,573
Cash and cash equivalents - restricted	-	427,443	427,443
Accounts receivable non-potable water	15,700	-	15,700
Property tax receivable	54,240	19,505	73,745
Prepaids	13,741	-	13,741
Total assets	$ 683,254	$ 446,948	$ 1,130,202
Liabilities and Fund Deficits			
Liabilities			
Accounts payable	$ 32,732	$ -	$ 32,732
Unpaid interest	-	23,556	23,556
Total liabilities	32,732	23,556	56,288
Deferred inflows of resources			
Deferred tap fees	1,602,228	-	1,602,228
Property taxes	54,240	19,505	73,745
Total liabilities and deferred inflows of resources	1,689,200	43,061	1,732,261
Fund deficit			
Non-spendable prepaids	13,741	-	13,741
Non-spendable tap fees	(1,602,228)	-	(1,602,228)
Restricted			
Emergency reserve	25,000	-	25,000
Debt service	-	403,887	403,887
Unassigned	557,541	-	557,541
Total (deficit) fund balance	(1,005,946)	403,887	(602,059)
Total liabilities, deferred inflows of resources, and fund balances	$ 683,254	$ 446,948	
Amounts reported for governmental activities on the statement of net position are different because:			
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds			
Capital assets			1,699,988
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds			(5,785,000)
Due to developer, including accrued interest of $900,446			(960,271)
Net deficit of governmental activities			$ (5,647,342)

See notes to financial statements.

GREENSPIRE METROPOLITAN DISTRICT NO. 1

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2025

	General	Debt Service	Total Government Funds
Revenues			
Property taxes	$ 356	$ 561	$ 917
Specific ownership tax	355	560	915
Interest	-	23,270	23,270
Non-potable water fees	74,948	-	74,948
Tap fees	160,000	-	160,000
Other	114	-	114
Total revenues	235,773	24,391	260,164
Expenditures			
Current			
Utilities - water	176,336	-	176,336
Landscape maintenance	136,628	-	136,628
Water meter installation and maintenance	117,466	-	117,466
Property maintenance	70,739	-	70,739
Legal	36,140	-	36,140
Management fees	28,654	-	28,654
Accounting	26,425	-	26,425
Insurance	15,448	-	15,448
Website	3,843	-	3,843
Audit	7,050	-	7,050
Utilities - electric	828	-	828
Miscellaneous	313	-	313
Meeting space	300	-	300
Treasurer's fees	5	7	12
Fees	-	4,000	4,000
Bond interest	-	296,482	296,482
Total expenditures	620,175	300,489	920,664
Deficiency of revenues over expenditures	(384,402)	(276,098)	(660,500)
Other financing sources			
Interfund transfers	(2,888)	2,888	-
Transfers from Greenspire Metropolitan No. 2	406,292	-	406,292
Transfers from Greenspire Metropolitan No. 3	158,416	-	158,416
Total other financing sources	561,820	2,888	564,708
Net change in fund balances - total governmental funds	177,418	(273,210)	(95,792)
(Deficit) fund position - beginning of year	(1,183,364)	677,097	(506,267)
(Deficit) fund position - end of year	$ (1,005,946)	$ 403,887	$ (602,059)

See notes to financial statements.

GREENSPIRE METROPOLITAN DISTRICT NO. 1

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

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

Net change in fund balances - total governmental funds	$	(95,792)
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.		
Depreciation expense		(42,294)
The issuance of long-term debt provides current financial resources for 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.		
Developer advances interest		(1,781)
Changes in net deficit of governmental activities	$	(139,867)

See notes to financial statements.

GREENSPIRE METROPOLITAN DISTRICT NO. 1

General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 356	$ 356	$ 356	$ -
Specific ownership tax	15	355	355	-
Non-potable water fees	110,000	74,948	74,948	-
Tap fees	60,000	160,000	160,000	-
Other	-	114	114	-
Total revenues	170,371	235,773	235,773	-
Expenditures				
Current				
Utilities - water	216,000	176,336	176,336	-
Landscape maintenance	148,200	136,628	136,628	-
Water meter installation and maintenance	57,000	117,466	117,466	-
Property maintenance	54,000	70,739	70,739	-
Legal	42,000	36,140	36,140	-
Management fees	16,300	28,654	28,654	-
Accounting	22,000	26,425	26,425	-
Insurance	15,500	15,448	15,448	-
Website	1,000	3,843	3,843	-
Audit	7,000	7,050	7,050	-
Utilities - electric	950	828	828	-
Miscellaneous	125	101,313	313	101,000
Meeting space	400	300	300	-
Treasurer's fees	5	5	5	-
Replacement study	4,000	4,000	-	4,000
Total expenditures	584,480	725,175	620,175	105,000
Deficiency of revenues over expenditures	(414,109)	(489,402)	(384,402)	105,000
Other financing sources				
Interfund transfers	207,860	(2,888)	(2,888)	-
Transfers from Greenspire Metropolitan No. 2	157,806	406,292	406,292	-
Transfers from Greenspire Metropolitan No. 3	61,931	158,416	158,416	-
Total other financing sources	427,597	561,820	561,820	-
Net change in fund balances - total governmental funds	13,488	72,418	177,418	105,000
(Deficit) fund position - beginning of year	(1,463,359)	(1,463,359)	(1,183,364)	279,995
(Deficit) fund position - end of year	$ (1,449,871)	$ (1,390,941)	$ (1,005,946)	$ 384,995

See notes to financial statements.

Note 1 - Definition of Reporting Entity and Summary of Significant Accounting Policies

Greenspire Metropolitan District No. 1 (the "District"), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized on November 26, 2002 and is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Weld County, Colorado. The District was established to provide for the design, acquisition, construction, installation, and financing of a non-potable water system and park and recreation facilities.

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

The District is one of three contiguous districts and is designed in the Service Plan under a multiple district structure. The District exists as the "Service District" and receives property tax revenue from the other two taxing Districts, which are the "Financing Districts."

The District is governed by an elected Board of Directors (the "Board"). The District has no employees, and all operations and administrative functions are contracted.

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

The District's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). GASB is responsible for establishing U.S. GAAP for state and local governments through its pronouncements. The more significant accounting policies established by U.S. GAAP and used by the District are discussed below.

Use of Estimates

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

Note 1 - Definition of Reporting Entity and Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the District. The operations are accounted for with a separate set of self-balancing accounts that comprise the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (deficit), and revenues and expenditures, as appropriate.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds is recorded as a reduction in liabilities. Property taxes are recognized as revenues in the year for which they are levied and collected.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

Note 1 - Definition of Reporting Entity and Summary of Significant Accounting Policies (continued)

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

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, other taxes, non-potable water fees, and tap fees.

As of December 31, 2025, the General Fund reported a deficit fund balance in the fund financial statements of $1,005,946. The District is studying various ways of eliminating the deficit in the future.

The Debt Service Fund accounts for the resources that are restricted, committed, or assigned for principal and interest on long-term general obligation debt of the governmental funds as well as financial resources being accumulated for future debt service.

Budgets

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Property Taxes

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenue is recorded as revenue in the year it is available or collected. Property taxes have been historically levied by Greenspire Metropolitan Districts No. 2 and No. 3 and transferred to the District to pay operating and debt service costs.

Note 1 - Definition of Reporting Entity and Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period, and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows of resources are reported in the statement of net position (deficit), but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate.

Deferred property taxes represent property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

Deferred water tap fees represent water tap fees collected in advance.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Long-term bonds are reported gross.

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2025 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at net asset value or amortized cost, as applicable.

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

Note 1 - Definition of Reporting Entity and Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Pump station	40 years
Non-potable water system	25 years

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable, using the straight-line method. Depreciation on property that will remain assets of the District is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction-in-progress and are not depreciated.

Fund Balance - Governmental Funds

The fund balances for the District's governmental funds are displayed in up to five components:

Non-spendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

- Emergency reserves of $25,000 have been provided for as required by Article X, Section 20 of the Colorado Constitution (Note 10).
- The restricted fund balance in the Debt Service Fund is to be used exclusively for the payment of future general obligation bond principal, interest, and related costs.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the Board. There is no committed fund balance for the year ended December 31, 2025.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. There is no assigned fund balance for the year ended December 31, 2025.

Note 1 - Definition of Reporting Entity and Summary of Significant Accounting Policies (continued)

Fund Balance - Governmental Funds (continued)

Unassigned – The residual classification for the General Fund and includes all amounts not contained in the other classifications.

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

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Restricted net position – net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Net investment in capital assets – consists of capital assets net of accumulated depreciation reduced by the amount of outstanding debt issued to finance the purchase or construction of those assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When both restricted and unrestricted resources are available for use, the District's policy is to use unrestricted resources first, then unrestricted resources as they are needed.

Water Tap Fees

The District Board of Directors approved the establishment of water tap fees for residential and commercial users. The water tap fees are recorded as revenue when the water meter is installed.

Non-potable Water Fees

The District Board of Directors approved the establishment of non-potable water fees for residential and commercial users. The non-potable water fees are recorded as revenue when invoiced.

Interfund Transfers

Funds are occasionally transferred between funds when the need arises. There were interfund transfers of $2,888 during 2025.

Note 1 - Definition of Reporting Entity and Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Standard

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, ("GASBS No. 102"). GASBS No. 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance. This District adopted the requirements of the guidance effective for the year ended December 31, 2025. Management performed the analysis required under GASBS No. 102 and did not identify any concentrations or constraints that require disclosure.

Note 2 - Cash

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (the "PDPA") requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators.

Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The state commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The District follows state statutes for deposits.

Note 3 - Cash and Cash Equivalents - Restricted

Investments

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and U.S. Government agency entities and certain money market funds.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Note 3 - Cash and Cash Equivalents - Restricted (continued)

Investments (continued)

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments are not required to be categorized within the fair value hierarchy. The investment's value is calculated using the net asset value ("NAV") method per share.

Goldman Sachs Treasury Instruments Fund #525

The District invested in Goldman Sachs Treasury Instruments Fund #525 ("Investment"). The Investment is rated AAAm-G by Standard & Poor's with a maturity weighted average of 36 days. The investment is recorded at fair value, and the District records the Investment using the NAV. The fund is a money market fund with each share maintaining a value of $1.00. The money market fund invests in high-quality instruments issued by the U.S. Government. At December 31, 2025, the District had $427,443 invested with the trustee.

Note 4 - Receivables

In the government-wide financial statements, receivables are reported at the gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Non-potable water fees and similar fees set by the Board of Directors constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. The allowance for doubtful accounts was zero as of December 31, 2025.

Note 5 - Capital Assets

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

Governmental Type Activities	Balance at January 1, 2025	Additions	Deletions	Balance at December 31, 2025
Capital assets not being depreciated				
Landscaping improvements	$ 1,117,939	$ -	$ -	$ 1,117,939
Total capital assets not being depreciated	1,117,939	-	-	1,117,939
Capital assets being depreciated				
Pump station	672,282	-	-	672,282
Non-potable water system	637,168	-	-	637,168
Total capital assets being depreciated	1,309,450	-	-	1,309,450
Accumulated depreciation				
Pump station	(277,315)	(16,807)	-	(294,122)
Non-potable water system	(407,792)	(25,487)	-	(433,279)
Total accumulated depreciation	(685,107)	(42,294)	-	(727,401)
Net capital assets being depreciated	624,343	(42,294)	-	582,049
Government-type assets, net	$ 1,742,282	$ (42,294)	$ -	$ 1,699,988

Depreciation expense for the year ended December 31, 2025 of $42,294 was charged to the general government function/program.

Note 6 - Long-Term Obligations

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

	Balance at January 1, 2025	Additions	Retirements	Balance at December 31, 2025	Due Within One Year
General obligation bonds - Series 2022	$ 5,785,000	$ -	$ -	$ 5,785,000	$ -
Developer advances	59,825	-	-	59,825	-
Total	$ 5,844,825	$ -	$ -	$ 5,844,825	$ -

Note 6 - Long-Term Obligations (continued)

On April 14, 2022, the District issued $5,785,000 in General Obligation Bonds (the "Bonds") due December 1, 2051. The Bonds bear interest at 5.125%, with interest due June 1 and December 1, to the extent of available pledged revenue, commencing in June 2022. Principal is payable annually commencing December 1, 2030. The District may prepay all or a portion of the Bonds with a prepayment penalty prior to June 1, 2030. After June 1, 2030, the District may prepay all or a portion of the Bonds without prepayment fees. Before the Bonds repayment $1,157,000 is required to be deposited in the Surplus Fund. The District shall not be required to fix and certify the rate of levy of ad valorem taxes for repayment of the general obligation bonds in excess of 20 mills. The 20 mills limitation shall be automatically adjusted by and to the extent of the residential assessment ratio change. Beginning January 1, 2022, the District can apply the first $164,000 carved out of the debt mill levy to operations and management. The carve out inflates at 1% per year through the bonds maturity. The Bonds were issued to repay the General Obligation Bonds and related interest and the interest bonds/presale. On April 14, 2022, the District entered into a Capital Pledge Agreement (the "Agreement") with Greenspire Metropolitan Districts No. 2 and No. 3 (collectively, the "Pledge Districts"). The Pledge Districts entered into the Agreement for the purpose of providing property tax revenue and other revenue received by the District to meet the obligation of the Bonds.

The notes are considered in default with the occurrence of one or more events:

1. The District does not impose the required mill levy or apply the pledged revenue to the note.
2. The District defaults on covenants, agreements, or conditions of the note agreement.
3. The District declares bankruptcy.

The outstanding bond principal and interest mature as follows:

Year	Principal	Interest	Total
2026	$ -	$ 296,481	$ 296,481
2027	-	296,481	296,481
2028	-	296,481	296,481
2029	-	296,481	296,481
2030	45,000	296,481	341,481
2031-2035	640,000	1,412,450	2,052,450
2036-2040	955,000	1,215,906	2,170,906
2041-2045	1,345,000	933,775	2,278,775
2046-2050	1,865,000	538,381	2,403,381
2051	935,000	47,919	982,919
	$ 5,785,000	$ 5,630,836	$ 11,415,836

Note 6 - Long-Term Obligations (continued)

Developer Advances

The District entered into a Funding and Reimbursement Agreement on November 18, 2003 with Lot Holding Investment, LLC (the "Developer"), as amended, on August 17, 2004; July 22, 2008; November 18, 2008; November 17, 2009; November 16, 2010; November 15, 2011; November 6, 2012; and November 23, 2023. The agreement outlines the terms of repayment for advances made to the District by the Developer for operation, maintenance, and capital costs. The Developer has paid costs associated with the District and operation of the District in prior years, which the District acknowledges. The Developer agrees to loan the District sums of money as necessary up to $300,000 through December 31, 2016. Until November 23, 2023, advances under this agreement were a simple interest rate of 7% per year; thereafter, the interest rate is 3% per year. At December 31, 2025, there was $59,825 outstanding of advances made with total accrued interest of $900,446 outstanding.

Debt Authorization

On May 6, 2008, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $92,000,000 at an interest rate not to exceed 18% per annum. The debt was authorized in the amount of $11,500,000 for each of the following purposes:

- Streets
- Park and recreation facilities
- Water facilities
- Mosquito control
- Administration
- Operation and maintenance expenses
- Intergovernmental debt
- Payment, refunding, refinancing, or defeasance of debt
- Agreements with private parties

As of December 31, 2025, the District had $86,215,000 in authorized, but unissued, debt.

Note 7 - Water Tap Purchase Agreement

The District entered into a agreement to exchange with the developer 244 single-family water taps for $5,000 each for a total of $1,220,000; 40 duplex and townhome water taps for $2,500 each for a total of $100,000, and water taps at $7,250 per acre for commercial development for a total of $107,228. Revenue will be recognized when the meters are installed. In exchange for the water taps, the District reduced developer advances by $280,363 in cash and $1,427,228 in exchange for developer advances during the year ended December 31, 2023. The remaining prepaid water taps are deferred.

Note 8 - Related Parties

Certain members of the Board are employees, owners, or otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts have been disclosed to the Board.

The District has not yet established a sufficient tax base to generate revenues to support operations. As a result, the District is dependent on developer advances to fund operations.

Note 9 - Risk Management

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the "Pool") as of December 31, 2025. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members.

The District pays annual premiums to the Pool for liability, property, and public officials' liability 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 that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 10 - Tax, Spending, and Debt Limitations

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

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

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

Note 10 - Tax, Spending, and Debt Limitations (continued)

On May 6, 2008, the District's electors authorized the District to increase taxes by the imposition of ad valorem property taxes in any year without limitation as to rate or amount or any other condition in fiscal year 2008 and in each fiscal year thereafter as follows:

- $2,000,000 annually, or such lessor amount as necessary, to pay the District's administration operations and maintenance and other similar expenses
- $5,000,000 annually, or such lessor amount as necessary, for the payment of such amounts due pursuant to one or more intergovernmental agreements or other contracts
- $5,000,000 annually, or such lessor amount as necessary, for the payment of such amounts due pursuant to one or more agreements or other contracts with private parties

On May 6, 2008, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20, of TABOR.

Note 11 - District Facilities Construction and Service Agreement

On November 18, 2003, a District Operating Agreement was entered into by and among the District (the "Operating District") and Greenspire Metropolitan Districts No. 2 and No. 3 (collectively, the "Taxing Districts"). The Operating District and the Taxing Districts were organized to provide essential public improvements and services for the project commonly known as Greenspire located in the Town of Windsor, Colorado. The purpose of the agreement is to set forth the rights and obligations of the Taxing Districts to fully fund the Operating District to provide services (as defined in the agreement) on behalf of the Districts. In the agreement, the Operating District is to perform specific services for the Taxing Districts and serve as custodian and repository for the Taxing Districts' records. The Taxing Districts shall pay service costs (as defined in the agreement) of the Operating District by the imposition of taxes against the taxable property located within their boundaries.

SUPPLEMENTAL INFORMATION

GREENSPIRE METROPOLITAN DISTRICT NO. 1

Debt Service Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 561	$ 561	$ 561	$ -
Specific ownership tax	23	23	560	537
Interest	31,258	31,258	23,270	(7,988)
Total revenues	31,842	31,842	24,391	(7,451)
Expenditures				
Current				
Treasurer's fees	9	9	7	2
Fees	4,000	4,000	4,000	-
Miscellaneous	-	20,000	-	20,000
Bond interest	296,481	296,481	296,482	(1)
Total expenditures	300,490	320,490	300,489	20,001
Deficiency of revenues over expenditures	(268,648)	(288,648)	(276,098)	12,550
Other financing sources				
Interfund transfers	(207,860)	2,888	2,888	-
Transfers from Greenspire Metropolitan District No. 2	248,674	-	-	-
Transfers from Greenspire Metropolitan District No. 3	97,590	-	-	-
Total other financing sources	138,404	2,888	2,888	-
Net change in fund balances	(130,244)	(285,760)	(273,210)	12,550
Fund position - beginning of year	677,097	677,097	677,097	-
Fund position - end of year	$ 546,853	$ 391,337	$ 403,887	$ 12,550